

ANNUAL REPORT  
2020-21















**MATIN SPINNING MILLS LIMITED**

# C O N T



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# TENT



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# LETTER OF TRANSMITTAL

The Shareholders,  
Registrar of Joint Stock Companies & Firms,  
Bangladesh Securities and Exchange Commission,  
Dhaka Stock Exchange Limited and  
Chittagong Stock Exchange Limited.

Dear Sir(s),

## **ANNUAL REPORT FOR THE YEAR ENDED 30 JUNE, 2021.**

Please find enclosed a copy of the Annual Report together with the Audited Financial Statements including Statement of Financial Position as at 30 June, 2021 and Statement of Profit or Loss, Statement of Other Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year ended 30 June, 2021 along with notes thereon of Matin Spinning Mills Limited for your kind information and record.

Yours sincerely,



**Md. Shah Alam Miah FCS**  
Company Secretary





# NOTICE OF THE 19TH ANNUAL GENERAL MEETING

Notice is hereby given to all the Shareholders of Matin Spinning Mills Limited (MSML) that the 19th ANNUAL GENERAL MEETING of the Company will be held on **Monday the 13 December 2021 at 11.30 A.M through Digital (Virtual) Platform** pursuant to the BSEC's Order No. SEC/SRMIC/94-231/91 dated 31 March 2021 to transact the following business:

## Ordinary Business:

1. To receive and adopt the Audited Financial Statements for the year ended 30 June 2021 together with the Report of the Directors' and the Auditors' thereon.
2. To declare dividend for the year ended 30 June 2021.
3. To elect Directors in place of those who shall retire by rotation in accordance with the provisions of Articles of Associations of the Company.
4. To approve appointment of Independent Director.
5. To appoint Auditors for the year 2021-2022 and to fix their remuneration.
6. To re-appoint professional for issuance of certificate on compliance of corporate governance code for the year 2021-2022 and to fix their remuneration.

## Special Business:

7. **To Change the Name of the Company to "Matin Spinning Mills PLC" from "Matin Spinning Mills Ltd."**

To adopt the change of registered name of the Company to **"Matin Spinning Mills PLC"** from **"Matin Spinning Mills Ltd"** as per provision of the Companies Act, 1994 (2nd Amendment 2020) and to amend the relevant clauses of the Memorandum and Articles of Associations of the company by adopting the following special resolution:

**"RESOLVED THAT** the proposal of changing of registered name of the Company to **"Matin Spinning Mills PLC"** from **"Matin Spinning Mills Ltd"** in accordance with the Companies Act, 1994 (2nd amendment 2020) and to amend in the relevant clauses of the Memorandum and Articles of Associations of the company be and is hereby approved subject to approval of regulatory authorities."

**"RESOLVED FURTHER THAT** the old name of the company will be replaced by the new name in all the statutory/ title documents, licensees, and other relevant documents"

8. **To approve the revised contracts of sale of yarn with the associate companies (an entirely owned and directed by common directors) Hamza Textiles Limited, Flamingo Fashions Limited, Jinnat Apparels Limited and Jinnat Knitwears Limited.**

To consider and if deem fit, to pass with or without any modification(s), the following resolution as an "Ordinary Resolution".

**"RESOLVED THAT** pursuant to the notification no. BSEC/CMRRCD/2009-193/10/Admin/118; Dated 22 March 2021 issued by Bangladesh Securities and Exchange Commission (BSEC), the proposal to approve the revised contracts of sale of yarn with the associate companies (an entirely owned and directed by common directors) Hamza Textiles Limited, Flamingo Fashions Limited, Jinnat Apparels Limited and Jinnat Knitwears Limited be and is hereby approved"

By Order of the Board

(Md. Shah Alam Miah FCS)  
Company Secretary

Dated: Dhaka  
18 November, 2021

## Notes:

1. The "Record Date" is Wednesday, 17 November 2021. The shareholders whose names would appear in the Register of Members of the Company and/or in the Depository Register on the 'Record Date' will be eligible to attend at the 19th AGM and be entitled to receive dividend.
2. A Shareholder entitled to attend and vote at the Annual General Meeting may appoint any person as his/her proxy to attend & vote in his /her place. The proxy form, duly completed and duly stamped must be deposited at the Corporate Office not later than **48 hours before the time scheduled for holding the meeting.**
3. Pursuant to the BSEC Notification No. BSEC/CMRRCD/2006-158/208/Admin/81 dated June 20, 2018, soft copy of the Annual Report 2020-21 will be sent to the Shareholder's respective email address as available with us. The Annual Report 2020-21 and proxy form can be available on the website at [www.matinspinning.com](http://www.matinspinning.com).
4. The Shareholders will join the virtual AGM through the link **<https://matinspinn.bdvirtualagm.com>**. The shareholders will be able to submit their questions/comments electronically before 24 hours of commencement of the AGM through this link and also during the Annual General Meeting in order to login for the virtual AGM. The shareholders need to click on the link and to provide their 16-digit Beneficiary Owner (BO) Account Number and other credentials as proof of their identity.
5. The shareholders are requested to login to the system prior to starting of the meeting at 11.30 AM on Monday, 13 December 2021. Please contact at 01955538019 for any queries in accessing the virtual meeting.



# COMPANY INFORMATION







Matin Spinning Mills Limited (MSML), the brainchild of a cluster of dynamic visionaries set out to widening the horizon of Bangladesh with regard to its commendable contribution to the global trade of textile and garments manufacturing.



# KEY INFORMATION



## Entity Name

**MATIN SPINNING MILLS  
LIMITED**

## LEGAL FORM

A Private Limited Company incorporated in Bangladesh on September 15, 2002 under the Companies Act, 1994, converted into Public Limited Company on November 04, 2010 and listed with Chittagong Stock Exchange Limited and Dhaka Stock Exchange Limited on March 27, 2014 and April 02, 2014 respectively.

## CORPORATE OFFICE

Capita South Avenue Tower, 6th Floor  
House 50, Road 03, Gulshan Avenue  
Dhaka 1212, Bangladesh  
Phone: +880-2-58817735, Fax: +880-2-58817736

## REGISTERED & FACTORY OFFICE

Sardaganj, Kashimpur, Gazipur, Dhaka, Bangladesh.  
Phone: +880 2 7790070-72, Fax: +880 2 7790073

## INSTALLED CAPACITY

73,184 spindles

## AUTHORIZED CAPITAL

BDT 1,500 million

## PAID UP CAPITAL

BDT 974.90 million

**COMPANY REGISTRATION NUMBER**

C-47083(3562)/2002

**TAX IDENTIFICATION NUMBER (E-TIN)**

479848138721

**VAT REGISTRATION NUMBER**

BIN: 0003165980103

**NATURE OF BUSINESS**

Manufacturer of Combed, Carded, Cotton, Mélange & Synthetic yarn

**STATUTORY AUDITOR**

A. Qasem & Co., Chartered Accountants  
Gulshan Pink City Suites # 01-03, Level : 7, Plot # 15,  
Road # 103, Gulshan Avenue, Dhaka-1212.

**CORPORATE GOVERNANCE CODE  
COMPLIANCE PROFESSIONAL**

Suraiya Parveen & Associates,  
Chartered Secretaries, Razzak Plaza (5th Floor), Suite  
6C, 01, New Eskaton Road, Ramna, Dhaka-1000.

**PRINCIPAL BANKERS**

Hongkong and Shanghai Banking Corporation Ltd.,  
Dhaka, Bangladesh  
BRAC Bank Ltd., Dhaka, Bangladesh  
The City Bank Ltd., Dhaka, Bangladesh

**LEGAL ADVISOR**

Tanjib Alam & Associates, BSEC Bhaban (Level-11), 102,  
Kazi Nazrul Islam Avenue, Karwan Bazar, Dhaka-1215

**CREDIT RATING AGENCY**

Credit Rating Information and Services Limited  
Nakshi Homes (4th Floor), 6/1A Segunbagicha,  
Dhaka-1000

**NUMBER OF EMPLOYEES**

2,147

**INSURER**

Pioneer Insurance Company Limited  
Symphony (5th Floor), Plot # SE (F) 9, Road # 142,  
South Avenue, Gulshan, Dhaka-1212

Green Delta Insurance Company Limited  
Green Delta AIMS Tower (6th Floor), 51-52, Mohakhali  
C/A, Dhaka-1212

**COMPANY WEBSITE**

[www.matinspinning.com](http://www.matinspinning.com)





## We Produce



**Cotton Yarn**



**Mélangé Yarn**



**Synthetic Yarn**



**Recycled Yarn**

## Innovation In Yarn Production



Creating Innovative  
Yarns Since 2012



Research on  
Production



Presence of  
Dedicated Yarn  
Development Team



Sample developed  
as per swatches  
provided by buyers



Analyzing special  
fabrics



Over 300 new  
samples created  
every month



**Capacity**



51,000 kgs/day



## Uniqueness of These Innovations



Direct savings of imported raw materials: Spinning Mill imports cotton, viscose, modal, polyester staple fibre and linen



Annual saving of 16 billion liters of water from cotton production:

9,180 daily kg production / 2 (saving of cotton) \* 10,000 liters 350 days



Can contribute to process elimination: appropriate usage of colored cutting waste reduces dyeing process



Resource saving as water, energy, dyes, chemicals, GHG emissions and waste are reduced from process elimination



Final product design being addressed from very beginning



Circular economy



Value addition to product range

## RCS and GRS Yarns



### RCS Yarns



Recycled Claimed Standard (RCS): Used as a chain of custody standard to track recycled raw materials through the supply chain



### GRS Yarns



Global Recycle Standard (GRS): Recycled polyester blended yarn produced to create a variety of sustainable products





# KEY MILESTONES

**2002**

**15TH SEPTEMBER**

Incorporation of the Company

**2006**

**1ST OCTOBER**

Commencement of Commercial Production

**2007**

**30TH MAY**

Oeko-Tex Standard100 Certificate

**2010**

**5TH AUGUST**

Conversion of Denomination of Face value of shares

**4TH NOVEMBER**

Converted into Public Limited Company

**2011**

**1ST JANUARY**

Cotton Council International USA Certificate

**22ND MARCH**

ISO 9001:2008 Certificate

**24TH MAY**

Control Union Certifications Netherlands

**10TH DECEMBER**

BTMA Membership Certificate

**2013**

**1ST FEBRUARY**

Supima Cotton Textile Products Certificate

**5TH JUNE**

Organic Exchange Blended Standard Textile Certificate

**2014**

**27TH MARCH**

Listed with Chittagong Stock Exchange Limited

**2ND APRIL**

Listed with Dhaka Stock Exchange Limited

**8TH APRIL**

Trading of Shares at Dhaka and Chittagong Stock Exchanges

**27TH APRIL**

Foundation Laying Ceremony of Mélange Unit

**2015**

**20TH JANUARY**

The Institute of Cost and Management Accountants of Bangladesh (ICMAB) Best Corporate Awards 2014

**31ST JANUARY**

Japan-Bangladesh Chamber of Commerce and Industry (JBCCI) Business Excellence Award 2014





## 2016

### 28TH MARCH

Start of Commercial  
Operation of Mélange Unit

### 24TH DECEMBER

The Institute of Chartered  
Secretaries of Bangladesh  
(ICSB) for Corporate  
Governance Excellence  
Award 2015

## 2017

### 7TH FEBRUARY

Start of Commercial  
Operation of Synthetic  
Yarn Unit

## 2018

### 10TH NOVEMBER

The Institute of Chartered  
Secretaries of Bangladesh  
(ICSB) for Corporate  
Governance Excellence  
Award 2017

## 2019

### 8TH DECEMBER

The Institute of Cost and  
Management Accountants  
of Bangladesh (ICMAB) Best  
Corporate Awards 2017

## 2021

### 6TH FEBRUARY 2021

Decision to Expand the  
production capacity of  
“Special Yarn Unit” by 10  
tons (per day)





# MSML AT A GLANCE

Matin Spinning Mills Limited (MSML), the brainchild of a cluster of dynamic visionaries set out to widening the horizon of Bangladesh with regard to its commendable contribution to the global trade of Textile and Garments manufacturing. Tiptoeing into the growing RMG sector of Bangladesh as a garments unit of DBL Group in 2002, the sponsors of the company have since steered the enterprise to exponential growth, establishing several other concerns within the same industry. To date, the authorized capital of the Company stands at BDT 1,500 million and paid up capital is BDT 974.90 million.

MSML is an export oriented company engaged in manufacturing and sale of combed, carded cotton, mélange and synthetic yarn from raw cotton, polyester and viscose fiber. Since its inception on September 15, 2002, MSML endeavored into arranging necessary financing, procure land, import machinery and set up the production facility. Following a four-year preparation period, the Company launched commercial operation on October 01, 2006. Eventually, MSML was converted into a Public Limited Company on November 04, 2010.

Essentially, MSML provides backward linkage to the Garment units under the DBL Group. It is equipped with state-of-the-art machineries mostly of US, German, Japan and Swiss origins. The Company is proficient in producing yarn of many different specifications and providing tailor-made service to a myriad of clientele. By virtue of contemporary machineries, affluent management team and efficient workforce, the Company has earned commendable reputation within the local spinning sector for its production and quality.

The Company's production facility is located at Sardaganj of Kashimpur Upazila in the district of Gazipur. MSML was enlisted in Chittagong Stock Exchange Limited on 27 March, 2014 and in Dhaka Stock Exchange Limited on 02 April, 2014. It started trading of shares in both bourses from 08 April 2014.

MSML has received license from Cotton U.S.A. issued by Cotton Council International, Washington DC, U.S.A. Currently, the total production capacity of the Company is 51 tons per day including Mélange unit and Synthetic unit with a capacity of 10 tons and 16 tons respectively.



# MISSION, VISION AND CORE VALUES



## MISSION

To provide the best quality products through its competent workforce, innovation, state-of-the-art technology and zero adverse impact on the environment.



## VISION

To be the leading quality yarn manufacturer at competitive price and have a sustainable contribution to all stakeholders to strengthen the community at large.



## CORE VALUES



Integrity



Trustworthiness



Commitment



Passion



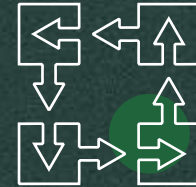
Innovation



# STRATEGIC OBJECTIVES



Responding to digressive and distinctive global trends in garments manufacturing and shuffle priorities for sustainable trading.



Consolidating service processes and improve lead time for attaining superior performance in order processing and customer satisfaction.



Exploring capacity development options aided by innovative and contemporary techniques to tap new markets as well as to tackle new entrants.



Ensuring sustainable development and ethical practices at every sphere of operation, opt for value principles that upholds industry best practices and replicates global standards.





Concentrating on a reward composition that commemorates equitable performance and complements the organizational structure.



Leveraging financial functions to harness optimal efficiency and maximize resource mobilization to accomplish accurate inference of monetary participation.



Pursuing a policy of competitive pricing and categorical quality standard to sustain competitive advantage over the market.



# OUR PRODUCTS



Multi Neppy Yarn



Multi Neppy Yarn



Multi Neppy Yarn



Fancy Injected Yarn



Metalic Yarn



Metalic Yarn



Metalic Yarn



Metalic Yarn



Metalic Yarn



Injected Yarn



Injected Yarn



Injected Yarn





Injected Yarn



Siro Yarn



Siro Yarn



Siro Yarn



Air Covered Yarn



Fancy Twisted Yarn



Fancy Twisted Yarn



Fancy Twisted Yarn



Fancy Twisted Yarn



Twisted Yarn



Twisted Yarn



Twisted Yarn

# CERTIFICATIONS



ORGANIC  
COTTON



ISO  
9001:2015



SUPIMA  
(USA)



RECYCLED CLAIMED  
STANDARD (RCS)



ORGANIC CONTENT  
STANDARD (OCS)



GLOBAL RECYCLE  
STANDARD (GRS)





**COTTON USA  
LICENSE**



**COTTON MADE IN  
AFRICA (CMIA)**



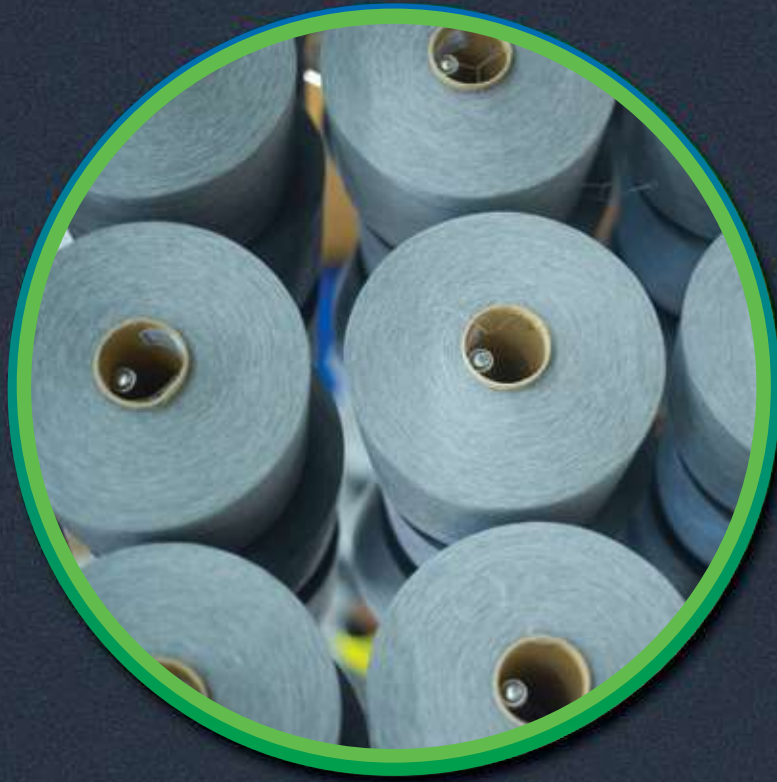
**GLOBAL ORGANIC TEXTILE  
STANDARD (GOTS)**



**BETTER COTTON  
INITIATIVE**



**OEKO-TEX  
STANDARD 100**



# BRIEF PROFILE OF THE DIRECTORS







**MR. ABDUL WAHED**  
CHAIRMAN

Mr. Abdul Wahed is the Chairman of a Family Business Conglomerate of Bangladesh, DBL Group, established in 1991. He is a renowned business personality in Bangladesh. He is a Science graduate.

In 1991, he along with his three brothers ventured into the apparel export business by setting up a factory named "Dulal Brothers Ltd". His expertise in Textile technicality inspired Dulal Brothers Ltd. to invest in strong backward linkage industries of Spinning, Knitting, Dyeing, Finishing, Printing, Accessories, Washing and Packaging. Making use of state-of-the-art machineries, these factories are providing a strong backbone to DBL's successes.

Mr. Wahed is actively engaged with the community supporting numerous educational institutions, health centers and hospitals, infrastructure improvement and overall community development. He is also in the management board of multiple schools in different communities.

Mr. Wahed is a freedom fighter. As an eloquent speaker, he enthalls audience in various programs he participates on the social and business fronts. He believes that good business is done with compassion towards humanity.

He was selected as CIP by the Ministry of Commerce, Government of the People's Republic of Bangladesh.

Mr. M. A. Rahim is the Vice Chairman of a Family Business Conglomerate of Bangladesh, DBL Group, established in 1991. He has a master's degree in Management.

Mr. M. A. Rahim has been able to bring in transformation in the financial market of Bangladesh. His vibrant leadership allowed DBL to receive low-cost finance from various Development Financial Institutions including the IFC of the World Bank Group and KfW-DEG (Germany). This motivated local banks to come up with more innovative lower cost financial products.

He has undertaken various sustainability initiatives that have created enormous impact on the society. He has distinctively led the first public-private partnership of a Mini Fire Station (MFS), between GIZ (Germany), the Bangladesh Fire Service and Civil Defence and DBL. The MFS is a pioneer initiative which is actively serving the community of Kashimpur, Gazipur since 2017. His leadership contributed to DBL in earning local and international recognitions including the HSBC Export Excellence Awards (five times), Textile Institute Sustainability Award (UK) and Carbon Performance Improvement Award (Germany).

Mr. M. A. Rahim is former Vice-President, Finance and currently director of the Bangladesh Garment Manufacturers and Exporters Association (BGMEA). He is on the Trustee Board of CSR Centre Bangladesh. He envisions to take the Bangladesh apparel industry to the next level through innovation and transformation, contributing to making Bangladesh the leading apparel exporter in the world.

He was selected as CIP by the Ministry of Commerce, Government of the People's Republic of Bangladesh.



**MR. M. A. RAHIM**  
VICE CHAIRMAN





**MR. M. A. JABBAR**  
MANAGING DIRECTOR

Mr. M. A. Jabbar is the Managing Director of a Family Business Conglomerate of Bangladesh, DBL Group, established in 1991. He is a Computer Science graduate from University of Texas at Dallas, USA.

Mr. M. A. Jabbar is highly aware of and compliant to the changing flows in the global markets and is passionate about CSR and sustainability. He has been instrumental in developing a good reputation and continued success for DBL. His dynamic leadership brought in growth opportunities for the company resulting in the evolution of more diversified industries for DBL Group. In a span of three decades DBL has grown and diversified into Ceramic Tiles, Pharmaceuticals, Dredging, Telecom and IT industry, beside its core business Garments and Textiles. DBL had annual turnover of \$780 million for the year 2020-21 and employs 40,000 people.

His enthusiasm for excelling, harvesting, and cultivating innovation has roped in professionals from different fields to join the business and articulate their talents to transcending lengths. Being a signatory to UN Global Compact, Mr. Jabbar has aligned the sustainability activities of DBL with the UN SDGs.

Mr. M. A. Jabbar is Vice Chairman of Bangladesh Economic Zone Investors Association (BEZIA) and Vice President of Bangladesh Ceramic Manufacturers & Exporters Association (BCMEA). He is on the Board of Global Compact Network Bangladesh and represents DBL in the International Chamber of Commerce (ICC), Bangladesh, and World Economic Forum (WEF).

He has been selected as CIP in both categories Export and Industry, respectively by the Ministry of Commerce and the Ministry of Industries, Government of the People's Republic of Bangladesh.

Mr. M. A. Quader is the Deputy Managing Director and Group CEO of a Family Business Conglomerate of Bangladesh, DBL Group, established in 1991. He is a graduate in Commerce.

With his dynamic leadership, he has been able to bring in a remarkable transformation in the operations of DBL Group. Among his many achievements, he is credited with effective utilization of technology which has helped in significant reduction of cost and lead times within the supply chain. He believes that operational excellence can be achieved through an integrated approach, engaging all stakeholders.

People is at the forefront of Mr. M. A. Quader's sustainability agenda. He has led from the front two of UNICEF's pilot programs: Mothers@Work focuses on the health of mothers and their children and the Better Business for Children focuses on the development of the community for the children. He believes in empowering a diversified workforce to reap the benefits of innovation. This has been reflected by the women empowerment program and the Quality Control Circle teams in DBL.

He maintains close and cordial relations with stakeholders for business sustainability. He frequently travels to countries in Europe, Asia, and North America for business meetings and seminars.

He has been selected as CIP by the Ministry of Commerce, Government of the People's Republic of Bangladesh.



**MR. M. A. QUADER**  
DIRECTOR





**MS. SELINA PERVEEN**  
DIRECTOR

Ms. Selina Perveen has obtained her graduation as a Bachelor of Arts. She is wife of Mr. M. A. Jabbar, Managing Director of the company. She is the Director of Matin Spinning Mills Ltd.



**MS. TANZEEN RAHIM**  
DIRECTOR

Ms. Tanzeen Rahim is wife of Mr. M. A. Rahim, Director of the company. She is the Director of Matin Spinning Mills Ltd. and also shareholder of Hamza Textiles Limited. She has completed graduation as a Bachelor of Arts.



**MS. TASLIMA BEGUM**  
DIRECTOR

Ms. Taslima Begum is wife of Mr. M. A. Quader, Director of the company. She is the Director of Matin Spinning Mills Ltd. and also a shareholder of Hamza Textiles Limited.



**MR. MD. HASSAN IMAM**  
DIRECTOR

Mr. Md. Hassan Imam joined the company as a Director on June 17, 2010. He is the elder son of Mr. Abdul Wahed, Chairman of the company. He has done his graduation from Ireland. Immediately after completing his studies he joined DBL Group as a trainee in merchandising department and later got trained in garments production and industrial engineering department. Presently, he is working on the Sustainability Development Programs of the company. He has been selected as CIP by the Ministry of Commerce, Government of the People's Republic of Bangladesh.

Mr. M. Naser Alam is an Advocate of the Supreme Court of Bangladesh since 1995 and a Barrister at the Bar of England and Wales since 1999. He is currently the Head of Chambers of MNA, Barristers & Advocates. He is an international arbitrator and mediator with specialization in corporate commercial, cross-border complex mergers and acquisition, telecommunication, aviation, oil and gas, electricity, intellectual property, shipping, mediation, and international commercial and investment arbitration. He previously worked with Huq & Co, a prestigious Bangladeshi corporate law firm; the Permanent Court of Arbitration, The Hague; international arbitration group of Freshfields Bruckhaus Deringer in their Paris office; and taught and supervised distance learning students of LL.M. in International Petroleum Law and Policy at the Centre for Energy, Petroleum and Mineral Law and Policy (CEPMLP), University of Dundee, UK. He acted as consultant for International Finance Corporation (IFC) and Department for International Development (DFID). He was the National Commissioner of International Chamber of Commerce Bangladesh. He provided legal advice and assistance towards establishing the Bangladesh International Arbitration Centre. Mr. Naser holds bachelor degrees in law from University of Dhaka and University of London; LL.M. from Queens' College, Cambridge and LL.M. in Energy Law and Policy, Centre for Energy, Petroleum and Mineral Law and Policy, University of Dundee. He regularly speaks nationally and internationally on mediation, arbitration, legal rights and other socio-political issues. He has special interests in disability rights, environmental issues, political economy and self-governance. He is currently the Chief Advisor of Physically Challenged Development Foundation (PDF), a charity working for the rights of physically challenged people. He is an Advisor of Bangladesh Youth Environmental Initiative (BEYI). He is also Independent Director of Trust Bank Ltd. Mr. M. Naser Alam completed two tenures from January 15, 2015 to January 14, 2021.



**MR. M. NASER ALAM**  
BARRISTER-AT-LAW  
INDEPENDENT DIRECTOR





**MR. MD. ABDUS SALAM**  
**FCA, FCS**  
INDEPENDENT DIRECTOR

Mr. Md. Salam FCA, FCS is a Partner of ARTISAN, Chartered Accountants. Before starting Public Practice, Mr. Salam was the Technical Adviser of the World Bank and Finance Expert of ADB- for Primary Education Development Program-2 and Director Accounts (In charge) of Bangladesh Power Development Board (BPDB). Mr. Salam was the elected President of ICAB for year 2013 and served as the Vice President, (Education and Training) from 2010 to 2015. He was former Hon'y Secretary of Dhaka Regional Committee (DRC) of ICAB. He was the Member of Education Committee for the years 2010-2012 of South Asian Federation of Accountants (SAFA- a body of the SAARC) and was the Board Member of the SAFA for the year 2013.

Mr. Salam was one of the Council Member of the Institute of Chartered Secretaries of Bangladesh (ICSB) since its inception and served the Institute of Chartered Secretaries of Bangladesh in the elected capacity of Treasurer for the year 2004-2005 and the Vice President for the year 2005-2006. Mr. Salam is a life Member of Bangladesh Economic Association. He is an Independent Director of IBN Sina Pharmaceuticals Industry Ltd. and Union Capital Limited. He was Independent Director of Islami Bank Bangladesh Ltd. and Govt. Nominated Board Director of Coal Power Generation Company of Bangladesh & the Electricity Generation Company of Bangladesh.

He was the Board Director of BSEC Capital Market Development Institute, DSE, CSE and the SME Foundation for 2013, the Past President of Lions Club of Meghna. He is a regularly contributing writer in the National Dailies and professional Journal "The Bangladesh Accountant." He visited Australia, United Kingdom, Canada, Kingdom of Saudi Arabia (Hajj), Italy, Switzerland, Geneva, Thailand, India, Pakistan, and Srilanka as official Nominees.



**MR. SHAMSUL HASAN**  
**BARRISTER-AT-LAW**  
INDEPENDENT DIRECTOR

Mr. Shamsul Hasan, Barrister-at-Law is an Advocate of the Supreme Court of Bangladesh since 2001. In July 1996 graduated from the University of Buckingham, Buckingham, UK with LL.B (Honours). In July 1999 was called to the English and Wales Bar as Barrister from the Hon'ble Society of Lincoln's Inn (UK). On return to Bangladesh in 1999, Mr. Shamsul Hasan started working with a law chamber in Dhaka, Bangladesh namely 'The Law Associates' under Mr. M. Amir-Ul Islam, Barrister-at-law, who is one of the leading jurists of Bangladesh.

While working with 'The Law Associates', Mr. Hasan practiced in wide range of areas, which include advising local and foreign investors, and representing clients in Courts. He also worked as consultant to the World Bank on different projects as part of 'The Law Associates' In late 2007. He teamed up with Mr. Moyeen A Firozee, Barrister-at-Law and set up the law firm 'Legal Minds' and is currently practicing in a wide range of areas including Banking, Commercial Law, Corporate Restructuring, IT & Telecommunication, Shipping and International Trade, Intellectual Property, Real Estate, Power & Energy as well as representing clients in Courts in Writ, Civil, Commercial & Criminal matters.

Barrister Hasan also advises on complex project finance, structured finance and export finance, preparation of project finance documentation as well as related tax structuring in local and international context. He served the Board of Bureau Veritas Consumer Products Services (Bangladesh) Limited as the Managing Director (Nominated by Bureau Veritas SA) for about two years (2017-2018). He joined the board on 23 March 2021.



# EVENT HIGHLIGHTS



18th Annual General Meeting of Matin Spinning Mills Limited in Digital Platform



Speech Deliberations by Chairman, Managing Director, Chief Financial Officer and Company secretary

# MANAGEMENT APPARATUS

## BOARD OF DIRECTORS

Mr. Abdul Wahed	Chairman
Mr. M. A. Rahim	Vice Chairman
Mr. M. A. Jabbar	Managing Director
Mr. M. A. Quader	Director
Ms. Selina Perveen	Director
Ms. Tanzeen Rahim	Director
Ms. Taslima Begum	Director
Mr. Md. Hassan Imam	Director
Mr. Md. Abdus Salam FCA, FCS	Independent Director
Mr. Shamsul Hasan, Barrister-at-law	Independent Director

## AUDIT COMMITTEE

Mr. Md. Abdus Salam FCA, FCS	Chairman
Mr. M. A. Rahim	Member
Mr. M. A. Quader	Member
Ms. Selina Perveen	Member
Mr. Md. Hassan Imam	Member

## NOMINATION AND REMUNERATION COMMITTEE

Mr. Shamsul Hasan, Barrister-at-Law	Chairman
Mr. M. A. Rahim	Member
Mr. M. A. Quader	Member
Ms. Selina Perveen	Member
Mr. Md. Hassan Imam	Member

## CHIEF FINANCIAL OFFICER

Mr. Mohammad Emarot Hossain, FCA, FCS
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## COMPANY SECRETARY

Mr. Md. Shah Alam Miah, FCS
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# OUR HUMAN CAPITAL

Human capital is a measure of the economic value of an employee's skill set. This measure builds on the basic production input of labor measure where all labor is thought to be equal. The concept of human capital recognizes that not all labor is equal and the quality of employees can be improved by investing in them. It is also a strong belief that the education, experience and abilities of employees have economic value for employers and for the economy as a whole.

MSML believes that human resources carry a remarkable significance in designing and managing the organization effectively to ensure its sustainability and growth. In addition to that, human resources have also been linked to superior company performances. Human Resource Department of MSML continuously works toward attaining global goals and promoting excellence through attracting, retaining, growing and inspiring talent. Currently 2,147 employees are working to achieve the vision of MSML. At MSML, total 1,150 female workers are working that is 53.56% of total workforce. MSML strongly believes in empowering employees by providing relevant opportunities for learning, sharing knowledge, and growing together to make a difference.



## EMPLOYMENT CONDITIONS

Matin Spinning Mills Ltd. is always committed to ensure a positive work environment for its valuable employees. The company believes that a healthy working environment is indispensable for its employees' mental and physical well-being. MSML ensures that its employees are offered comfortable, safe and hazard free working condition with convenient workload, latest state of the art technology, highly efficient coaches and a wonderful communication flow.

## HUMAN RESOURCE MANAGEMENT & DEVELOPMENT

HR Department plays a pivotal role in the development of any organization. It is considered as the strategic business partner of the organization. MSML believes that, by utilizing the enormous potential within the people working for the organization, it is possible to achieve strategic business goal. Currently, HR Department of MSML is led by professional HR and Employee Relations practitioners. They are efficiently coordinating the entire HR and Administration activities. Their effective HR practice has brought significant development and innovation in the different areas of HR, Employee Relations and Welfare.

Members of HR department of MSML are continuously developing new ideas and making valuable contribution to the organization. At MSML, the basic HR approaches are very much in compliance with the guidelines of Bangladesh Labor Law (BLL) in the respective purpose particularly in:



## RESTRICTION ON ENGAGEMENT OF CHILD LABOR

MSML is strongly against engaging any child labor and strictly follows having respect to the national and international laws. No employee under the legal age of employment, as per the Bangladesh Labor Law 2006, is recruited in this company. Age confirmation is done during the interview by different physical and psychological test. Supporting document is received by the HR Department and preserved in the employee personal file as evidence.



### MATERNITY BENEFIT PROVISIONS

MSML respects a woman's motherhood. That is why all regular confirmed female employees of MSML are entitled for maternity benefits. They can enjoy a leave with pay of 112 calendar days in a year as Maternity Benefit. We are always compassionate about our family members and their brighter tomorrow.



### HEALTH & SAFETY COMPLIANCES

MSML ensures employees health and safety. The safety precautions are strictly followed here to stay away from any accident which may occur during work. MSML carries out the health and safety related to fire safety, electrical safety, building safety, chemical safety and others



### EMPLOYEE WELFARE MEASURES

MSML firmly believes that by ensuring measures for well-being of its employees' is actually demonstrating that the company values its employees. A happy employee takes the ownership and tends to work with passion. By ensuring different welfare measures for employees of the company, it has improved the productivity of its employees and organization and also developed a healthy industrial relations thereby maintaining industrial peace. MSML continuously strives to ensures consistency and quality of the initiatives taken for the long term benefits of the employees.



### WORK HOUR & LEAVE FACILITIES

All the employees of MSML are working 8 productive working hours in a operating day. The condition is very comfortable for its employees to work and they can also enjoy leave when needed. A confirmed employee of MSML is eligible for Casual Leave, Sick Leave, Annual Leave and Maternity Leave.



### MINIMUM WAGE COMPLIANCE AND WAGE PAYMENTS

MSML ensures the timely payment of salary and wages for its employees and workers. No discrimination is allowed in reference to Race, Locality, Gender, Religion and Disability. The salary and wage structure well complies with the rules which has been determined by the Government of Bangladesh for the Cotton Industry.



### WORKERS' PARTICIPATION IN COMPANY'S PROFIT

Matin Spinning Mills Ltd ensures Workers' Participation in Company's Profit. It distributes 5% of its net profit among all the employees of Matin Spinning Mills Ltd as per labor law.



# INTEGRATED REPORTING

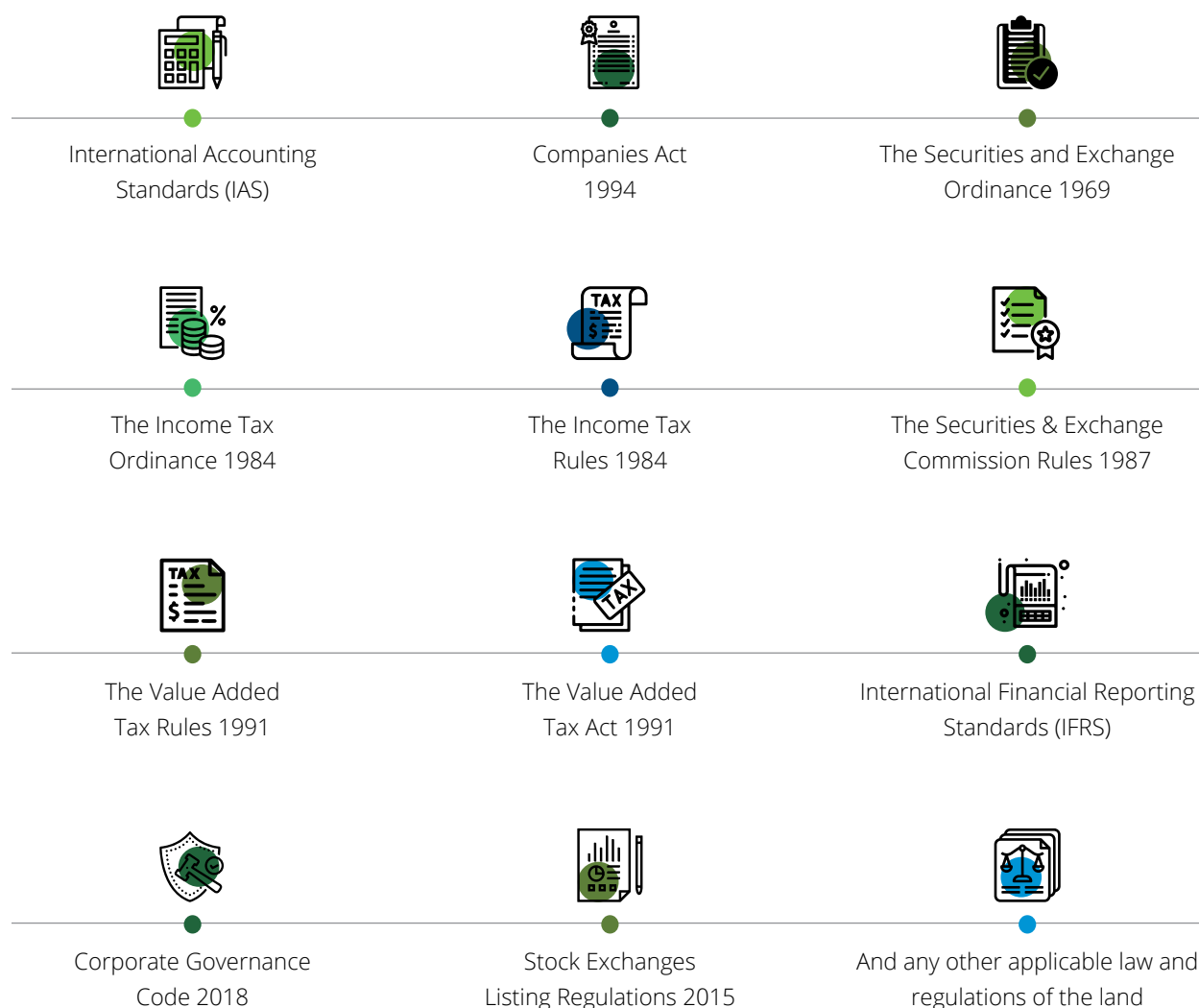
2020-21 Annual Report has been presented as an 'Integrated Report' with the aim of articulating how Matin Spinning Mills Limited, as an organization, has effectively managed its business to deliver consistent value to its stakeholders. It encompasses the efforts the company has undertaken towards contributing to economic prosperity, environmental sustainability and social well-being for a brighter and more optimistic future.

## SCOPE AND REPORT BOUNDARY

As a forward-looking enterprise, in presenting the Integrated Report, we have referred to the guidelines

issued by the Institute of Chartered Accountants of Bangladesh (ICAB) in the form of 'Integrated Reporting Checklist', which is in congruence with the integrated reporting framework prototype issued by the International Integrated Reporting Council (IIRC).

In explaining the Company's operations and financial performance, financial information so disclosed has been extracted from the Audited Financial Statements for the financial year ended 30 June 2021 with relevant comparative information. The financial statements consistently complying with the requirements of:



The disclosure of non-financial information has been extracted from internally-maintained records reported for the statement of financial position, unless otherwise stated that it has been extracted from a reliable source.

The Sustainability requirements, as elaborated separately in our Sustainability Report, adhere to the guidelines issued by the Global Reporting Initiative (GRI)-G4 Framework.

To report our Corporate Governance Practices, we have drawn reference from the Corporate Governance Code (CGC) issued by Bangladesh Securities and Exchange Commission (BSEC).

The scope of our Annual Report comprises of activities that have been carried out within the geographical boundaries of Bangladesh, as Matin Spinning Mills Limited does not have operation or subsidiary in any other country. Further, there have not been any significant change to the scope, boundary and reporting basis since the last reporting date as on 30 June 2020.

## EXTERNAL ASSURANCE

The Company has obtained external assurance on the following reports in the reporting period under consideration:

SL No.	Description of report	External Assurance
1	Financial Statements Audit Report	A. Qasem & Co., Chartered Accountants, an independent member firm of Ecovis International
2	Corporate Governance	Suraiya Parveen & Associates, Chartered Secretaries.
3	Provident Fund	A. Qasem & Co., Chartered Accountants, an independent member firm of Ecovis International
4	Workers' Profit Participation and Welfare Fund	M. M. Rahman & Co., Chartered Accountants

## COMPARABILITY

All the information presented in this report is on the same basis as the 2019-20 report in terms of the entities covered, the measurement methods applied and time frames used. The information provided covers all material matters relating to business strategy, risk and areas of critical importance to our stakeholders. The structure of the report has been further developed as part of our continuous focus on improving communication with our stakeholders.

## AVAILABILITY OF THE ANNUAL REPORT

The Soft copy of the Annual Report has been sent to all shareholders by email, prior to holding the Annual General Meeting, giving due period of notice. Separately, for the benefit of all stakeholders, the report has been made available in the website: <http://www.matinspinning.com>.

## RESPONSIBILITY OVER THE INTEGRITY OF THE INTEGRATED REPORT

I acknowledge the responsibility to ensure the integrity of the disclosure contained in the Integrated Report presented herewith which comprise the discussion and analysis, disclosures pertaining to stewardship, which should be read in conjunction with the audited financial statements.

In the opinion, the integrated report, incorporated in this annual report has been prepared in accordance with the IIRC's international integrated reporting framework and addresses the material matter pertaining to the long term sustainability of the Company and present fairly the integrated performance of Matin Spinning Mills Limited and the impacts thereof.



**M. A. Jabbar**  
Managing Director





# STATEMENTS ON CORPORATE GOVERNANCE



# GUIDING PHILOSOPHY AND GOVERNANCE PRACTICES

The Board of Directors of Matin Spinning Mills Limited believes that good Corporate Governance is vital to strengthen the Company's sustainability, organizational effectiveness and foster a high-performance culture within the organization. Corporate Governance is a term that refers broadly to the rules, procedure and laws by which businesses are operated, regulated and controlled in order to ensure the interest of the stakeholders of a corporate body.

In accomplishment of the affairs of the company, the Board is guided by Corporate Governance Principles as stipulated by BSEC and in compliance with the rules and regulations of the Companies Act 1994, Memorandum and Articles of Association of the Company and the service rules of the Company and other relevant applicable laws and regulations. The Board also remains responsible for efficient and effective implementation of the policies and strategies adopted from time to time.

## BOARD OF DIRECTORS

In line with the concept of good corporate management practice and the provisions of Articles of Association, The Board of Directors holds the supreme authority of the Company. The Board is collectively responsible to the Company's shareholders for the success of the Company. The Board of Directors is reconstituted every year by the shareholders through retirement/ re-election/election by one third of its members.

## COMPOSITION OF THE BOARD

The Board of Matin Spinning Mills Limited consists of 10 (ten) Directors, comprising of seven Non-Executive Directors, two Independent Directors, and one Managing Director having versatile knowledge, professional acumen and adequate skills and expertise.

## PROCEDURE OF THE BOARD

The Board is responsible for formulation of overall planning, policies and strategies and guidelines of the activities and implementation thereof in attaining the goals and objectives of the company and ultimately remains accountable to the shareholders.

To follow transparency, the Board follows the practice of advance planning on matters requiring discussion and decision. The Board appraise the presentation on finance, sales, marketing, major business segments and operations of the Company and other matters, as the members want. The Managing Director along with the Company Secretary finalizes the agenda papers for the Board meeting in consultation with the other persons concerned. The minutes of the proceedings of each Board meeting are maintained in terms of statutory provisions.

The Board of Directors of Matin Spinning Mills Limited has laid down a Code of Conduct of all Board members and annual compliances of the code have been recorded.

## DISTINCTIVE ROLES OF THE CHAIRMAN AND THE MANAGING DIRECTOR

The position of the Chairman of the Board and the Managing Director of the Company are filled by the different individuals who are members of the Board. The respective roles and the responsibilities of the Chairman and the Managing Director are explicitly defined by the Board of Directors of Matin Spinning Mills Limited to enable them in discharging their responsibilities aptly and effectively.

## COMMITTEES OF THE BOARD

In accordance with the requirement of corporate governance code of BSEC, Matin Spinning Mills Limited



has an Audit Committee and a Nomination and Remuneration Committee as sub-committee of the Board of Directors.

## AUDIT COMMITTEE

The Board has formed an Audit Committee comprising of 5 (Five) members having adequate versatile and financial competence as specified in the Terms of Reference (TOR) prescribed by the BSEC duly approved by the Board. The Committee is empowered, among other things, to examine any matter relating to the financial affairs of the company and to review all audit and inspection programs, internal policies and adherence to compliance requirements.

### MEMBERS OF THE AUDIT COMMITTEE

Mr. Md. Abdus Salam FCA, FCS	Chairman
Mr. M. A. Rahim	Member
Mr. M. A. Quader	Member
Ms. Selina Perveen	Member
Mr. Md. Hassan Imam	Member

Md. Shah Alam Miah FCS, Company Secretary is the Secretary to the Audit Committee.

The detail about Audit Committee including background, composition, responsibilities, meetings reporting and activities carried out by the Audit committee is disclosed in this annual report in "Report to the Audit Committee."

## NOMINATION AND REMUNERATION COMMITTEE

The Board has formed a Nomination and Remuneration Committee (NRC) comprising of 5 (five) members and approved Terms of Reference of the NRC as per condition no.6 (5) (b) of Corporate Governance Code, 2018 by BSEC. The Committee shall assist the Board in formulating of the nomination criteria or policy for determining qualification, positive attributes, experiences and independence of directors and top level executives of the Company.

## MEMBER OF THE NRC

Mr. Shamsul Hasan, Barrister-at-law	Chairman
Mr. M. A. Rahim	Member
Mr. M. A. Quader	Member
Ms. Selina Perveen	Member
Mr. Md. Hassan Imam	Member

Md. Shah Alam Miah FCS, Company Secretary is the Secretary to the NRC.

## CHIEF FINANCIAL OFFICER

Matin Spinning Mills Limited has a Chief Financial Officer (CFO). He is a fellow member of the Institute of Chartered Accountants of Bangladesh (ICAB) and Institute of Chartered Secretaries of Bangladesh (ICSB). He is responsible for accounting and financial activities of the Company. The Board of Directors clearly defined the roles, responsibilities and duties of the CFO. In compliance with the corporate governance code of the BSEC, the CFO attends meetings of the Board of Directors.

## COMPANY SECRETARY

As part of statutory requirement the Board of Directors of Matin Spinning Mills Limited has appointed a qualified Company Secretary. He is a Fellow Member of the Institute of Chartered Secretaries of Bangladesh (ICSB). He is responsible for dealing with various corporate matters of the MSML and acts as officer of the Board, bridge in between Board and other Stakeholders, custodian of the Shareholders and also conducts the statutory functions pursuant to the applicable laws and regulations. The Board of Directors clearly defined the roles, responsibilities and duties of the Company Secretary.

## HEAD OF INTERNAL AUDIT & COMPLIANCE

Matin Spinning Mills Limited has a Head of Internal Audit and Compliance. He has completed his MBA in Finance and Banking from International Islamic University of Chittagong. He has also completed CA Course (Article ship) under the Institute of Chartered Accountant of Bangladesh (ICAB). He is responsible for internal control and internal audit of the Company. The Board of Directors clearly defined respective roles,

responsibilities and duties of the Head of Internal Audit & Compliance. In compliance with the corporate governance code of the BSEC, he attends meetings of the Board of Directors.

### **STATUTORY AUDITORS**

A. Qasem & Co., Chartered Accountants is the statutory auditor of the Company. They have conducted the audit in accordance with International Standards on Auditing. In order to comply with the corporate governance, the Company did not involve its statutory auditors to perform the services other than statutory services as appointed for.

### **CORPORATE GOVERNANCE CODE COMPLIANCE PROFESSIONAL**

Suraiya Parveen & Associates, Chartered Secretaries have provided the certificate on compliance of corporate governance code issued by Bangladesh Securities and Exchange Commission.

### **INTERNAL AUDIT AND CONTROL**

Matin Spinning Mills Limited considers that internal audit is one of the important regular functions of the Company. The Company has an independent internal audit department under control of the Audit Committee of the Board. This department gives effort to bring a methodical and disciplined approach to evaluate and improve the effectiveness of the organization's risk management process, system of internal control and governance.

### **COMPLIANCE**

In order to ensure the effective functioning of the corporate governance for enhancing the confidence of investors, regulators, financiers and other stakeholders, the MSML is committed to comply with all the requirements of the Corporate Governance Code as required by the Bangladesh Securities and Exchange Commission (BSEC).



# CODE OF CONDUCT

## for The Chairperson, other Board members and Managing Director

### 1. OVERVIEW OF THE CODE OF CONDUCT

#### 1.1. Preface

This Code of Conduct for the Chairperson, other Board members and Managing Director (hereinafter referred to as “the Code”) has been framed and adopted by Matin Spinning Mills Limited (MSML) (hereinafter referred to as “the Company or MSML”) in compliance with the requirements of the Condition 1 (7) of Corporate Governance Code Notification no. BSEC/CMRRCD/2006-158/207/Admin/80 Dated: 3 June 2018 of Bangladesh Securities and Exchange Commission.

This Code is intended to provide guidance to the Chairperson, other Board members and Managing Director to manage the affairs of the Company in an ethical manner. The Company confirms its desire to demonstrably lead and promote good ethical behavior and corporate governance and the purpose of this code is to recognize and emphasize upon the ethical behavior and to develop a culture of honesty and accountability.

The company's governing bodies understand this code of conduct as their obligation and set forth to ensure that its spirit and provisions are respected and acted upon throughout the company [and its subsidiaries and dependent companies] and its business partners.

This Code of Conduct attempts to set forth the guiding principles on which the Chairperson, other Board members and Managing Director shall operate and conduct themselves with the stakeholders, government and regulatory agencies, employees, customers and suppliers and anyone else with whom it is connected.

#### 1.2. Applicability

This Code shall be applicable and binding on the Chairperson, other Board members and Managing Director of the Company.

The Chairperson, other Board members and Managing Director shall continue to comply with other applicable / to be applicable policies, rules, and procedures of the Company.

#### 1.3. Publication

Pursuant to Condition 01 (7)(b) of Corporate Governance Code Notification no. BSEC/CMRRCD/2006-158/207/Admin/80, Dated: 3 June 2018 of Bangladesh Securities and Exchange Commission, this Code of Conduct and any amendments thereto shall be published/ posted on the website of the Company.

#### 1.4. Definitions & Interpretation

Unless repugnant to the meaning or context thereof, the following expressions, wherever used in this Code, shall have the meaning assigned to them below:

**“Board”** shall mean the Board of Directors of the Company.

**“Directors”** shall mean directors on the Board.

**“Company”** shall mean Matin Spinning Mills Limited.

### 2. PRINCIPLES OF THE CODE OF CONDUCT

The Chairperson, other Board members and Managing Director of the Company shall act within the authority conferred upon them, in the best interests of the Company and observe the following:

## **2.1. Prudent conduct and behavior**

- 2.1.1. The Chairperson, other Board members and Managing Director shall act honestly, ethically, in good faith and in the best interest of the Company.
- 2.1.2. Whilst carrying out the duties, the Chairperson, other Board members and Managing Director shall ensure that it is executed in terms of the authorizations granted and within the limits prescribed under the relevant policies, codes, guidelines, and other directives issued by the Board of Directors of the Company from time to time.
- 2.1.3. The Chairperson, other Board members and Managing Director shall refrain from indulging in any discriminatory practice or behavior based on race, color, sex, age, religion, ethnic or national origin, disability, or any other unlawful basis. The ethical conduct, performance and skills shall be the qualifying indicatives for an employee's performance.
- 2.1.4. The Chairperson, other Board members and Managing Director shall conduct themselves in a professional, courteous, and respectful manner and shall not take any improper advantage of their position.
- 2.1.5. The Chairperson, other Board members and Managing Director shall use the Company's assets, property, proprietary information and intellectual rights for business purposes of the Company and not for any personal benefits or gains.

## **2.2. Confidentiality**

- 2.2.1. The Chairperson, other Board members and Managing Director should conduct themselves to meet the expectations of operational transparency of the stakeholders while at the same time maintaining confidentiality of information in order to foster a culture conducive to good decision making. "Confidential information" includes, amongst others, all information of the Company not authorized by

the management of the Company for public dissemination.

All confidential information must be held in confidence, unless authorized by the Board or otherwise permissible in accordance with this Code; or the same is part of the public domain at the time of disclosure; or is required to be disclosed in accordance with applicable laws.

## **2.3. Conflict of interest**

The Chairperson, other Board members and Managing Director shall not enter into any transaction which is or may likely to have a conflict with the interest of the Company.

The Chairperson, other Board members and Managing Director should disclose to the board whether they directly, indirectly or on behalf of third parties have a material interest in any transaction or matter directly affecting the Company.

All transactions having conflict of interest should be carried out in accordance with law and be fully disclosed to the Board of Directors.

## **2.4. Compliance with Laws, Rules and Regulations**

The Chairperson, other Board members and Managing Director shall ensure compliance with the various legal/regulatory requirements as applicable to the business of the Company and endeavor that before any directions are given or decisions taken, relevant legal/regulatory requirements are considered.

## **2.5. Prohibition of Insider Trading**

The Chairperson, other Board members and Managing Director shall comply with all laws, rules, and regulations governing trading in the shares of the Company and the Company's Code of Conduct for Prohibition of Insider Trading in dealing with the securities of the Company which, inter-alia, prohibits buying or selling of the Company's securities on the basis of any unpublished price sensitive information



and prohibits disclosure of such information to any other person (including relatives) where such information may be used by such person for his or her personal benefit or gain.

The Chairperson, other Board members and Managing Director should comply with the provision of the Companies Act, 1994 and applicable rules and regulations issued by the Bangladesh Securities Exchange Commission, Dhaka Stock Exchange, and Chittagong Stock Exchange, insofar as they relate to prohibitions on insider trading.

## **2.6. Relationship with Environment**

The Chairperson, other Board members and Managing Director should cause the Company to strive to provide a safe and healthy working environment and comply, in the conduct of the business affairs of the Company, with all regulations regarding the preservation of the environment of the industry it operates in.

The Company should be committed to prevent the wasteful use of natural resources and minimize any hazardous impact of the development, production, use and disposal of any of its products and services on the ecological environment in accordance with the applicable laws.

## **2.7. Relationship with Employees**

The Chairperson, other Board members and Managing Director should strive for causing the Company to maintain cordial employee relations.

The Chairperson, other Board members and Managing Director should cause the Company to build competency based human resource systems and maintain human resource policies that have been directed at managing the growth of the organization efficiently.

The Chairperson, other Board members and Managing Director should assist the Company in further aligning its human resource policies,

processes and initiatives to meet its business needs.

## **2.8. Relationship with Customers**

The Chairperson, other Board members and Managing Director should ensure that the Company is committed to supply products and services of the highest quality standards backed by efficient after-sales service consistent with the requirements of the customers to ensure their total satisfaction.

The Chairperson, other Board members and Managing Director should ensure that Company will properly engage in product advertising, publicity, and sales promotion activities to avoid misleading the customers.

The Chairperson, other Board members and Managing Director should ensure that the Company will engage in free and open competition with competitors to maintain its stance as a company trusted by customers and society.

## **2.9. Relationship with Suppliers**

This Code contains general requirements applicable to all suppliers to Company. Supplier contracts may contain more specific provisions addressing some of these same issues. Nothing in this Code is meant to supersede any specific provision in a particular contract, and to the extent there is any inconsistency between this Code and any other provision of a particular contract, the other provision will prevail.

The Chairperson, other Board members and Managing Director should act in the best interest of the Company. Accordingly, the Chairperson, other Board members and Managing Director should have no relationship, financial or otherwise, with any supplier that might conflict, or appear to conflict, with the Chairperson, other Board members and Managing Director's obligation to act in the best interest of Company.

## **2.10. Independency**

The Chairperson, other Board members and Managing Director should remain independent in all material respects.

The Chairperson, other Board members and Managing Director should act impartial to the Employees, Customers, Suppliers, Shareholders and other Stakeholders.

## **3. COMPLIANCE WITH THE CODE OF CONDUCT**

This Code has not specifically addressed every potential form of unacceptable conduct and it is expected that the Chairperson, other Board members and Managing Director will exercise

good judgment in compliance with the principles set out in this Code. The Chairperson, other Board members and Managing Director have a duty to avoid any circumstances that would violate the letter or spirit of the Code.

## **4. AMENDMENT TO THE CODE OF CONDUCT**

The provisions of this Code can be amended/ modified by the Board of Directors, based on the recommendation of the Nomination and Remuneration Committee (NRC), from time to time and all such amendments/ modifications shall take effect from the date stated therein. The Chairperson, other Board members and Managing Director shall be duly informed of such amendments and modifications.



# DIVIDEND DISTRIBUTION POLICY

## 1. GENERAL APPLICATION

This “Dividend Distribution Policy” (the “Policy”), has been formulated by the board of directors (the “Board”) in 125th Board meetings of Matin Spinning Mills Limited (the “Company”) as per directive no. BSEC/CMRRCD/2021-386/03-, dated 14 January 2021 issued by the Bangladesh Securities and Exchange Commission (Commission). The Policy is intended to govern the distribution policy of dividend of the Company. The Board shall time to time update the Policy in accordance with updated notifications issued by the Commission. The Policy shall be disclosed in Company's annual report as well as official website.

## 2. DIVIDEND DISTRIBUTION

### 2.1. Cash Dividend Distribution:

Cash dividend shall be distributed in the following manner and procedures, namely:-

- 2.1.1. Within 10 (ten) days of declaration of cash dividend by the board, an amount equivalent to the declared cash dividend payable for the concerned year shall be kept in a separate bank account of the Company dedicated for this purpose;
- 2.1.2. The Company shall pay off cash dividend directly to the bank account of the entitled shareholder as available in the BO account maintained with the depository participant (DP), or the bank account as provided by the shareholder in paper form, through Bangladesh Electronic Funds Transfer Network (BEFTN):

Provided that the Company may pay off such cash dividend through bank transfer or any electronic payment system as recognized by the Bangladesh Bank, if not possible to pay off through BEFTN;

- 2.1.3. The Company, upon receiving the claim on cash dividend from a stock broker or a merchant banker or a portfolio manager for the margin client or customer who has debit balance or margin loan, or as per intention of the client of stock broker or merchant banker or portfolio manager, shall pay off such cash dividend to the Consolidated Customers' Bank Account (CCBA) of the stock broker or to the separate bank account of the merchant banker or portfolio manager through BEFTN:

Provided further that the Company shall collect detailed information (e.g., BO account number, code number, bank account number, intention, etc. of the client or customer including CCBA of stock broker or separate bank account of merchant banker or portfolio manager) from stock broker or merchant banker or portfolio manager for such claim;

- 2.1.4. The Company, in case of non-availability of bank account information or not possible to distribute cash dividend through BEFTN or any electronic payment system, shall issue cash dividend warrant and shall send it by post to the shareholder;
- 2.1.5. The Company shall pay off cash dividend to non-resident sponsor, director, shareholder, unit holder or foreign portfolio investor (FPI) through the security custodian in compliance with the rules or regulations in this regard;
- 2.1.6. The Company, immediately after disbursement of cash dividend and issuance a certificate of tax deducted at source, if applicable, shall intimate to the shareholder or unit holder through a short message service (SMS) to the mobile number or email address as provided in the BO account or as provided by the shareholder or unit holder;
- 2.1.7. The Company shall maintain detailed information of unpaid or unclaimed dividend

and rationale thereof, as per BO account number-wise or name-wise or folio number-wise of the shareholder or unit holder; and shall also disclose the summary of aforesaid information in the annual report and shall also report in the statements of financial position (Quarterly/annually) as a separate line item 'Unclaimed Dividend Account':

Provided that the Company shall publish the year-wise summary of its unpaid or unclaimed dividend in the website:

- 2.1.8. Provided further that any unpaid or unclaimed cash dividend including accrued interest (after adjustment of bank charge, if any) thereon, if remains, shall be transferred to a separate bank account of the company as maintained for this purpose, within 1 (one) year from the date of declaration or approval or record date, as the case may be;

- 2.1.9. If any cash dividend remains unpaid or unclaimed or unsettled including accrued interest (after adjustment of bank charge, if any) thereon for a period of 3 (three) years from the date of declaration or approval or record date, as the case may be, shall be transferred by the Company to the Fund as directed or prescribed by the Commission:

Provided that the Company shall provide detailed information to the manager of the Fund during transfer of cash dividend as directed or prescribed by the Commission:

Provided further that if any shareholder or unit holder claims his cash dividend after transfer of such dividend to the Fund, within 15 (fifteen) days of receiving such claim, the issuer shall, after proper verification of the claim, recommend to the manager of the Fund to pay off such dividend from the Fund and the manager of the Fund shall pay off such cash dividend to the claimant in accordance with the provisions and procedures as directed or prescribed by the Commission;

- 2.1.10. The Company shall not forfeit any unclaimed cash dividend till the claim becomes barred by the law of land in force.

## 2.2. Stock Dividend Distribution:

Stock dividend shall be distributed in the following manner and procedures, namely:-

- 2.2.1. The Company shall credit stock dividend directly to the BO account or issue the bonus share certificate of the entitled shareholder, as applicable, within 30 (thirty) days of declaration or approval or record date, as the case may be, subject to clearance of the stock exchange(s) and the Central Depository Bangladesh Limited (CDBL);

- 2.2.2. The Company, shall follow the provisions of **প্রবিধান ৪৬** of the **ডিপজিটরি (ব্যবহারিক) প্রবিধানমালা, ২০০৩** for issuance of bonus shares:

Provided that the Company shall maintain a Suspense BO Account for undistributed or unclaimed stock dividend or bonus shares and shall also follow the under mentioned procedures for ensuring the rightful ownership:

- a) The Company shall send at least 3 (three) reminders to the entitled shareholder;
- b) The Suspense BO Account shall be held under Block Module and such undistributed or unclaimed stock dividend or bonus shares shall not be transferred in any manner except for the purpose of allotting the bonus shares as and when the allottee approaches to the Company:

Provided that any corporate benefit in terms of shares accrued on such undistributed or unclaimed stock dividend or bonus shares shall be credited to the Suspense BO Account.

- c) The Company shall, upon receiving application from the allottee and after proper verification of identity and his entitlement, credit the bonus shares lying with the Suspense BO Account to the BO account of the allottee, or issue bonus shares to the allottee, as applicable, within 15 (fifteen) days of receiving application with an intimation to the Commission and the stock exchange(s);

- d) Any voting rights on such undistributed or unclaimed stock dividend or bonus shares shall remain suspended till the rightful ownership claim of the shareholder is established.

- 2.2.3. If any stock dividend or bonus shares remains unclaimed or unsettled including corporate benefit in terms of bonus shares thereon for a period of 3 (three) years from the date of declaration or approval or record date, as the case may be, shall be transferred in dematerialized form to the BO Account of the Fund :

Provided that the issuer shall provide detailed information to the manager of the Fund during transfer of stock dividend or bonus shares as directed or prescribed by the Commission:

Provided further that if any shareholder claims his stock dividend or bonus shares after transfer of such dividend or bonus shares to the BO Account of the Fund, within 15 (fifteen) days of receiving such claim, the issuer shall, after proper verification of the claim, recommend to the manager of the Fund to pay off or transfer such stock dividend or bonus share to the claimant's BO Account in accordance with the provisions and procedure as directed or prescribed by the commission.

- 2.2.4. The Company shall not forfeit any unclaimed stock dividend till the claim becomes barred by the law of land in force.

### **2.3. Dividend Distribution Time Frame**

Dividend shall be distributed in the following time frame, namely:-

- 2.3.1. The Company shall pay off the annual or final dividend to the entitled shareholder, within 30 (thirty) days of approval:

Provided that interim dividend shall be paid off to the entitled shareholder, within 30 (thirty) days of record date;

- 2.3.2. The Company shall submit a compliance report to the Commission and the stock exchange(s) in a specified format at Annexure-A in respect of the provisions of clause (2.1), (2.2) and (2.3.1) of this policy, within 7 (seven) working days of completion of dividend distribution:

Provided that the Company shall publish the compliance report in its website.

## **3. SHAREHOLDERS INFORMATION MAINTENANCE**

- 3.1. The Company, by itself or by appointing an agent shall maintain detailed information of BO account, bank account, mobile phone number, email and address of the shareholder or unit holder for the purpose of proper distribution of cash dividend or stock dividend:

Provided that the Company shall keep confidentiality of information.

- 3.2. The Company shall collect updated of BO account, bank account, mobile number, email address and contact address of shareholder or unit holder at least once in a year from CDBL for the purpose of proper distribution cash dividend or stock dividend and other compliances

Provided that in case of holding of paper share the Company shall update the information as above mentioned in 3.1.



## Annexure-A

Dividend Distribution Compliance Report	
Under Claus. (6) of the Directive No. BSEC/CMRRCD/2021-386/03, dated: 14/01/2021	
1	Name of the Issuer/Securities/Mutual Fund
2	Particulars of Issuer DP
3	Type of Dividend (Annual /Interim) (Put tick mark (✓) on the recommended option)
	a) Annual <input type="checkbox"/> b) Interim <input type="checkbox"/>
4	Whether audited or not for interim Dividend (Put tick mark (✓) on the recommended option)
	a) Audited <input type="checkbox"/> b) Unaudited <input type="checkbox"/>
5	Date of recommendation of Dividend by the Board of Directors/Trustee:(Enclose copy of PSI)
6	Whether Dividend recommended other than directors or sponsors or any other classes (Put tick mark (✓) on the recommended option)
	a) Yes <input type="checkbox"/> b) No <input type="checkbox"/>
7	Record date for entitlement
8	Rate of Dividend recommended by the Board of Directors/Trustee
9	Dividend recommended -Type (Put tick mark (✓) on the recommended option)
	a) Cash <input type="checkbox"/> b) Stock <input type="checkbox"/>
10	Securities/mutual fund traded under which categories (Put tick mark (✓) on the recommended option)
	(a) A <input type="checkbox"/> (b) B <input type="checkbox"/> (c) G <input type="checkbox"/> (d) N <input type="checkbox"/> (e) Z <input type="checkbox"/>
11	Date of transfer to a separate bank account (Pis. mention bank details) or provisional credit of shares/units by CDBL
12	Date of approval of Dividend at AGM
13	Rate of Dividend approved at AGM- details at Annexure, (if any change)
14	Date of commencement of disbursement of Cash and Stock Dividend
15	Mode of disbursement of Cash Dividend (Put tick mark (✓) on the recommended option)
	a) BEFTN <input type="checkbox"/> B) Bank Transfer <input type="checkbox"/> c) MFS <input type="checkbox"/> d) Dividend Warrant <input type="checkbox"/> e) Any other mode <input type="checkbox"/>
16	Date of completion of disbursement of Cash Dividend and Stock Dividend [Enclose Bank statements and Corporate Action Processing Report (DP 70)]
17	Paid-up-capital of the issuer- before corporate action/entitlement
	Tk- <input type="checkbox"/>
18	Numbers of securities/shares outstanding-before corporate action/entitlement:
19	Total cash in taka or stock (nos. shares) dividend as per corporate declaration

20	Distribution/Disbursement details of Cash & Stock Dividend:	Cash (Tk)	Stock (nos)	Annexures
	A. Mode of Dividend payment/credit for the, concerned year:			
	a) through BEFTN or directly credited to respective BO			
	b) through Bank Transfer other than entitled BO-Margin loan			
	c) through Bank Transfer			
	d) through Mobile Financial Service (MFS)			
	e) through any other mode as approved by Bangladesh Bank			
	f) through transfer to Suspense Account for dematerialized Shares			
	<b>(BO wise detailed with reason should be maintained and submitted)</b>			
	g) through issuance of Dividend Warrant or issue of shares to Suspense Account for non-dematerialized securities			
21	<b>Total Dividend paid/credited for the concerned year</b>			
22	<b>Total unpaid/undistributed Dividend /accrued during the period (20-21)</b>			
23	<b>Total unpaid/undistributed Dividend /accrued as on 1st day of Accounting year (as per Audited Accounts)</b>			
24	<b>Transfer to Suspense Account for Demate Shares or any other reasons during the concerned year</b>			
	A. Mode of Dividend Receipts/payment/credit for the previous years:			
	a) through BEFTN or directly credited to respective BO			
	b) through Bank Transfer			
	c) through Mobile Financial Service (MFS)			
	d) through any other mode as approved by Bangladesh Bank			
	e) through transfer to/from Suspense Account for Demate Shares or any other reasons			
	f) through issuance of Dividend Warrant or issue of shares to Suspense Account for non-dematerialized securities/shares/units			
	g) transfer of cash or stocks to the Fund as prescribed or directed by Commission after 3 years or forfeit of share to Suspense Account for non-dematerialized securities			
25	<b>Total Dividend paid/credited for previous years:</b>			
26	<b>Total unpaid/undistributed Dividend for previous years (23+24-25) Taka/ Nos</b>			
27	<b>Grand Total of unpaid/undistributed Dividend (22+26)</b>			
	<b>Aging of Grand Total of unpaid/undistributed Dividend for previous years:</b>			
	More than 3 years; balance			
	More than 4 years; balance			
28	More than 5 years & above; balance			
	<b>Total of unpaid/undistributed Dividend for previous years</b>			
	<b>(Supporting bank statements and balances of securities with the Depository)</b>			
Note: Issuer shall maintain BO wise detailed information for all transfers/credit to suspended Accounts				
With reasons and submit along with bank statements and other supporting documents. The issuer shall fill up all the applicable fields.				

# RISKS AND RISK MANAGEMENT

Effective risk management is crucial to the success and at the core of sustainable performance of an organization. Like all organizations, Matin Spinning Mills Limited is also exposed to risks especially systemic risks that are beyond the Company's control. While from 2019-20 the macroeconomic trend of local market growth was challenging due to COVID-19, we perceive that proactive management of the risks associated is of fundamental significance to ensure our business growth. Over the years,

## RISK CONTROL FRAMEWORK

we have put in place a strong framework through which we regularly identify and assess risks and take necessary measures to minimize their impact.

- 1 Defines high-level strategy. Ensures the company has effective Risk Management Guidelines.
- 2 Sets Risk Strategy, frameworks and principles to be recommended to the Audit Committee of the Board.
- 3 Three lines of defense model implemented at all levels of the company.
- 4 Frequent reporting at the functional level to identify key risk areas and priorities risk likely to occur.
- 5 Development of Risk Culture through the company.
- 6 Day-to-day management of risks as per three lines of defense model

## THREE LINES OF DEFENSE MODEL

### First line of defense:

The first line of defense is the operational team, personnel or department that is responsible for risk assessment and owns most of the business risk. Factory personnel are the key components of the first line of defense at the production and storing level. Personnel or departments at corporate office who carry out specific business activity or task own the associated risk

and are responsible for implementing control and risk management processes.

### Second line of defense:

The Second line of defense is comprised of the management of the respective departments and personnel, who provide guidance and oversight the people who are working as first line of defense. This consist of each departments operation team including mid and upper line management.

The primary function of the second line of defense is to oversee the activities performed by the first line of defense and to help ensure that risk and control are effectively managed. The second line of defense works closely with its respective operation team to provide expertise in risk, define the risk implementation strategy, implement risk management guidelines and collect information to create a company-wide view of risk and control.

General responsibilities of the second line of defense include: identifying and monitoring known and emerging issues affecting the risks and controls; identifying shift in the company's implicit risk tolerance; and assisting top management in designing and developing processes and controls to minimize the risks.

### Third line of defense:

The third line of defense is internal audit at the factory level and corporate level of the company. In addition to regularly performing internal auditing activities in the operational process, the internal audit department is responsible for continuous independent assessment and measurement of the risk areas, verification of control measure to manage risks and recommending corrective measures, where relevant. It achieves this by conducting the risk based internal audit to ensure that all departments responsible for managing risks are performing their roles effectively and continuously.

The Internal audit department is not permitted to perform management functions in order to maintain



its objectivity and independence. The internal audit department test the adequacy and effectiveness of internal controls and makes recommendations to the Audit Committee of the Board of Directors on ways to strengthen any weakness identified within the risk management framework.

## **RISK TYPES**

### **(a) Regulatory Risks**

As a company listed with stock exchanges, Matin Spinning Mills Limited must to comply some mandatory legal and compliance requirements. We aim to ensure that effective arrangements are in place to enable us to comply with those legal and regulatory obligation. We control the regulatory risks by continuing follow up on the pending license issues, proactively discussing new changes with regulations, timely implement new requirements.

### **(b) Liquidity Risks**

Company operations may be impacted if it is unable to meets its payment obligations when they fall under normal and stress circumstance. While there was some economic uncertainty during this pandemic period, overall the company's liquidity position was sufficient to meet its payment obligations. Currently company's debt equity ratio is .45 Which is very much favorable.

### **(c) Interest Rate Risks**

As of 30 June 2021, Matin Spinning Mills Limited had outstanding short term and long term bank borrowing with banks to the tune of BDT 2,343.17 million. Interest rates on such loan is 1.91% - 3.25% plus LIBOR. LIBOR component of the interest rate is exposed to volatility of market-wide interest rates of bank loans. Due to several macroeconomic and market driven factors, interest rates on short term and long term bank loans may fluctuate over time. Inflationary pressure, increased demand for bank loan, increased volatility in money market, restrictive monetary policy, increased Government borrowing from banking sector, etc. may compel the company's loan giving institutions to increase their interest rates. If the interest rates are increased beyond what the company expects, then its cash flow and profitability will be affected adversely.

This would also affect its value of shares. In addition, if the company has investment in tradable fixed income securities, then volatility of interest rates would affect the value of such investments. This would also affect the NAV per share of the company.

### **(d) Exchange Rate Risks**

The major raw material the company uses is raw cotton, which the company procures entirely from foreign sources. Conversely, it sells most of its end products to export oriented garment manufacturing companies. It pays for its raw material in foreign currency, usually in US Dollars and also receives its sales proceeds in US Dollars. Hence, the company is directly exposed to the risks associated with exchange rate fluctuation of Taka against US Dollar. Any significant volatility in the exchange rates of Taka will increase the volatility of the company's cash flow and profitability. For a given depreciation of Taka against US Dollar, the company's import payment will increase. On the other hand, for a given appreciation of Taka against US Dollar, its export receipts will be lower in terms of Taka. Once the company finalizes a contract for purchases of raw materials at prevailing exchange rates, it would incur foreign currency losses if Taka depreciates against Dollar.

For a given depreciation of Taka against a particular foreign currency like US Dollar, the company's both import payments and export proceeds will be higher in terms of Taka. In case of an appreciation of Taka against the same currency, the opposite will occur. Hence, the company has a natural hedge against exchange rate and is largely immune to fluctuation of exchange rates of Taka against US Dollar.

### **(e) Technology Related Risks**

The company's operation is highly capital intensive. The manufacturing process is mostly mechanized and requires negligible human involvement. The quality of the finished products is directly dependent on the sophistication of the machinery in place. Any fault in the technology of the machinery can result in significant overhauling cost and loss of production. In such cases, delivery deadlines would be missed and revenues will be lost. This would, in turn, affect the value of the company shares.

All the major machineries of the company are state-of-the-art and of Swiss and Japanese origin. Major machineries are of Swiss Reiter and Japanese Toyota and Murata Brands. Both Reiter and Toyota are regarded as owning the best technology of textile machineries in the world. Compared to other machineries of Chinese and Indian origins, Reiter and Toyota machineries are costlier but last longer and require significantly lower maintenance costs. Till date, the machineries at the factory have been running smoothly. Since inception, there has not been any instance of serious breakdown or stoppage of production due to technical failure at the factory.

#### **(f) Human Resources Risks**

Company strategy may be impacted for not having sufficient skilled people or being unable to retain key personnel and treat them in accordance with values and ethical standards. Management of the company seeking to attract, retain and develop its personnel by providing competitive remuneration structures and long term career opportunities. The company evaluates its human resource risk by observing the availability of

skilled personnel within its compensation band as well as compliance and regulatory issues.

#### **(g) Operational Risks**

The company's operation can be hampered by human error, sudden breakdown of machinery, and incidents of natural calamity.

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 trained properly. Besides, the machineries are properly maintained and overhauled whenever necessary. The factory building is well constructed and has adequate fire control measures to minimize risk and hazard.

#### **(h) Reputational Risks**

The company has clearly defined corporate values and ethical standards which are communicated throughout the organizations, its customers and stakeholders to maintain its reputations.





# MESSAGE FROM THE CHAIRMAN



● ABDUL WAHED



The Main Reason Behind Our Significant Growth Was Due to Significant Increased of Yarn Price for Huge Demand Raised of Cotton Based Product Globally. Moreover, During This Period, We Produced Various Kinds of Special/Fancy Yarn Which Also Has Contributed a Lot to Reach Higher Revenue.

**Dear Shareholders  
Ladies and Gentlemen  
Assalamu Alaikum,**

We have the pleasure to welcome you at the 19th Annual General Meeting of Matin Spinning Mills Limited. It also gives me immense pleasure to place before you the Annual Report along with the Audited Financial Statements, Auditors' Report and Directors' Report thereon for the year ended on 30 June 2021.

We would like to inform you that during the year 2020-21 the company's sales revenue was Tk.5,021 million which is 28.61% higher than 2019-2020 (Tk.3,904 million) and net profit after tax was Tk. 615 million which is 192.85% higher than 2019-2020 (Tk. 210 million). The main reason behind this significant growth due to significantly increased of yarn price for huge demand raised of cotton based product globally. Moreover, during this period, we produced various kinds of special/fancy yarn which also has contributed a lot to reach higher revenue.

I would also like to take this opportunity to thanks to all of our valued customers for their confidence in our products, to the employees for their tireless efforts, to the suppliers for their quality cotton, to our honorable shareholders for their continuous support and interest for the welfare of the Company, to the Regulatory Bodies including Bangladesh Securities and Exchange Commission, to the Stock Exchanges, to the Central Depository Bangladesh Limited, to the Bankers, to the Insurers for their cooperation and support to our Company. We hope that the same support from all stakeholders would continue in the coming years.

With best wishes.

**Abdul Wahed**  
Chairman of the Board

# MESSAGE FROM THE MANAGING DIRECTOR



M. A. JABBAR ●





EPS of the Company  
Was Taka 6.31 in  
2020-21 Which Grew  
by 192.12% Compared  
to 2019-20, Taka  
2.16. As a Result, the  
Board of Directors  
Recommended  
40% Cash Dividend  
for the Honorable  
Shareholders.

**Dear Shareholders  
Ladies and Gentlemen,**

It is my great pleasure that I welcome you on behalf of the Board of Directors to the 19th Annual General Meeting of your Company and present before you the Annual Report for the year 2020-21 containing the Directors' Report and Audited Financial Statements for your kind perusal.

**OUR BUSINESS PERFORMANCE**

I am also pleased to inform you that during the year 2020-21 Matin Spinning Mills Limited got a significant growth in revenue as well as earning per shares (EPS). EPS of the company was Tk.6.31 in 2020-21, which grew by 192.12% compared to 2019-20, Tk.2.16. As a result, the Board of Directors recommended 40% cash dividend for the honorable shareholders.

We all know that Bangladesh as well as the whole world continues to face the adversity of the CORONA VIRUS PANDEMIC from last December 2019 to till date. Following the declaration of COVID-19 as a pandemic by the World Health Organization (WHO) in early March 2020, like many other governments, the Government of Bangladesh introduced restrictive measures to contain further spread of the virus, affecting free movement of people and goods during the financial year 2020-21. However, our production was not affected significantly during the year 2020-21 for COVID 19. In this respect the Board of Directors would like to appreciate our valuable and dedicated human resource for their tireless efforts and contribution during the pandemic situation.

As you are aware that our Company operates as a backward linkage industry to the RMG exporting companies largely within DBL Group and usually fulfills around 50% demand of the Group. We believe that the Company will not have any significant issues on production capacity utilization in the foreseeable future. Moreover, the Board decided to expand the production capacity of "Special Yarn Unit" by 10 tons (per day) to meet Group's full demand of yarn.

**PRODUCTION CAPACITY**

The Company's total installed production capacity is 51 tons per day with 73,184 spindles.

**OUR GRATITUDE**

While concluding, I offer my gratitude to all the Employees, Shareholders, Stakeholders, Government Agencies, Banks & Financial Institutions, Customers, Consumers, Suppliers and other Service Agencies for their cooperation and support.

Thanking you all.

**M. A. Jabbar**  
Managing Director

# CORPORATE OPERATIONAL RESULTS

No.	Description	2020-2021	2019-2020	2018-2019	2017-2018	2016-2017
1	Turnover	5,021	3,904	4,325	4,051	3,001
2	Gross Profit	1,097	539	375	609	447
3	Net Profit before Tax	843	253	121	356	320
4	Net Profit after Tax	615	210	94	303	261
5	Shareholder' Equity	5,248	4,806	4,183	4,253	4,093
6	Total Assets	8,276	7,099	6,569	6,722	7,076
7	Total Current Assets	3,445	2,335	2,334	2,488	2,672
8	Total Current Liabilities	2,770	1,911	1,814	1,906	2,262
9	Current Ratio	1.24	1.22	1.29	1.31	1.18
10	Ordinary Shares Outstanding	97,490,000	97,490,000	97,490,000	97,490,000	97,490,000
11	Face Value per Share	10	10	10	10	10
12	Shareholders' Equity Per Share	53.84	49.29	42.90	43.63	41.99
13	Earning Per Share (EPS)	6.31	2.16	0.97	3.10	2.68
14	Quoted Price per Share (DSE)	53.30	32.80	38.00	38.10	41.20
15	Quoted Price per Share (CSE)	52.40	33.00	37.30	36.10	40.30
16	Price Earning Ratio-DSE (Time)	8.45	15.18	39.17	12.29	15.37
17	Price Earning Ratio-CSE (Time)	8.31	15.27	38.45	11.65	15.03
18	Cash Dividend Declared per Share	4	1.8	1.5	1.7	1.5
19	Stock Dividend Declared	Nil	Nil	Nil	Nil	Nil
20	Total Dividend Declared (%)	40%	18%	15%	17%	15%
21	Number of Shareholders	4965	4754	5003	5747	7288
22	Human Resource (Person)					
	Executives	112	128	130	108	133
	Non-Executives	352	323	325	257	225
	Workers	1683	1482	1427	1476	1647

Note: Item No. 1-8 in million Taka.

# DIRECTORS' REPORT TO THE SHAREHOLDERS

## Dear Shareholders,

In terms of provisions of section 184 of the Companies Act 1994, Rule 12 (and the schedule thereunder) of the Securities and Exchange Rules 1987 and IAS – 1 (International Accounting Standards – 1) as adopted by the ICAB (The Institute of Chartered Accountants of Bangladesh), it is a pleasure of the Board of Directors to submit its report to the Shareholders for the year ended 30 June 2021 in the following paragraphs:

## A] COMPANY OPERATIONS

### 1] Capacity/Production

Below table represents last five years production capacity and capacity utilization ratios:

Particulars	2020-2021	2019-2020	2018-2019	2017-2018	2016-2017
<b>[1.1] Spindles</b>					
a) No. of Spindles installed	73,184	73,184	73,184	73,184	73,184
b) No. of Spindles in operation	65,900	66,394	69,484	67,539	67,411
<b>[1.2] Production Capacity ('000 Kg):</b>					
At Equivalent 28s Count (Ring Yarn)	18,257	17,225	18,286	17,937	15,236
<b>[1.3] Actual Production ('000 Kg):</b>					
At Equivalent 28s Count (Ring Yarn)	14,799	13,697	15,111	14,432	11,819
<b>[1.4] Capacity Utilization (%)</b>	81.06%	79.52%	82.64%	80.46%	77.58%

### 2] Cost of Production

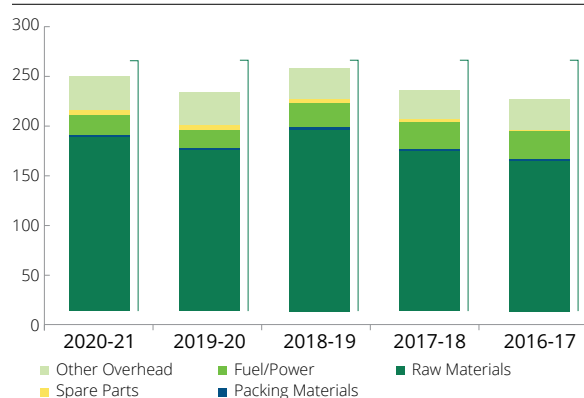
The cost of production varied during the past years primarily due to wide price fluctuations of raw materials, packing materials, fuel & power, and spare parts. Price fluctuation being an external factor was beyond the control of Management. The level of costs and their incidences for last five years are given below:

Particulars	2020-2021	2019-2020	2018-2019	2017-2018	2016-2017
(a) Output of Yarn ('000 Kg)	16,049	14,589	15,229	14,556	12,118
<b>(b) Cost of Major items ('000Tk):</b>					
Raw Materials	2,977,226	2,471,115	2,920,514	2,451,816	1,915,205
Packing Materials	35,533	28,473	29,735	26,983	20,619
Fuel/Power	343,440	284,210	392,118	421,455	363,863
Spare Parts	82,945	69,810	54,298	37,311	20,625
Other Overhead	562,484	510,005	508,537	448,428	394,366
<b>Total Cost</b>	<b>4,001,627</b>	<b>3,363,613</b>	<b>3,905,203</b>	<b>3,385,993</b>	<b>2,714,679</b>



Unit Cost/Kg (TK)	2020-2021	2019-2020	2018-2019	2017-2018	2016-2017
Raw Materials	185.51	169.38	191.77	168.44	158.04
Packing Materials	2.21	1.95	1.95	1.85	1.70
Fuel/Power	21.40	19.48	25.75	28.95	30.03
Spare Parts	5.17	4.79	3.57	2.56	1.70
Other Overhead	35.05	34.96	33.39	30.81	32.54
<b>Unit Cost</b>	<b>249.35</b>	<b>230.55</b>	<b>256.43</b>	<b>232.62</b>	<b>224.02</b>
<b>Raw Material Cost as % of Total</b>	<b>74.40%</b>	<b>73.47%</b>	<b>74.79%</b>	<b>72.41%</b>	<b>70.55%</b>

#### Cost of Production



The above chart reveals that overall unit cost increased by 8% in 2020-2021 over 2019-2020. Raw Material, Packing Material, Fuel/ Power and Spare Parts cost increased by 10%, 13%, 10% and 8% respectively. On the other hand, other overhead not increased over last year.

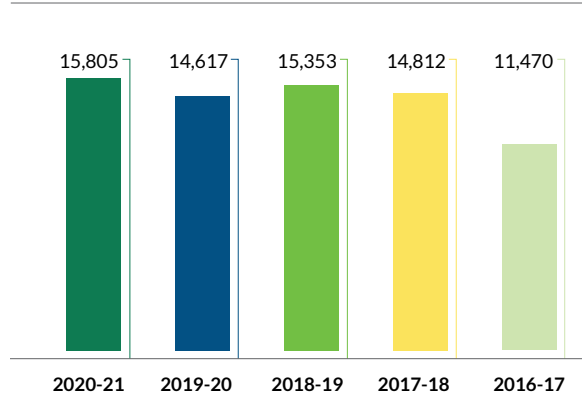
## B] MARKETING OPERATIONS

### 1] Market Exposure

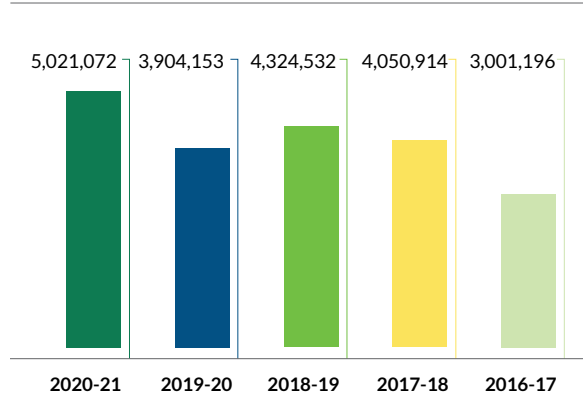
The Company's marketing operations continued its emphasis on export sales over the years as depicted below:

Particulars	2020-2021	2019-2020	2018-2019	2017-2018	2016-2017
(a) Sales Volume ('000 Kg)	15,805	14,617	15,353	14,812	11,470
(b) Sales Revenue ('000 Tk)	5,021,072	3,904,153	4,324,532	4,050,914	3,001,196

#### Sales Volume ('000kg)



#### Sales Revenue ('000 Taka)



The above figures show that compared to prior year, 2020-2021 sales volume and value increased by 8% and 29% respectively. Volume increased due to full

year production running compare to last year, average selling price was also increased.

## 2] Selling Prices

Particulars	2020-2021	2019-2020	2018-2019	2017-2018	2016-2017
Average Selling Prices (Taka/Kg)	317.68	267.10	281.67	273.48	261.66
% Change - compare to prior year	19% up	5% down	3% up	5% up	1% up

It indicates that average selling price maintained an upward trend in current year but declined in the last year due to COVID-19.

## C] DEVELOPMENT ACTIVITIES

During the year 2020-21, the Company started to implement Production, Order, and Asset Maintenance Modules in Oracle ERP system. These modules would help to determine product costing faster and assessing inventory valuation on real-time basis.

## D] CAPITAL EXPENDITURES

Details of capital expenditures for development activities are shown below (figures in '000 Taka):

Particulars	2020-2021	2019-2020	2018-2019	2017-2018	2016-2017
<b>Land</b>			7,922	1,849	4,282
<b>Civil construction</b>					
Cotton Unit	40,206	27,395	7,261	29,002	34,804
Mélange Unit					
Synthetic Unit				8,240	124,440
Special Yarn Unit	84,292				
<b>Plant and Machinery</b>					
Cotton Unit	49,603	179,028	272,839		53,110
Mélange Unit	4,818				
Synthetic Unit	17,898	31,701	37,125	25,408	214,184
Special Yarn Unit	120,958				
Other Fixed Assets	4,676	99,489	4,161	21,283	8,439
<b>Total</b>	<b>322,451</b>	<b>337,614</b>	<b>329,307</b>	<b>85,782</b>	<b>439,259</b>

## E] CONTRIBUTION

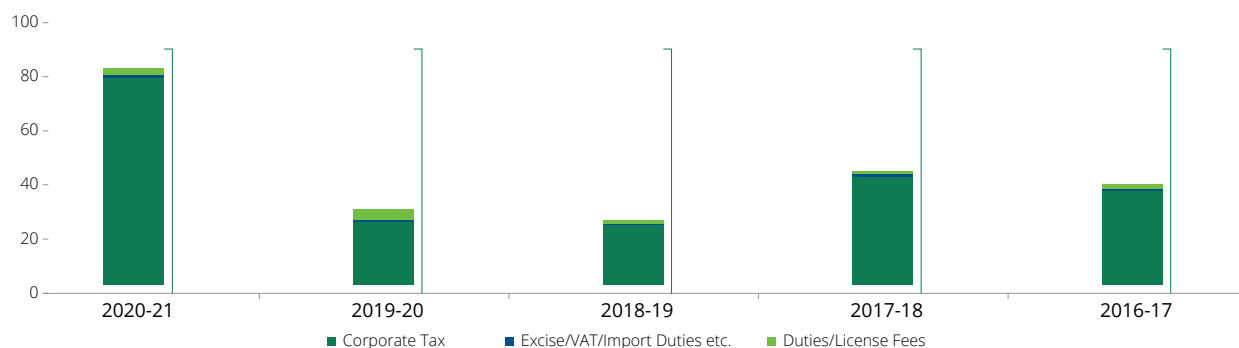
### 1] Contribution to National Exchequer

The Company contributed Tk. 89.69 million during 2020-2021 to the National Exchequer. Last five years comparative data are as follows (figures in million Taka):

(Taka in Million)

Particulars	2020-2021	2019-2020	2018-2019	2017-2018	2016-2017
Corporate Tax	85.48	26.49	25.09	44.85	39.20
Excise/VAT/Import Duties etc.	1.23	1.20	0.89	1.21	0.79
Duties/License Fees	2.98	4.06	1.20	1.54	1.73
<b>Total</b>	<b>89.69</b>	<b>31.75</b>	<b>27.18</b>	<b>47.60</b>	<b>41.72</b>

## Contribution to National Exchequer



## 2] Foreign Exchange Earned/Saved

The Company contributed Tk.1,704 million to the Foreign Exchange Reserve of the country during the FY 2020-2021 through its export marketing operation. Last five years data are shown below (figures in million taka):

(Taka in Million)

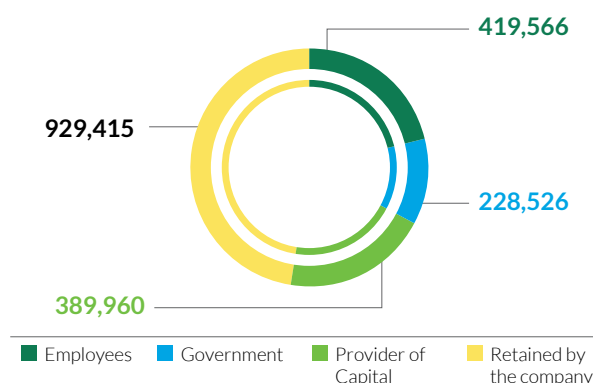
Particulars	2020-2021	2019-2020	2018-2019	2017-2018	2016-2017
Total Export Earnings	5,021	3,904	4,325	4,051	3,001
Less: Import Expenses					
Raw Cotton/Staple Fiber	(3,266)	(2,686)	(2,591)	(2,355)	(2,219)
Spare Parts	(51)	(62)	(61)	(99)	(54)
Net Foreign Exchange Earned	1,704	1,156	1,673	1,597	728

## 3] Value Added Statement (figures in '000 Taka)

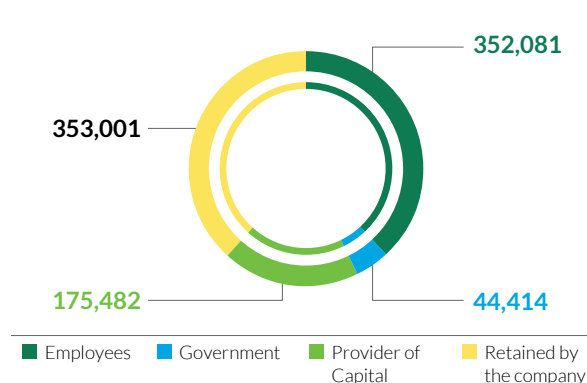
Particulars	2020-2021	2019-2020
<b>Source of Funds</b>		
Net Turnover	5,021,072	3,904,153
Less: Bought in Material and Services	(3,541,857)	(3,021,945)
Add: Other Income	98,291	42,769
<b>Value Added</b>	<b>1,577,506</b>	<b>924,978</b>
<b>Applied in the following ways</b>		
<b>Employees</b>	<b>419,566</b>	<b>352,081</b>
Salaries, Wages, Provident Fund & Other Benefits	377,427	339,410
Contribution to Workers' Profit Participation & Welfare Fund	42,139	12,671
<b>Government</b>	<b>228,526</b>	<b>44,414</b>
Corporate Tax	227,291	43,216
Other Government Dues	1,235	1,198
<b>Provider of Capital</b>	<b>389,960</b>	<b>175,482</b>
Dividend	389,960	175,482
<b>Retained by the company</b>	<b>929,415</b>	<b>353,001</b>
Depreciation	313,936	318,271
Retained Earnings	225,519	34,729
<b>Total Applied</b>	<b>1,577,506</b>	<b>924,978</b>



2020-21



2019-20



## F] APPROPRIATION

The net profit after tax of 615,479,288.30 earned during the year 2020-2021 has been apportioned in the following manner:

Cash dividend is recommended by the Board of Directors at 40% (Tk. 4 per share for 2020-2021, total Tk.389,960,000

## G] AUDITORS

According to Dhaka Stock Exchange (Listing) Regulations 2015, the issuer of listed securities shall not appoint any firm of Chartered Accountants as its statutory auditors for a consecutive period exceeding three years. A. Qasem & Co., Chartered Accountants, have completed their statutory audit of the Company for a consecutive period of three years, they are not eligible for reappointment for the year 2021-2022. Hussain Farhad & Co., Chartered Accountants, have offered their Expression of Interest (EOI) to be appointed as statutory auditor of the Company. The Board recommended their appointment for the year 2021-2022.

## H] MANAGEMENT APPRECIATION

The Board of Directors records with deep appreciation the performance of the management, officers, staff, and the workers whose efforts helped to maintain the desired level of productivity as well as net profit despite the natural and unnatural adverse factors of production and marketing throughout the country besides COVID-19 Pandemic situation. The Board of Directors together with the competent workforce, innovation, state-of-the-art technology is determined to be the leading quality manufacturer in the Country. It is expected that the employees and the management will continue to improve the results in the interest of shareholders whose unswerving trust in management has always been an inspiration to the Board of Directors. The Directors acknowledge and express their profound gratitude for the continued cooperation and unflinching support received from various agencies including Bangladesh Securities and Exchange Commission, Stock Exchanges, CDBL, RJSC, National Board of Revenue, and other agencies of the public and private sector.

For and on behalf of Board of Directors

**Abdul Wahed**  
Chairman

# ANNEXURE TO DIRECTORS' REPORT

Additional statements by the Board of Directors as per notification dated 3 June 2018 from the Bangladesh Securities and Exchange Commission:

## **(i) Industry Outlook and possible future developments in the industry.**

The Company is operating as a backward linkage industry to the RMG exporting Companies largely within DBL Group. Along with continuing growth of RMG sector in the Country DBL Group is also in the continuing process of expansion of its capacity of RMG. Keeping in view of future growth potential of RMG sector in the country the Company has increased production capacity through establishment of new production units in order to meet the requirement of RMG. Currently total production capacity of the Company is 51 tons of yarn in a day which covers nearly 50% of DBL Group's total demand.

## **(ii) Segment-wise or product-wise performance**

The Company is domiciled in Bangladesh. The Company does not have any non-current assets that are located outside Bangladesh. There are also no revenue arising from transactions with a single external customer that comprises 10% or more of the company's revenue for the years ended 30 June 2021.

The Company is primarily engaged in the manufacturing and sale of single product of yarn in Bangladesh 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 brands 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. However, yarn type and export sales has been provided in Note 25.

## **(iii) Risk and Concerns**

The company as other spinning sector in the country is confronted with the supply/price risk of raw cotton and staple fiber which are entirely imported from abroad. Beside the company is facing irregular supply of Gas. Price of gas is increasing continuously. To augment low pressure of Gas supply, the company maintains alternative power sources such as Diesel Generator, Rural Electrification Board, United Power Generation & Distribution Co. Ltd.

The Company Management perceives investment risk within the national and international economic perspectives in relation to legal and moral requirements involving inter alia, intellectual property right, scientific intervention, WTO Regulation and monetary and fiscal investment policies and has prepared its production & marketing strategies to meet the challenges from these risks.

## **(iv) Discussion on Cost of goods sold, Gross Profit Margin & Net Profit Margin.**

Cost of goods sold, compared to last year, increased by 17% mainly because of raw material cost increased by 3% and other manufacturing overheads increased by 14% compared to last year. However increase of sales price is significantly higher than increases of cost of goods sold compare to last year and for this reason mainly drives higher gross and net profit margin in 2020-2021.

## **(v) Discussion on continuity of any Extraordinary gain or loss.**

There was no extraordinary gain or loss in the financial statements under report.

**(vi) Basis of related party transactions.**

Related party transactions are depicted in Note-41 in the notes to the Financial Statements.

**(vii) Current Status and Utilization of proceeds from Public Issue**

Not applicable

**(viii) Explanation if the financial results deteriorate after the company goes for IPO**

The Company's financial performance slightly deteriorated after IPO listing due to external factors, however, recent past years performances are quite consistent.

**(ix) Explanation of significant variance occurs between Quarterly financial performance and Annual Financial Statements**

No significant variances.

**(x) Remuneration to Directors including Independent Directors**

Remuneration of Directors has been shown in Note-38 in the notes to the financial statements. No such remuneration is given to the Independent Directors.

**(xi) Fairness of Financial Statement**

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

**(xii) Maintenance of proper books of account**

Proper books of account of the Company have been maintained.

**(xiii) Adoption of appropriate accounting policies and estimates**

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

**(xiv) Compliance with IAS and IFRS in preparation of Financial Statements**

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

**(xv) Soundness of Internal Control System**

The Board of Directors assures the shareholders that the Company has a robust risk management process to ensure that the system of internal control is sound in design and has been effectively implemented and monitored. Although it is possible that all risks to the business are not known at present, the Company takes reasonable steps to identify material risks that may hamper business results and systematically reviews these risks in light of the changing internal and external environment in order to assess that the controls in place are adequate to address these risks.

**(xvi) Minority shareholder interest**

The interests of the minority shareholders are duly protected in the Company.



**(xvii) Ability to continue as a going concern**

There are no significant doubts upon the Company's ability to continue as a going concern.

**(xviii) Significant deviations in Operating Results compared to last year**

Operating result showing increase in net profit after tax to Tk. 615 million during 2020-21 from Tk. 210 million for the year 2019-20 are mainly due to the following reasons:

Issue-1: Significant Increase in Revenue

Bangladesh as well as the whole world continues to face the adversity of the CORONA VIRUS PANDEMIC from last December 2019 to till date. Following the declaration of COVID-19 as a pandemic by the World Health Organization (WHO) in early March 2020, like many other Governments, the Government of Bangladesh introduced restrictive measures to contain further spread of the virus, affecting free movement of people and goods during the financial year 2020-21. However, our production was not affected significantly during the year 2020-21 for COVID 19. It is reported that our sales volume has increased by 8.13% and sales value by 28.61% during the reporting period compare to last year due to significantly increased yarn price for huge increase the demand of cotton based product globally. Moreover, during this period, we produced various kind of special/fancy yarn which also has contributed a lot to reach higher sales revenue.

Issue-2: Significant Increase in EPS

EPS has been increased due to increase in Sales Revenue as well as sales quantity and there was no significant additional fixed expenditure against the incremental revenue except variable cost. As such there is a positive impact of EPS enhancement. Also noted that during the reporting year, MSML management has decided to made a sum of provision for bad and doubtful debts due to non-realization of long pending outstanding from external customer as per IFRS 9. There was no other significant Extraordinary Transactions during this year.

Issue-3: Significant decreased in Operating Cash flows

MSML sales proceeds complete through B2B deferred LC for 90-120 days. As per huge demand of cotton based produce in Q3 and Q4 of RMG Sector, MSML yarn delivery in Q3 and Q4 increased upto Tk.2835 million under B2B LC. For this reasons receivable increased significantly. We observed that during the reporting period receivables has increased due to un-realization of receivable that would be received in due course as receivables are covered by LCs. It was also observed that Inventory increased significantly to ensure uninterrupted supply of raw material to the production as well as to get price benefit since raw materials demand and prices are also increasing trend. Consequently, Net Operating Cash Flow per Share of MSML has been decreased compared to that of previous year.

Issue-4: Net Asset Value per Share

Net Asset Value per share has been increased considerably due to excellent operating performance for the year under review as reflected in the EPS as well.

**(xix) Key operating and financial data of at least preceding 5 (five) years**

The Company's operating financial results as compared to the previous years are summarized below. Numbers presented in SL# 1-13 are in '000 Taka & SL # 16 is in '000 quantity.

SL	Particulars	2020-2021	2019-2020	2018-2019	2017-2018	2016-2017
1	Revenue	5,021,072	3,904,153	4,324,532	4,050,914	3,001,196
2	Cost of sales	(3,923,962)	(3,364,549)	(3,949,186)	(3,441,942)	(2,553,849)
3	Gross Profit	1,097,111	539,604	375,345	608,972	447,346
4	Operating Expenses	(269,232)	(228,524)	(227,902)	(232,883)	(189,789)
5	Finance Cost	(41,261)	(87,751)	(99,388)	(87,709)	(56,569)
6	Operating Income	786,617	223,329	48,055	288,380	200,988
7	Other Income	98,291	42,769	79,938	85,155	135,956
8	Net Profit before WPPF	884,909	266,099	127,993	373,536	336,944
9	Workers' profit participation	(42,139)	(12,671)	(6,095)	(17,787)	(16,045)
10	Net Profit before Tax	842,770	253,427	121,898	355,748	320,899
11	Income Tax	(222,197)	(44,925)	(17,788)	(31,721)	(12,708)
12	Deferred Tax	(5,094)	1,709	(9,762)	(21,422)	(46,859)
13	Net profit (loss) after tax	615,479	210,211	94,348	302,605	261,333
14	Gross Margin (%)	21.9%	13.8%	8.7%	15.0%	14.9%
15	Net Margin after tax (%)	12.3%	5.4%	2.2%	7.5%	8.7%
16	Outstanding Shares	97,490	97,490	97,490	97,490	97,490
17	Face Value per share (Taka)	10.00	10.00	10.00	10.00	10.00
18	Earnings per share	6.31	2.16	0.97	3.10	2.68
19	Return on Equity (ROE)	12.47	4.68	2.24	7.25	6.41

**(xx) Reasons for not declaring dividend**

Not Applicable.

**(xxi) Interim dividend**

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

**(xxii) Number of Board meetings held during the year and attendance**

This has been narrated in Note-37 in the notes to the Financial Statements.

**(xxiii) Shareholding Pattern**

Pattern of Shareholding as on 30 June 2021:

Name of the Shareholders	Status	Shares held	%
<b>a. Parent/Subsidiary/Associated Companies and other related parties</b>			
Jinnat Apparels Limited	Associate Company	29,025,000	29.77
Flamingo Fashions Limited	Associate Company	2,448,000	2.51
Jinnat Knitwears Limited	Associate Company	2,622,000	2.69
Thanbee Print World Limited	Associate Company	855,139	0.87
Hamza Textiles Limited	Associate Company	281,200	0.29
Jinnat Fashions Limited	Associate Company	227,850	0.23

Name of the Shareholders	Status	Shares held	%
<b>b. Director:</b>			
Abdul Wahed	Chairman	5,849,250	5.99
M. A. Rahim	Vice Chairman	5,849,250	5.99
M. A. Jabbar	Managing Director	5,849,250	5.99
M. A. Quader	Director	5,849,250	5.99
Selina Perveen	Director	2,130,000	2.18
Tanzeen Rahim	Director	2,130,000	2.18
Taslima Begum	Director	2,130,000	2.18
Md. Hassan Imam	Director	2,130,000	2.18
<b>c) Managing Director, Chief Financial Officer, Company Secretary, Head of Internal Audit and their Spouses and Minor Children:</b>			
M. A. Jabbar	Managing Director and his spouse	7,979,250	8.18
Mohammad Emarot Hossain FCA FCS	Chief Financial Officer	Nil	Nil
Md. Shah Alam Miah FCS	Company Secretary	Nil	Nil
Md. Monirul Islam	Head of Internal Audit	Nil	Nil
<b>d) Executives</b>			
Shamimul Haque	Chief Production Officer	Nil	Nil
D. M. Abul Hossain	GM-Utility	Nil	Nil
Azad Shahriar	Addl. GM-Maintenance	Nil	Nil
Golam Kibria	DGM-Admin	Nil	Nil
<b>e) Shareholders Holding 10% or more voting interest in the Company</b>			
Jinnat Apparels Limited	Associate Company	29,025,000	29.77

#### (xxiv) Appointment/re-appointment of Directors

The Directors retiring as per Article 100 of the Company's Articles of Association are Mr. Abdul Wahed, Mr. M.A. Jabbar, and Mrs. Selina Perveen being eligible to offer themselves for re-appointment. A brief resume of the directors has been provided in the "Brief Profile of Directors" section.

#### Appointment of Independent Director

Mr. M. Naser Alam, Barrister-at-law completed his two terms from January 15, 2015 to January 14, 2021 and Mr. Shamsul Hasan, Barrister-at-law appointed as an Independent Director on March 23, 2021. A brief resume of the Independent directors has been provided in the "Brief Profile of Directors" section.

Directorship with other company and membership of committees of the Board:

SL	Entity	Abdul Wahed	M.A. Jabbar	Selina Perveen
1	Dulal Brothers Limited	✓	✓	
2	Color City Limited	✓	✓	
3	DBL Ceramic Ltd	✓	✓	
4	DB Tex Ltd	✓	✓	
5	Flamingo Fashions Ltd	✓	✓	
6	Jinnat Fashions Ltd	✓	✓	
7	Jinnat Apparels Ltd	✓	✓	
8	Jinnat Knitwears Ltd	✓	✓	
9	Hamza Textiles Ltd	✓	✓	



SL	Entity	Abdul Wahed	M.A. Jabbar	Selina Perveen
10	Mymun Textiles Ltd	✓	✓	
11	Parkway Packing & Printing Industries Ltd	✓	✓	
12	Mawna Fashions Ltd	✓	✓	
13	Textile Testing Services Ltd	✓	✓	
14	DBL Telecom LTd	✓	✓	
15	DBL Pharmaceutical Ltd	✓	✓	
16	DBL Dredging Ltd	✓	✓	
17	DBL Healthcare Ltd	✓	✓	
18	DBL Distributions Ltd	✓	✓	
19	DBL Sports Ltd	✓	✓	
20	Audit Committee, MSML			✓
21	Nomination and Remuneration Committee, MSML			✓

#### **(xxv) Management Discussion and Analysis**

Management's discussion and analysis has been highlighted in the Managing Director's Statement and in Directors' Report.

#### **(xxvi) Declaration by the CEO and the CFO**

Declaration by the Managing Director and CFO has been given on page 70 [Annexure - A].

#### **(xxvii) Report on Compliance of the Corporate Governance Code**

MSML adheres to appropriate good Corporate Governance practices, as described on pages 72 to 84 [Annexure - c]

The Company also complied with all the requirements of Corporate Governance as required by the Securities and Exchange Commission (BSEC). In accordance with the BSEC Notification Corporate Governance Compliance Report is shown in Annexure - B & C

Further in compliance with the BSEC notification dated June 3, 2018 Suraiya Parveen & Associates, Chartered Secretaries in practice issued the Corporate Governance Compliance Certificate which is shown on page 71 of this report.

#### **(xxviii) Directors' Compliance on Corporate Governance**

This has been narrated in Statement on Corporate Governance part of the Annual Report.



**Abdul Wahed**

Chairman of the Board

**MATIN SPINNING MILLS LIMITED**  
**DECLARATION BY MANAGING DIRECTOR AND CHIEF FINANCIAL OFFICER**

DATE: 28 OCTOBER, 2021

**ANNEXURE-A**

**THE BOARD OF DIRECTORS**

Matin Spinning Mills Limited

Capita South Avenue Tower, 6th Floor, House 50, Road 03, Gulshan Avenue, Dhaka 1212.

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

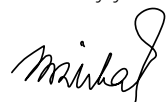
Pursuant to the condition No. 1(5)(xxvi) imposed vide the Commission's Notification No. BSEC/CMRRCD/2006-158/207/ Admin/80 dated 3 June 2018 under section 2CC of the Securities and Exchange Ordinance, 1969, we do hereby declare that:

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

In this regard, we also certify that:

- (i) We have reviewed the financial statements for the year ended on 30 June 2021 and that to the best of our knowledge and belief;
  - (a) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - (b) these statements collectively present true and fair view of the Company's affairs and are in compliance with existing accounting standards and applicable laws.
- (ii) There are, to the best of knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or in violation of the code of conduct for the company's Board of Directors or its members.

Sincerely yours,



**M. A. Jabbar**

Managing Director



**Mohammad Emarot Hossain, FCA, FCS**

Chief Financial Officer





## Suraiya Parveen & Associates

(Chartered Secretaries, Financial & Management Consultants)

[Certificate as per condition No.1 (5) (XXVII)]

### Report to the Shareholders of Matin Spinning Mills Ltd. on compliance on the Corporate Governance Code

We have examined the compliance status to the Corporate Governance Code by Matin Spinning Mills Limited for the year ended on 30 June 2021. This Code relates to the Notification No. BSEC/CMRRCD/2006-158/207/Admin/80 dated 3 June, 2018 of the Bangladesh Securities and Exchange Commission.

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

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

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

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

Dhaka, Dated  
October 28, 2021



For Suraiya Parveen & Associates  
Chartered Secretaries

Suraiya Parveen, FCS  
Chief Executive Officer

Avalon Serabella, (5th Floor), 09, Dilu Road, New Eskaton, Ramna, Dhaka-1000  
Cell : 01911 421 998, 01713 110 408  
E-mail : suraiyaparveenfcs@gmail.com, musfiquefcs@gmail.com



# STATUS REPORT ON COMPLIANCE WITH THE CONDITIONS IMPOSED BY THE BSEC

## ANNEXURE-C

[As per condition No.1(5)(xxvii)]

Status of compliance with conditions imposed by the Bangladesh Securities and Exchange Commission's Notification No. BSEC/ CMRRCD/2006-158/207/Admin/80 dated 03 June 2018 issued under section 2CC of the Securities and Exchange Commission Ordinance, 1969:

**(Report under condition No.9) is presented below:**

Condition No.	Title	Compliance Status (Put ✓ in appropriate column)		Remarks (if any)
		Complied	Not Complied	
<b>1.</b>	<b>BOARD OF DIRECTORS:</b>			
<b>1(1)</b>	<b>Board's Size:</b> The number of the board members of the Company shall not be less than 5(five) and more than 20(Twenty).	✓		
<b>1(2)</b>	<b>Independent Directors:</b>			
1(2)(a)	At least one fifth (1/5) of the total number of directors in the company's board shall be independent director(s);	✓		
1(2)(b)(i)	Independent Director does not hold any share in the company or holds less than one percent (1%) shares of the total paid-up shares of the company;	✓		
1(2)(b)(ii)	Non connectivity with the company's any sponsor or director or shareholder who holds 1% or more shares on the basis of family relationship;	✓		
1(2)(b)(iii)	who has not been an executive of the company in immediately preceding 2 (two) financial years;	✓		
1(2)(b)(iv)	who does not have any other relationship, whether pecuniary or otherwise, with the company or its subsidiary or associated companies;	✓		
1(2)(b)(v)	who is not a member or TREC (Trading Right Entitlement Certificate) holder, director or officer of any stock exchange;	✓		
1(2)(b)(vi)	who is not a shareholder, director excepting independent director or officer of any member or TREC holder of stock exchange or an intermediary of the capital market;	✓		
1(2)(b)(vii)	who is not a partner or an executive or was not a partner or an executive during the preceding 3 (three) years of the concerned company's statutory audit firm or audit firm engaged in internal audit services or audit firm conducting special audit or professional certifying compliance of this Code;	✓		

Condition No.	Title	Compliance Status (Put ✓ in appropriate column)		Remarks (if any)
		Complied	Not Complied	
1(2)(b) (viii)	who is not independent director in more than 5 (five) listed companies;	✓		
1(2)(b) (ix)	who has not been convicted by a court of competent jurisdiction as a defaulter in payment of any loan or any advance to a bank or a Non-Bank Financial Institution (NBFI); and	✓		
1(2)(b) (x)	who has not been convicted for a criminal offence involving moral turpitude;	✓		
1(2)(c)	The independent director(s) shall be appointed by the Board and approved by the shareholders in the Annual General Meeting (AGM);	✓		
1(2)(d)	The post of independent director(s) cannot remain vacant for more than 90 (ninety) days; and	✓		
1(2)(e)	The tenure of office of an independent director shall be for a period of 3 (three) years, which may be extended for 1 (one) tenure only;	✓		
<b>1(3)</b>	<b>Qualification of Independent Director:</b>			
1(3)(a)	Independent director shall be a knowledgeable individual with integrity who is able to ensure compliance with financial, regulatory and corporate laws and can make meaningful contribution to business.	✓		
1(3)(b)(i)	Independent director should be a Business Leader who is or was a promoter or director of an unlisted company having minimum paid-up capital of Tk. 100.00 million or any listed company or a member of any national or international chamber of commerce or business association;	✓		
1(3)(b)(ii)	Corporate Leader who is or was a top level executive not lower than Chief Executive Officer or Managing Director or Deputy Managing Director or Chief Financial Officer or Head of Finance or Accounts or Company Secretary or Head of Internal Audit and Compliance or Head of Legal Service or a candidate with equivalent position of an  unlisted company having minimum paid-up capital of Tk. 100.00 million or of a listed company; or	✓		
1(3)(b)(iii)	Former official of government or statutory or autonomous or regulatory body in the position not below 5th Grade of the national pay scale, who has at least educational background of bachelor degree in economics or commerce or business or Law;	✓		
1(3)(b)(iv)	University Teacher who has educational background in Economics or Commerce or Business Studies or Law;	✓		

Condition No.	Title	Compliance Status (Put ✓ in appropriate column)		Remarks (if any)
		Complied	Not Complied	
1(3)(b)(v)	Professional who is or was an advocate practicing at least in the High Court Division of Bangladesh Supreme Court or a Chartered Accountant or Cost and Management Accountant or Chartered Financial Analyst or Chartered Certified Accountant or Certified Public Accountant or Chartered Management Accountant or Chartered Secretary or equivalent qualification;	✓		
1(3)(c)	The independent director shall have at least 10 (ten) years of experiences in any field mentioned in clause (b);	✓		
1(3)(d)	In special cases, the above qualifications or experiences may be relaxed subject to prior approval of the Commission			Not Applicable
<b>1(4)</b>	<b>Duality of Chairperson of the Board of Directors and Managing Director or Chief Executive Officer.</b>			
1(4)(a)	The positions of the Chairperson of the Board and the Managing Director (MD) and/or Chief Executive Officer (CEO) of the company shall be filled by different individuals;	✓		
1(4)(b)	The Managing Director (MD) and/or Chief Executive Officer of a listed company shall not hold the same position in another listed company;	✓		
1(4)(c)	The Chairperson of the Board shall be elected from among the non-executive directors of the company;	✓		
1(4)(d)	The Board shall clearly define respective roles and responsibilities of the Chairperson and the Managing Director and/or Chief Executive Officer;	✓		
1(4)(e)	In the absence of the Chairperson of the Board, the remaining members may elect one of themselves from nonexecutive directors as Chairperson for that particular Board's meeting; the reason of absence of the regular Chairperson shall be duly recorded in the minutes;	✓		
<b>1(5)</b>	<b>The Directors' Report to Shareholders:</b>			
1(5)(i)	Industry outlook and possible future developments in the industry.	✓		
1(5)(ii)	Segment wise or product wise performance	✓		
1(5)(iii)	Risk and concerns.	✓		
1(5)(iv)	A Discussion on Cost of Goods Sold, Gross Profit Margin & Net Profit Margin	✓		
1(5)(v)	Discussion on continuity of any Extra ordinary gain or loss			Not applicable
1(5)(vi)	Basis for related party transactions: A statement of all related party transactions should be disclosed in the annual report.	✓		
1(5)(vii)	Utilization of proceeds from public issues, rights issues and/or through any other instruments.	✓		



Condition No.	Title	Compliance Status (Put ✓ in appropriate column)		Remarks (if any)
		Complied	Not Complied	
1(5)(viii)	An explanation if the financial results deteriorate after the company goes for Initial Public Offering (IPO), Repeat Public Offering (RPO), Rights Offer, Direct Listing etc.			Not Applicable
1(5)(ix)	If significant variance occurs between Quarterly Financial Performance and Annual Financial Statements, the management shall explain about the variance on their Annual Report.	✓		
1(5)(x)	Remuneration to directors including Independent Directors;	✓		
1(5)(xi)	The financial statements prepared by the management of the issuer company present fairly its state of affairs, the result of its operations, cash flows and changes in equity;	✓		
1(5)(xii)	Proper books of account of the issuer company have been maintained	✓		
1(5)(xiii)	Appropriate accounting policies have been consistently applied in preparation of the financial statements and that the accounting estimates are based on reasonable and prudent judgment;	✓		
1(5)(xiv)	International Accounting Standards (IAS)/International Financial Reporting Standards (IFRS), as applicable in Bangladesh, have been followed in preparation of the financial statements and any departure there from has been adequately disclosed;	✓		
1(5)(xv)	The system of internal control is sound in design and has been effectively implemented and monitored;	✓		
1(5)(xvi)	A statement that minority share- holders have been protected from abusive actions by, or in the interest of, controlling shareholders acting either directly or indirectly and have effective means of redress;			Not Applicable
1(5)(xvii)	There are no significant doubts upon the issuer company's ability to continue as a going concern. If the issuer company is not considered to be a going concern, the fact along with reasons thereof should be disclosed;	✓		
1(5)(xviii)	Significant deviations from the last year's operating results of the issuer company shall be highlighted and the reasons thereof should be explained;	✓		
1(5)(xix)	Key operating and financial data of at least preceding 5(five) years shall be summarized;	✓		
1(5)(xx)	If the issuer company has not declared dividend (cash or stock) for the year, the reasons thereof shall be given;			Not Applicable
1(5)(xxi)	The number of Board meetings held during the year and attendance by each director shall be disclosed;	✓		
1(5)(xxii)	The total number of Board meetings held during the year and attendance by each director;	✓		

Condition No.	Title	Compliance Status (Put ✓ in appropriate column)		Remarks (if any)
		Complied	Not Complied	
1(5)(xxiii)	A report on the pattern of shareholding disclosing the aggregate number of shares (along with name-wise details where stated below) held by:-			
1(5)(xxiii)(a)	Parent/subsidiary/Associated Companies and other related parties (name wise details);	✓		
1(5)(xxiii)(b)	Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer, Head of Internal Audit and their spouses and minor children ( name wise details);	✓		
1(5)(xxiii)(c)	Executives	✓		
1(5)(xxiii)(d)	Shareholders holding ten percent (10%) or more voting interest in the company (name wise details);	✓		
1(5)(xxiv)	In case of the appointment or reappointment of a director, a disclosure on the following information to the shareholders:-			
1(5)(xxiv)(a)	A brief Resume of the Director;	✓		
1(5)(xxiv)(b)	Nature of his/her expertise in specific functional areas;	✓		
1(5)(xxiv)(c)	Names of companies in which the person also holds the directorship and the membership of committees of the board;	✓		
1(5)(xxv)	A Management's Discussion and Analysis signed by CEO or MD presenting detailed analysis of the company's position and operations along with a brief discussion of changes in the financial statements, among others, focusing on:			
1(5)(xxv)(a)	accounting policies and estimation for preparation of financial statements;	✓		
1(5)(xxv)(b)	changes in accounting policies and estimation, if any, clearly describing the effect on financial performance or results and financial position as well as cash flows in absolute figure for such changes;	✓		
1(5)(xxv)(c)	comparative analysis (including effects of inflation) of financial performance or results and financial position as well as cash flows for current financial year with immediate preceding five years explaining reasons thereof;	✓		
1(5)(xxv)(d)	compare such financial performance or results and financial position as well as cash flows with the peer industry scenario;	✓		
1(5)(xxv)(e)	briefly explain the financial and economic scenario of the country and the globe;	✓		
1(5)(xxv)(f)	risks and concerns issues related to the financial statements, explaining such risk and concerns mitigation plan of the company;	✓		
1(5)(xxv)(g)	future plan or projection or forecast for company's operation, performance and financial position, with justification thereof, i.e. actual position shall be explained to the shareholders in the next AGM	✓		
1(5)(xxvi)	Declaration or certification by the CEO and the CFO to the Board as required under condition No. 3(3) shall be disclosed as per Annexure-A	✓		

Condition No.	Title	Compliance Status (Put ✓ in appropriate column)		Remarks (if any)
		Complied	Not Complied	
1(5)(xxvii)	The report as well as certificate regarding compliance of conditions of this Code as required under condition No. 9 shall be disclosed as per Annexure-B and Annexure-C.	✓		
<b>1(6)</b>	<b>Meetings of the Board of Directors</b> The company shall conduct its Board meetings and record the minutes of the meetings as well as keep required books and records in line with the provisions of the relevant Bangladesh Secretarial Standards (BSS) as adopted by the Institute of Chartered Secretaries of Bangladesh (ICSB) in so far as those standards are not Inconsistent with any condition of this Code.	✓		
<b>1(7)</b>	<b>Code of Conduct for the Chairperson, other Board members and Chief Executive Officer</b>			
1(7)(a)	The Board shall lay down a code of conduct, based on the recommendation of the Nomination and Remuneration Committee (NRC) at condition No. 6, for the Chairperson of the Board, other board members and Chief Executive Officer of the company;	✓		
1(7)(b)	The code of conduct as determined by the NRC shall be posted on the website of the company including, among others, prudent conduct and behavior; confidentiality; conflict of interest; compliance with laws, rules and regulations; prohibition of insider trading; relationship with environment, Employees, customers and suppliers; and independency;	✓		
<b>2.</b>	<b>GOVERNANCE OF BOARD OF DIRECTORS OF SUBSIDIARY COMPANY</b>			
2(a)	Provisions relating to the composition of the Board of the holding company shall be made applicable to the composition of the Board of the subsidiary company;			Not Applicable
2(b)	At least 1 (one) independent director on the Board of the holding company shall be a director on the Board of the subsidiary company;			Not Applicable
2(c)	The minutes of the Board meeting of the subsidiary company shall be placed for review at the following Board meeting of the holding company;			Not Applicable
2(d)	The minutes of the respective Board meeting of the holding company shall state that they have reviewed the affairs of the subsidiary company also;			Not Applicable
2(e)	The Audit Committee of the holding company shall also review the financial statements, in particular the investments made by the subsidiary company.			Not Applicable
<b>3.</b>	<b>MANAGING DIRECTOR (MD) OR CHIEF EXECUTIVE OFFICER (CEO), CHIEF FINANCIAL OFFICER (CFO) HEAD OF INTERNAL AUDIT AND COMPLIANCE (HIAC) AND COMPANY SECRETARY (CS);</b>			
3(1)(a)	The Board shall appoint a Managing Director (MD) or Chief Executive Officer (CEO), a Company Secretary (CS), a Chief Financial Officer (CFO) and a Head of Internal Audit and Compliance (HIAC);	✓		



Condition No.	Title	Compliance Status (Put ✓ in appropriate column)		Remarks (if any)
		Complied	Not Complied	
3(1)(b)	The positions of the Managing Director (MD) or Chief Executive Officer (CEO), Company Secretary (CS), Chief Financial Officer (CFO) and Head of Internal Audit and Compliance (HIAC) shall be filled by different individuals;	✓		
3(1)(c)	The MD or CEO, CS, CFO and HIAC of a listed company shall not hold any executive position in any other company at the same time;	✓		
3(1)(d)	The Board shall clearly define respective roles, responsibilities and duties of the CFO, the HIAC and the CS;	✓		
3(1)(e)	The MD or CEO, CS, CFO and HIAC shall not be removed from their position without approval of the Board as well as immediate dissemination to the Commission and stock exchange(s).	✓		
<b>3(2)</b>	<b>Requirement to attend Board of Directors' Meetings</b> The MD or CEO, CS, CFO and HIAC of the company shall attend the meetings of the Board:  Provided that the CS, CFO and/or the HIAC shall not attend such part of a meeting of the Board which involves consideration of an agenda item relating to their personal matters.	✓		
<b>3(3)</b>	<b>Duties of Managing Director (MD) or Chief Executive Officer (CEO) and Chief Financial Officer (CFO)</b>			
3(3)(a)	The MD or CEO and CFO shall certify to the Board that they have reviewed financial statements for the year and that to the best of their knowledge and belief:	✓		
3(3)(a)(i)	these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;	✓		
3(3)(a)(ii)	these statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards and applicable laws;	✓		
3(3)(b)	The MD or CEO and CFO shall also certify that there are, to the best of knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or in violation of the code of conduct for the company's Board or its members;	✓		
3(3)(c)	The certification of the MD or CEO and CFO shall be disclosed in the Annual Report.	✓		
<b>4.</b>	<b>BOARD OF DIRECTOR'S COMMITTEE</b>			
4(i)	Audit Committee	✓		
4(ii)	Nomination and Remuneration Committee	✓		
<b>5.</b>	<b>AUDIT COMMITTEE</b>			
5(1)(a)	The company shall have and Audit Committee as a sub-committee of the Board of Directors.	✓		

Condition No.	Title	Compliance Status (Put ✓ in appropriate column)		Remarks (if any)
		Complied	Not Complied	
5(1)(b)	The Audit Committee shall assist the Board of Directors in ensuring that the financial statements reflect true and fair view of the state of affairs of the company and in ensuring a good monitoring system within the business.	✓		
5(1)(c)	The Audit Committee shall be responsible to the Board of Directors. The duties of the Audit Committee shall be clearly set forth in writing.	✓		
<b>5(2)</b>	<b>Constitution of the Audit Committee</b>			
5(2)(a)	The Audit Committee shall be composed of at least 3 (three) members;			
5(2)(b)	The Board shall appoint members of the Audit Committee who shall be nonexecutive directors of the company excepting Chairperson of the Board and shall include at least 1 (one) independent director;	✓		
5(2)(c)	All members of the audit committee should be “financially literate” and at least 1 (one) member shall have accounting or related financial management background and 10 (ten) years of such experience;	✓		
5(2)(d)	When the term of service of any Committee member expires or there is any circumstance causing any Committee member to be unable to hold office before expiration of the term of service, thus making the number of the Committee members to be lower than the prescribed number of 3 (three) persons, the Board shall appoint the new Committee member to fill up the vacancy immediately or not later than 1 (one) month from the date of vacancy in the Committee to ensure continuity of the performance of work of the Audit Committee;	✓		
5(2)(e)	The company secretary shall act as the secretary of the Committee;	✓		
5(2)(f)	The quorum of the Audit Committee meeting shall not constitute without at least 1 (one) independent director.	✓		
<b>5(3)</b>	<b>Chairperson of the Audit Committee</b>			
5(3)(a)	The Board shall select 1 (one) member of the Audit Committee to be Chairperson of the Audit Committee, who shall be an independent director;	✓		
5(3)(b)	In the absence of the Chairperson of the Audit Committee, the remaining members may elect one of themselves as Chairperson for that particular meeting, in that case there shall be no problem of constituting a quorum as required under condition No. 5(4)(b) and the reason of absence of the regular Chairperson shall be duly recorded in the minutes.	✓		
5(3)(c)	Chairperson of the Audit Committee shall remain present in the Annual General Meeting (AGM):	✓		

Condition No.	Title	Compliance Status (Put ✓ in appropriate column)		Remarks (if any)
		Complied	Not Complied	
<b>5(4)</b>	<b>Meeting of the Audit Committee</b>			
5(4)(a)	Audit Committee shall conduct at least its four meetings in a financial year:	✓		
5(4)(b)	The quorum of the meeting of the Audit Committee shall be constituted in presence of either two members or two third of the members of the Audit Committee, whichever is higher, where presence of an independent director is a must.	✓		
<b>5(5)</b>	<b>Role of Audit Committee</b>			
	The Audit Committee shall:-			
5(5)(a)	oversee the financial reporting process;	✓		
5(5)(b)	monitor choice of accounting policies and principles;	✓		
5(5)(c)	monitor Internal Audit and Compliance process to ensure that it is adequately resourced, including approval of the Internal Audit and Compliance Plan and review of the Internal Audit and Compliance Report;	✓		
5(5)(d)	oversee hiring and performance of external auditors;	✓		
5(5)(e)	hold meeting with the external or statutory auditors for review of the annual financial statements before submission to the Board for approval or adoption;	✓		
5(5)(f)	review along with the management, the annual financial statements before submission to the Board for approval;	✓		
5(5)(g)	review along with the management, the quarterly and half yearly financial statements before submission to the Board for approval;	✓		
5(5)(h)	review the adequacy of internal audit function;	✓		
5(5)(i)	review the Management's Discussion and Analysis before disclosing in the Annual Report	✓		
5(5)(j)	review statement of all related party transactions submitted by the management;	✓		
5(5)(k)	review Management Letters or Letter of Internal Control weakness issued by statutory auditors;	✓		
5(5)(l)	oversee the determination of audit fees based on scope and magnitude, level of expertise deployed and time required for effective audit and evaluate the performance of external auditors;	✓		
5(5)(m)	oversee whether the proceeds raised through Initial Public Offering (IPO) or Repeat Public Offering (RPO) or Rights Share Offer have been utilized as per the purposes stated in relevant offer document or prospectus approved by the Commission:			Not Applicable
<b>5(6)</b>	<b>Reporting of the Audit Committee</b>			
5(6)(a)(i)	The Audit Committee shall report on its activities to the Board.	✓		



Condition No.	Title	Compliance Status (Put ✓ in appropriate column)		Remarks (if any)
		Complied	Not Complied	
5(6)(a)(ii)	<b>The audit Committee shall immediately report to the Board on the following findings, if any:-</b>			
5(6)(a)(ii)(a)	Report on conflicts of interests;			Not Applicable
5(6)(a)(ii)(b)	suspected or presumed fraud or irregularity or material defect identified in the internal audit and compliance process or in the financial statements;			Not Applicable
5(6)(a)(ii)(c)	suspected infringement of laws, regulatory compliances including securities related laws, rules and regulations;			Not Applicable
5(6)(a)(ii)(d)	any other matter which the Audit Committee deems necessary shall be disclosed to the Board immediately;	✓		
5(6)(b)	<b>Report to the Authorities</b> Reporting to the Authorities If the Audit Committee has reported to the Board about anything which has material impact on the financial condition and results of operation and has discussed with the Board and the management that any rectification is necessary and if the Audit Committee finds that such rectification has been unreasonably ignored, the Audit Committee shall report such finding to the Commission, upon reporting of such matters to the Board for three times or completion of a period of 6 (six) months from the date of first reporting to the Board, whichever is earlier.			Not Applicable
5(7)	<b>Reporting to the Shareholders and General Investors</b> Report on activities carried out by the Audit Committee, including any report made to the Board under condition No. 5(6) (a)(ii) above during the year, shall be signed by the Chairperson of the Audit Committee and disclosed in the annual report of the issuer company.	✓		
6.	<b>NOMINATION AND REMUNERATION COMMITTEE (NRC)</b>			
6(1)(a)	The company shall have a Nomination and Remuneration Committee (NRC) as a subcommittee of the Board;	✓		
6(1)(b)	The NRC shall assist the Board in formulation of the nomination criteria or policy for determining qualifications, positive attributes, experiences and independence of directors and top-level executive as well as a policy for formal process of considering remuneration of directors, top level executive;	✓		
6(1)(c)	The Terms of Reference (ToR) of the NRC shall be clearly set forth in writing covering the areas stated at the condition No. 6(5)(b).	✓		
6(2)	<b>Constitution of the NRC</b>			
6(2)(a)	The Committee shall comprise of at least three members including an independent director;	✓		
6(2)(b)	All members of the Committee shall be non-executive directors;	✓		

Condition No.	Title	Compliance Status (Put ✓ in appropriate column)		Remarks (if any)
		Complied	Not Complied	
6(2)(c)	Members of the Committee shall be nominated and appointed by the Board;	✓		
6(2)(d)	The Board shall have authority to remove and appoint any member of the Committee;	✓		
6(2)(e)	In case of death, resignation, disqualification, or removal of any member of the Committee or in any other cases of vacancies, the board shall fill the vacancy within 180 (one hundred eighty) days of occurring such vacancy in the Committee;	✓		
6(2)(f)	The Chairperson of the Committee may appoint or co-opt any external expert and/or member(s) of staff to the Committee as advisor who shall be non-voting member, if the Chairperson feels that advice or suggestion from such external expert and/or member(s) of staff shall be required or valuable for the Committee;	✓		
6(2)(g)	The company secretary shall act as the secretary of the Committee;	✓		
6(2)(h)	The quorum of the NRC meeting shall not constitute without attendance of at least an independent director;	✓		
6(2)(h)(i)	No member of the NRC shall receive, either directly or indirectly, any remuneration for any advisory or consultancy role or otherwise, other than Director's fees or honorarium from the company.	✓		
<b>6(3)</b>	<b>Chairperson of the NRC</b>			
6(3)(a)	The Board shall select 1 (one) member of the NRC to be Chairperson of the Committee, who shall be an independent director;	✓		
6(3)(b)	In the absence of the Chairperson of the NRC, the remaining members may elect one of themselves as Chairperson for that particular meeting, the reason of absence of the regular Chairperson shall be duly recorded in the minutes	✓		
6(3)(c)	The Chairperson of the NRC shall attend the annual general meeting (AGM) to answer the queries of the shareholders:	✓		
<b>6(4)</b>	<b>Meeting of the NRC</b>			
6(4)(a)	The NRC shall conduct at least one meeting in a financial year;	✓		
6(4)(b)	The Chairperson of the NRC may convene any emergency meeting upon request by any member of the NRC;	✓		
6(4)(c)	The quorum of the meeting of the NRC shall be constituted in presence of either two members or two third of the members of the Committee, whichever is higher, where presence of an independent director is must as required under condition No. 6(2)(h);	✓		
6(4)(d)	The proceedings of each meeting of the NRC shall duly be recorded in the minutes and such minutes shall be confirmed in the next meeting of the NRC.	✓		

Condition No.	Title	Compliance Status (Put ✓ in appropriate column)		Remarks (if any)
		Complied	Not Complied	
<b>6(5)</b>	<b>Role of the NRC</b>			
6(5)(a)	NRC shall be independent and responsible or accountable to the Board and to the shareholders;	✓		
6(5)(b)	<b>NRC shall oversee, among others, the following matters and make report with recommendation to the Board:</b>			
6(5)(b)(i)(a)	the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate suitable directors to run the company successfully;	✓		
6(5)(b)(i)(b)	the relationship of remuneration to performance is clear and meets appropriate performance benchmarks;	✓		
6(5)(b)(i)(c)	remuneration to directors, top level executive involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals;	✓		
6(5)(b)(ii)	devising a policy on Board's diversity taking into consideration age, gender, experience, ethnicity, educational background and nationality;	✓		
6(5)(b)(iii)	identifying persons who are qualified to become directors and who may be appointed in top level executive position in accordance with the criteria laid down, and recommend their appointment and removal to the Board;	✓		
6(5)(b)(iv)	formulating the criteria for evaluation of performance of independent directors and the Board;	✓		
6(5)(b)(v)	identifying the company's needs for employees at different levels and determine their selection, transfer or replacement and promotion criteria;	✓		
6(5)(b)(vi)	developing, recommending and reviewing annually the company's human resources and training policies;	✓		
6(5)(c)	The company shall disclose the nomination and remuneration policy and the evaluation criteria and activities of NRC during the year at a glance in its annual report.	✓		
<b>7.</b>	<b>EXTERNAL OR STATUTORY AUDITORS</b>			
7(1)(i)	Non-engagement of external/statutory auditors in appraisal or valuation services or fairness opinions.			Not Applicable
7(1)(ii)	Non-engagement of external/statutory auditors in financial information systems design and implementation.			Not Applicable
7(1)(iii)	Non-engagement of external/statutory auditors in Book-keeping or other services related to the accounting records or financial statements			Not Applicable
7(1)(iv)	Non-engagement of external/statutory auditors in Broker-dealer services.			Not Applicable

Condition No.	Title	Compliance Status (Put ✓ in appropriate column)		Remarks (if any)
		Complied	Not Complied	
7(1)(v)	Non-engagement of external/statutory auditors in Actuarial services.			Not Applicable
7(1)(vi)	Non-engagement of external/statutory auditors in Internal audit services			Not Applicable
7(1)(vii)	Non-engagement of external/statutory auditors in any other service that the Audit Committee determines.			Not Applicable
7(1)(viii)	audit or certification services on compliance of corporate governance as required under condition No. 9(1);			Not Applicable
7(1)(ix)	Any other service that creates conflict of interest.			Not Applicable
7(2)	No partner or employees of the external audit firms shall possess any share of the company they audit at least during the tenure of their audit assignment of that company; his or her family members also shall not hold any shares in the said company:	✓		
7(3)	Representative of external or statutory auditors shall remain present in the Shareholders' Meeting (Annual General Meeting or Extraordinary General Meeting) to answer the queries of the shareholders.	✓		
<b>8.</b>	<b>MAINTAINING A WEBSITE BY THE COMPANY</b>			
8(1)	The company shall have an official website linked with the website of the stock exchange.	✓		
8(2)	The company shall keep the website functional from the date of listing.	✓		
8(3)	The company shall make available the detailed disclosures on its website as required under the listing regulations of the concerned stock exchange(s). Complied 9 Reporting and Compliance of Corporate Governance.	✓		
<b>9.</b>	<b>REPORTING AND COMPLIANCE OF CORPORATE GOVERNANCE</b>			
9(1)	The company shall obtain a certificate from a practicing Professional Accountant or Secretary (Chartered Accountant or Cost and Management Accountant or Chartered Secretary) other than its statutory auditors or audit firm on yearly basis regarding compliance of conditions of Corporate Governance Code of the Commission and shall such certificate shall be disclosed in the Annual Report.	✓		
9(2)	The professional who will provide the certificate on compliance of this Corporate Governance Code shall be appointed by the shareholders in the annual general meeting.	✓		
9(3)	The directors of the company shall state, in accordance with the <b>Annexure-C</b> attached, in the directors' report whether the company has complied with these conditions or not.	✓		



# REPORT OF THE AUDIT COMMITTEE

## FOR THE YEAR 2020-2021

The Audit Committee consists of the following persons:

Mr. Md. Abdus Salam FCA, FCS Independent Director	Chairman
Mr. M. A. Rahim, Director	Member
Mr. M. A. Quader, Director	Member
Mrs. Selina Perveen	Member
Mr. Md. Hassan Imam	Member
Mr. Md. Shah Alam Miah FCS, Company Secretary	Secretary

### The Scope of the Audit Committee was defined as under

- (a) Oversee the financial reporting process.
- (b) Monitor choice of accounting policies and principles.
- (c) Monitor Internal Audit and Compliance process to ensure that it is adequately resourced, including approval of the Internal Audit and Compliance plan and review the Internal Audit and Compliance Report.
- (d) Oversee hiring and performance of external auditors.
- (e) Hold meeting with the external or statutory auditors for review of the annual financial statements before submission to the Board for approval or adoption.
- (f) Review along with the management, the annual financial statements before submission to the board for approval.
- (g) Review along with the management, the quarterly and half yearly financial statements before submission to the board for approval.
- (h) Review the adequacy of internal audit function.
- (i) Review the Management's discussion and Analysis before disclosing in the Annual Report.
- (j) Review statement of all related party transactions submitted by the management.
- (k) Review Management Letters or Letter of Internal Control weakness issued by statutory auditors.
- (l) Oversee the determination of audit fees based on scope and magnitude, level of expertise deployed, and time required for effective audit and evaluate the performance of the external auditors.
- (m) Review and consider the report of internal auditors and statutory auditors' observations on internal control.
- (n) Review the utilization report of Initial Public Offering (IPO) proceeds.
- (o) Any other requirement assigned by the Board of Directors.

### Activities carried out during the year

During the year 2020-2021, the Audit Committee of the Company held 05 meetings. Proceedings of the Audit Committee meetings were reported timely and regularly to the Board of Directors. During the year, the Committee performed amongst others, the following key functions:

01. The Committee reviewed the integrity of the quarterly, half yearly and annual financial statements and recommended to the Board for consideration.
02. The Committee had overseen, reviewed and approved the procedure and task of the internal audit, financial report preparation and the external audit reports.

03. The Committee reviewed the Audit Plan for the year, 2020-2021.
04. The Committee reviewed the Budget for the year, 2021-2022
05. The Committee reviewed the performance of external auditor and recommended their appointment.
06. The Committee reviewed related party transaction.
07. The Committee reviewed the Management Letter issued by statutory auditors.
08. The Committee found adequate arrangement to present a true and fair view of the activities and the financial status of the Company and didn't find any material deviation, discrepancies, or any adverse finding/observation in reporting.



**Md. Abdus Salam FCA, FCS**

Chairman, Audit Committee

# REPORT OF THE NOMINATION & REMUNERATION COMMITTEE: 2020-2021

For ensuring good governance in the Company, the Board of Directors of MSML, in addition to the Audit Committee, has also duly constituted a sub-committee of the Board of Directors namely 'Nomination and Remuneration Committee' (NRC), as per the requirements of the BSEC Code of Corporate Governance. The NRC, so-formed, is independent and responsible or accountable to the Board and to the shareholders. Its role is guided by the its Terms of Reference (TOR) fixed by the Board of Directors in the light of the Corporate Governance Code issued by the Bangladesh Securities and Exchange Commission (BSEC). NRC assists the Board in formulating the nomination criteria or policy for determining qualifications, positive attributes, experiences and independence of Directors and other top-level executives. The NRC also assists the Board to formulate policy for formal and continued process of considering remuneration/honorarium of Directors and top-level executives. The NRC, among others, plays a guiding role to the management in identifying Company's needs for employees at different levels and determine their selection, transfer or replacement and promotion criteria.

The Report of Nomination and Remuneration Committee is prepared according to the requirements of the Corporate Governance Code issued by the Bangladesh Securities and Exchange Commission (BSEC). This Report covers nomination and remuneration policies, evaluation criteria and activities of NRC.

## 1. NOMINATION AND REMUNERATION POLICIES:

The Company follows nomination and remuneration policies, as on standards and recognizable in the market context and sufficient to meet the current and future needs of the Company. The broad criteria in that respect for Directors and top-level executives and all other employees of the Company are as follows:

### a) Nomination Criteria:

- i. Following the Company policies as well as the prevailing regulatory guidelines and regulations.
- ii. Following a selection process that is transparent in all respects.
- iii. Following a process which is compatible to standards on best practices.
- iv. Recognize core competencies of the respective personnel for the different level of management and employees of the Company.
- v. Follow diversity in age, maturity, qualification, expertise, and gender disciplines.

### b) Recruitment and Selection Guidelines:

The NRC draws a broad outline of the Company needs for employees at different levels, as ascertained by the management. The recruitment and selection of Directors, top-level executives and other employees of the Company are made according to the following guidelines:

- Director(s): The NRC recommends the candidate(s) for Director(s), based on company Laws, BSEC guidelines, rules, and regulations. The Board of Directors appoint the Director(s) upon nomination and recommendation of the NRC and subject to approval by the shareholders in General Meeting.

- Independent Director: The Independent Director shall be a knowledgeable individual with integrity who is able to ensure compliance with financial laws, regulatory requirements and corporate laws that can make meaningful contribution to the business. The Independent Director should have competence relevant to the sector in which the Company operates, and necessarily should have the qualifications as required by the regulations of BSEC. The Board of Directors appoint Independent Directors upon nomination and

recommendation of the NRC, which is then approved by shareholders at the Annual General Meeting of the Company.

- **Top-level executives:** The NRC identifies and recommends candidate(s) for top-level executives upon thorough scrutiny by the Managing Director and Human Resources Department (HRD), considering relevant qualifications, experience, skills, and leadership, as required for the respective positions based on the Company's internal selection process.

**Explanation:** 'Top-level executives' of the Company include the Managing Director, the Technical Director, the Chief Financial Officer, the Company Secretary, the Chief Production Officer, and the Head of Internal Audit & Compliance of the Company.

**Other Employees:** The NRC sets a guideline to identify the Company's need for employees at different levels and empowers the relevant management of the Company's HRD for selection, transfer, replacement, and promotion of respective employees based on the HR policy of the Company.

### c) Remuneration Criteria

- i. The structure, scale and composition of remuneration/ honorarium is reasonable and sufficient to attract, retain and motivate suitable Directors, top-level executives, and other employees to run the Company efficiently and successfully.

The context of packages, including remuneration/ benefits monthly, yearly and in the long run for all the employees are categorically laid down and meets the appropriate performance benchmarks.

- ii. There is a clear balance in benefits between fixed and incentive pay of the Directors and senior management, reflecting short and long-term performance goals and objectives of the Company.
- iii. The remuneration, including bonuses, compensation, benefits (or in whatever form) payable to the Directors, top-level executives and other employees are determined by the NRC based on the respective Company HR policies and guidelines, which shall be ratified by the Board as and when required.

- iv. The remuneration to be paid to the Directors is in accordance with the Company's HR policies and guidelines.
- v. Increments (if any) to the existing structure of remuneration are determined by the NRC based on the Company's HR policies and guidelines, which are ratified by the Board as and when required.
- vi. The NRC will recommend the Board meeting attendance fees, honorarium, including incidental expenses, if any; and
- vii. No member of the NRC receives, either directly or indirectly, any remuneration for any advisory or consultancy role or otherwise, other than Director's fees or honorarium from the Company.

## 2. EVALUATION CRITERIA

### a) Executive Directors

The respective line authority of the Executive Director(s) sets the performance measurement criteria based on the respective role profile and responsibilities through a Company appraisal process at the beginning of each calendar year. The Executive Director(s) prepare the performance document (year-end). The respective line authority then evaluates the performance of the Executive Director(s) according to the measurement criteria.

### b) Independent Director & Non-Executive Director

The evaluation of performance of the Independent Directors (IDs) and Non-Executive Directors are carried out at least once a year by the Board of Directors, according to the following criteria:

- a) Attendance at the Board meetings and committee meetings.
- b) Participation in the Board meetings and committee meetings.
- c) Contribution to improving the corporate governance practices of the Company.

### c) Top-level Executives & other Employees

The respective line authority of top-level executives and other employees sets the performance measurement criteria based on the respective roles and responsibilities to achieve people and business



objectives through Company appraisal processes at the beginning of each calendar year. The employees concerned prepare the performance document (half-year and year end). The respective line authority then evaluates the performance of the employee(s) according to the measurement criteria.

### 3. ACTIVITY SUMMARY OF NOMINATION AND REMUNERATION COMMITTEE DURING THE YEAR

#### a) Formation of Committee and its Meetings

The Board formed the Nomination and Remuneration Committee (NRC) on 22 July 2018, as per the requirements of BSEC Corporate Governance Code. Following expiry of tenure of Mr. M Naser Alam, Barrister-at-Law as an Independent Director of the Company, Mr. Shamsul Hasan, Barrister-at-Law has been appointed as an Independent Director and as Chairman of NRC with effect from 23.03.2021 by the Board of Directors of the Company. Composition of the NRC presently stands as follows:

**01. Chairman** : Mr. Shamsul Hasan, Barrister-at-law

**02. Members** : Mr. Mohammed Abdur Rahim  
Mr. Mohammed Abdul Quader  
Mrs. Selina Perveen  
Mr. Md. Hassan Imam

**03. Secretary** : Md. Shah Alam Miah, FCS

In 2020-21, the Committee met twice. The Managing Director, Executive Director, Group Finance, GM Corporate HR attended the meeting by invitation of the Committee. Mr. Shamsul Hasan, Barrister-at-Law,

presided the as Chairman of the Committee:

#### The activities of the NRC during the year were as follows:

- i. Formulated a policy relating to the remuneration of the Directors, top-level executives, and all employees of the Company.
- ii. Formulated the criteria for determining qualifications, positive attributes, and independence of a director.
- iii. Formulated the criteria for evaluation of performance of Independent Directors and the Board Members.
- iv. Identified criteria for selection, transfer or replacement and promotion at different levels of the Company.
- v. The NRC reviewed the code of conduct for the Chairman, other Board members and Chief Executive Officer and recommended to the Board for consideration.
- vi. The NRC reviewed the performance and recommended to the Board for appointment of Independent Director and Chief Financial Officer of the Company.



**Shamsul Hasan, Barrister-at-Law**  
Chairman

# SHAREHOLDING INFORMATION

The following historical information will hold our current and potential investors for their decision making:

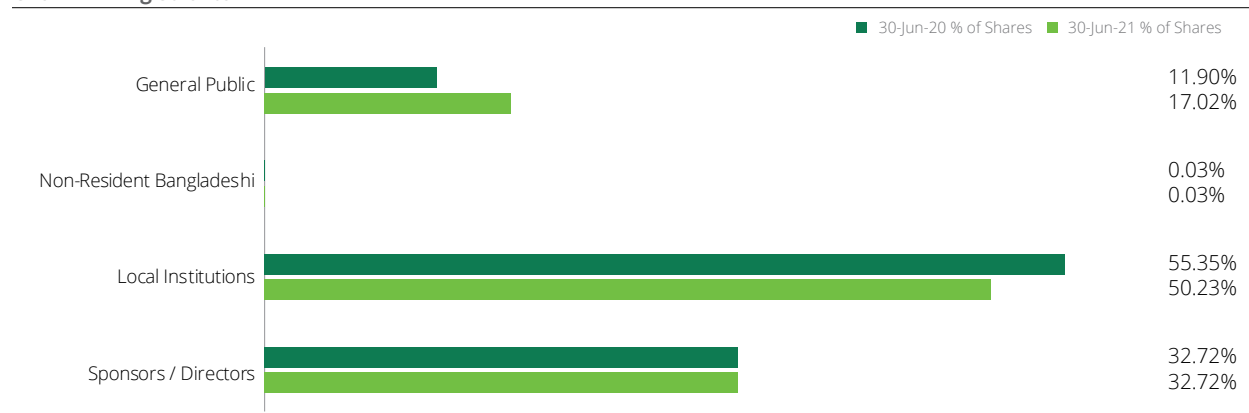
## FINANCIAL CALENDAR

Events for the year	2020-2021	2019-2020
Publication of unaudited 1st Quarter Financial Statements	10 Nov-20	13 Nov-19
Publication of unaudited Half year/ 2nd Quarter Financial Statements	28 Jan-21	15-Jan-20
Publication of unaudited 3rd Quarter Financial Statements	29 April-21	08-Jun-20
Annual Financial Statements approved by the Board	28 Oct-21	31-Oct-20
Record Date	17- Nov-21	26-Nov-20
Dispatching notice for the Annual General Meeting	18 -Nov-21	20-Nov-20
Dispatching of Annual Report	18-Nov-21	22-Nov-20
Holding of Annual General Meeting	13-Dec-21	14-Dec-20
Transfer/Payment of Dividend	06-Jan-22	07-Jan-21

## COMPARATIVE SHAREHOLDING STRUCTURE

Type of Shareholder	30 June 2021		30 June 2020	
	Number of shares	% of Shares	Number of shares	% of Shares
Sponsors / Directors	31,917,000	32.72	31,917,000	32.72
Local Institutions	48,961,725	50.23	53,952,423	55.35
Non-residential Bangladeshi	25,137	.03	26,863	0.03
General Public	16,586,138	17.02	11,593,714	11.90
<b>Total Shares Held</b>	<b>97,490,000</b>	<b>100.00</b>	<b>97,490,000</b>	<b>100.00</b>

## Shareholding Structure



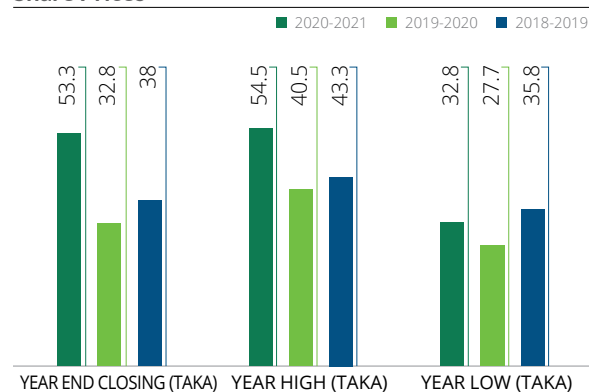
## STOCK DETAILS

Particulars	DSE	CSE
Stock Symbol	MATINSPINN	MATINSPINN
Listing Year	2014	2014
Market Category	A	A
Face Value (Taka)	10	10
Paid -up- Capital	974,900,000	974,900,000
Market Lot	1	1
Total Number of Securities	97,490,000	97,490,000

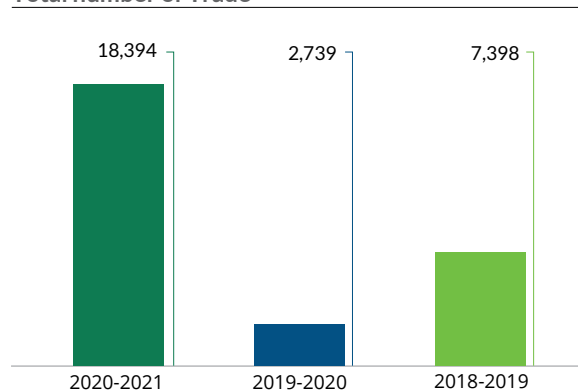
## PRICE TREND IN DSE

Period	2020-2021	2019-2020	2018-2019
Year End Closing (Taka)	53.30	32.80	38.00
Year High (Taka)	54.50	40.50	43.30
Year Low (Taka)	32.80	27.70	35.80
Total number of Trade	18,394	2,739	7,398

Share Prices



Total number of Trade



## SHARE INFORMATION

Particulars	30 June, 2021	30 June, 2020	30 June, 2019
Number of shares	97,490,000	97,490,000	97,490,000
Net Asset Value per share (Taka)	53.84	49.29	42.90
Earnings per share	6.31	2.16	.97
Dividend (Cash) %	40	18	15

Shares held by directors/executives and relatives of directors /executives (Pattern of Shareholding as on 30 June 2021 provided on page No 67 & 68)

## SUMMARY OF UNCLAIMED DIVIDEND

Years	Dividend amount in DBT _ As on Jun 30, 2021	Remarks
2013-2014	1,440,892.00	Note: Already transfer to CMSF SND A/C No. 0010311521301 Community Bank Bangladesh Ltd. Gulshan Corporate Br. Dhaka dt. 29 August 2021
2014-2015	1,171,122.00	
2015-2016	469,765.22	
2016-2017	275,234.37	
2017-2018	279,302.00	Information Available at Company's Website
2018-2019	355,492.87	
2019-2020	379,223.31	
<b>Total</b>	<b>4,371,031.77</b>	

## REDRESSAL OF INVESTOR'S COMPLAINTS:

Matin Spinning Mills Limited places high degree of importance to investor queries and as such has established an Investors' Relation Department headed by the Company Secretary. The mechanism of the Investor Complaints process is given below:

- i) Investors are encouraged to address their queries via E-mail: [secretary@msml.dbl-group.com](mailto:secretary@msml.dbl-group.com). Investor can also register their complaints and queries through an application addressed to the Company Secretary.
- ii) Investors' Relation Department acknowledges the complaint and contacts the investor to confirm their identity regarding
  - Shareholder's BO ID &
  - Shareholder's Name
- iii) Investors' Relation Department, after confirming the shareholders identity, addresses their queries and provides required information/guidance.

Any complaints received at the AGM or throughout the year pertaining to service offering, delivery, compliance, or other issues are resolved lawfully. The Company Secretary acts as the key point of contact in resolving such issues.





# CORPORATE

## SOCIAL RESPONSIBILITY



# ENVIRONMENTAL, SOCIAL, AND GOVERNANCE (ESG) OVERVIEW

All businesses having direct impact on the environment from their operations should work toward minimizing the increasing stress on the finite natural resources. It is high time that businesses operating in Bangladesh, the most vulnerable region to climate change, increase their business exposure to extreme climate related events on multiple levels, including their operations, supply chains and consumer base. As a responsible corporate entity, Matin Spinning Mills Limited (MSML) is committed to reduce its carbon footprint and any adverse effect on the environment using state-of-the-art technology on a continuous basis. MSML strongly believes in balancing economic prosperity and social progress with care for the planet to ensure good quality of life for all. MSML has already taken environment management to another level from initially being a mere responsibility to transforming into a competency and performance issue.

The foundation of MSML's Sustainability is based on five pillars: People, Process, Product, Community, and Environment; thereby having a holistic approach towards environmental and social impacts. Our sustainable action programs are diversified accordingly and some of them are discussed here.

As an organization, Matin Spinning Mills Limited realizes its responsibility towards its people: our employees. Our company understands how the business practices impact our employees and we work to serve in their best interests.

Matin Spinning Mills Limited is committed to continuously improve all its business processes:

ranging from purchasing raw materials to transporting final finished goods. We give a strong emphasis on eliminating non-value-added activities (waste) while delivering quality products on time with least effect on the environment and greater efficiency.

Matin Spinning Mills Limited continuously works towards improving the quality of the products, and all the processes that go into making the final finished product and ensures to minimize the negative impact on the environment and the consumers. The R&D department is actively involved in creating new and researching existing products and the processes associated with them.

We believe that together with our employees, customers, business partners and other stakeholders, we can create real and long-term changes for the betterment of the community and the environment. And together with our thousands of employees we can extend this impact even further from improving the livelihood of our employees to the development of the society where we conduct our businesses.

Environment is a high priority for our company, and we work to decrease carbon footprint, water consumption, and waste from our manufacturing processes. We dedicate ourselves in conserving energy, managing waste effectively and replenishing the environment to the best of our capacity. Matin Spinning Mills Limited recognizes that its own sustainability rests on its ability to work harmoniously in its social and environmental settings. So, with economic success we also want to balance social and environmental prosperity.



## ENVIRONMENTAL



### RAW MATERIALS

19,622,342

Kg raw materials used



### WATER

441,969

Cubic meters used



### WASTE

7,236,677

Kg Non-hazardous waste

7,441

Kg Non-hazardous waste



### ENERGY CONSUMPTION

#### PROCESS:

357,851

Liters from Diesel

14,673,967

Cubic meters from natural gas

#### TRANSPORTATION:

66,303

Cubic meters from natural gas

10,206

Liters from diesel

3,869

Liters from octane



### GHG EMISSIONS

28,651

Tons from processes

155

Tons from transportation

# SOCIAL

## DIVERSITY BY GENDER



FEMALE EMPLOYEES

1,150 / 53.56%



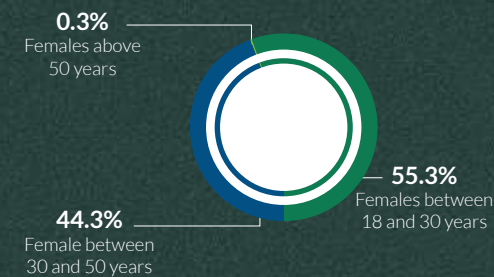
MALE EMPLOYEES

997 / 46.44%

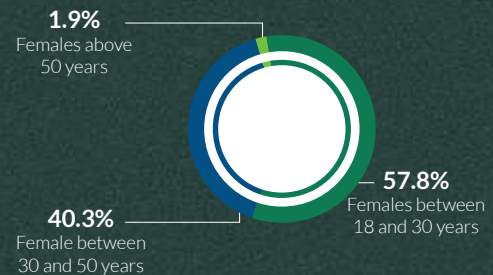


## DIVERSITY BY AGE GROUP

Female age distribution



Male age distribution



## OTHER SOCIAL ISSUES



10

formal joint management-worker health & Safety committee members

0.53%  
of workforce



Grievances can be placed through:

- Suggestion/Grievance boxes
- Verbal complaints
- During Participation Committee (PC) meetings

45

Grievances addressed and resolved in 2020-21



56

Security personnel

All received formal training on company's human rights policies and their application to security



# GOVERNANCE



10  
Board of Directors

2  
Independent Directors



2  
Board Sub-Committees



**AUDIT  
COMMITTEE**  
5 Members



**NOMINATION &  
REMUNERATION  
COMMITTEE**  
5 Members



17  
Meetings in 2020-21

9



Board  
Meetings

5



Audit  
Committee  
meetings

2



Nominations  
and  
Remuneration  
Committee  
Meetings

1



Annual  
General  
Meeting

# SUSTAINABILITY INITIATIVES

## PEOPLE



### **BANDHAN FAIR PRICE SHOP**

The Bandhan Fair Price Shop serves people with all the essentials and commodities at factory price of the manufactures. It reduces workers' monthly expenditure burden and shelters them from economic inflation. Goods are available at subsidized rates from 5% to 15%. "Bandhan" is the Bengali form of "Bonding"; it refers to the bonding between employer and employee. A total of BDT 5,685,009 sales took place in Bandhan in 2020-21.



### **FUTURE LEADERS DEVELOPMENT PROGRAM (FLDP)**

Under the FLDP, fresh graduates from reputed universities across the nation are recruited and trained and groomed to become the future leaders of our organization in a period of five years.



### **WOMEN HEALTH INITIATIVE (WHI)**

The Women Health Initiative (WHI) has a long-term objective to ensure good health and hygiene for all MSML's female workers. The initial activity was providing women with sanitary napkins at discounted price of only Taka 10: thus, not only limiting to teaching women but providing opportunities for safe health as well. As a result, women workers now have improved health condition and there is reduced absenteeism.



### **SUPPORTING EMPLOYEE'S CHILDREN'S EDUCATION**

A set of programs exist in MSML which focuses on affordability and accessibility to education for all the employees of DBL. These include recognition of meritorious students and providing career path counselling to students who have passed Higher Secondary education.



# PROCESS



## IDEA CLUB

MSML encourages ideas from any employee or worker, regardless of their designation. Their efforts are recognized through a monthly recognition system: the “Employee of the Month”. In addition, the “Employee of the Year” has also been initiated. This promotes employees to work at their full potential and gives them a feeling of fairness as every employee has an equal opportunity at obtaining this reward. Ideas provided by workers helped in increasing productivity and reducing wastage



## MSML QUALITY CONTROL (QC) CIRCLES

To promote employee engagement in workplace decision making, QC Circles have been set up in MSML. Currently MSML Has seven QC Circles who periodically research different processes and activities and research on improving those using sophisticated methods of analysis. In-house QC Circle competitions are also taking place simulating the standards followed in the national level competition organized by the Bangladesh Standard for Total Quality Management (BSTQM).



# PRODUCT

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## ORGANIC COTTON

As an initiative to reduce the negative impact on the environment and consumers, Organic Cotton is imported from India to process organic yarn. Organic Cotton contributes to replenishing and maintaining soil fertility, building biologically diverse agriculture and using less water. Use of harmful pesticides, insecticides, etc. is also eliminated here which otherwise would affect farmers and wildlife. Currently about 35% of the total yarn production comprises of Organic Cotton.



## SUSTAINABLE YARN PRODUCTION

Our Spinning Mill targets to have significant proportion of total production made from these recycled materials. Matin Spinning launched a series of innovated products in their production line such as yarns for loop and brush use, Cotton Neppy Mélange yarns, Snow yarns, etc. In raw material consumption, we are increasing sustainable and recycled fiber. The different innovations have allowed in reducing waste, reusing cotton and recycling to form new yarns.



## BETTER COTTON INITIATIVE (BCI)

The BCI has been undertaken by MSML to support the global standards for Better Cotton. BCI helps MSML in promoting its commitment to make global cotton production better for the producers, environment, and the sector. Over 60% of the total yarn production is from BCI cotton.



## OEKO-TEX STANDARD 100

Integrating the Oeko-Tex Standard (Product Class I) enables MSML to follow the Restricted Substances List (RSL) specified by the certificate.



# COMMUNITY



## COMMUNITY EDUCATION AND DEVELOPMENT PROGRAM

As a part of endorsing need for quality education in Bangladesh, MSML has undertaken multiple activities to promote education in the local community of Kashimpur. MSML created a four storied building in Hatimara School and College which accommodates 1,000 pupils. Furthermore, in 2015, 100 benches donated to Sardagonj Govt. Primary School as part of their request for facilitating them for the board examinations. A renovation work has also been done in the school to accommodate further students.



## MEDICAL SERVICES FOR WORKERS AND THEIR FAMILIES

An in-house medical facility in MSML is open to workers and their families. Apart from accidents or other emergencies, outdoor medical services are also provided. Health and nutrition tips are provided with special attention to children, nursing mothers, and pregnant women. Medicines in the in-house pharmacy are charged at manufacturers' price. Furthermore, financial and logistical supports offered to employees on need basis.



## COMMUNITY



### COMMUNITY ENGAGEMENT PROGRAM AT MATIN SPINNING MILLS LTD

A discussion session with the Community people was organized by the management of Matin Spinning Mills Ltd on September 01, 2021 from 03.00 pm to 04.00 pm at conference room of Matin Spinning Mills Ltd. A number of 14 peoples from the local community including Teachers, Imam of Mosque and House Owners, Land Owners were present in this program. The program was facilitated by Mr. Md. Golam Kibria, DGM, Admin of this factory and Mr. Md. Solayman, Technical Officer, Global Environment Consultant. The peoples of the local Community describe the different engagement of DBL Group with the local Community like awareness on Fire safety, awareness on Covid-19, Environment protection program, School Development Program etc.



### MINI FIRE STATION (MFS)

The Mini Fire Station is a public-private partnership between DBL Group, the German Cooperation through GIZ and the Bangladesh Fire Service and Civil Defence (BFSCD). The foundation stone was laid on 7 October 2015 by H.E. Dr. Gerd Müller, Honorable Federal Minister for Economic Cooperation and Development, Germany, and H.E. Mr. Tofail Ahmed, Honorable Minister of Commerce, Government of Bangladesh. The objective of the Mini Fire Station rapid response and risk reduction unit is to prevent fire in the industrial buildings around Kashimpur, Gazipur area. The facility is staffed 24 hours a day with a target to respond within the first critical 10-15 minutes to both industrial fire and building collapse.

The MFS has already completed more than 200 successful operations in Kashimpur since it went into operation.



# ENVIRONMENT



## TREE PLANTATION PROGRAM AT MATIN SPINNING MILLS LTD

Considering the United Nation's principal vehicle for encouraging awareness and action for the protection of our environment, Matin Spinning Mills Ltd, a concern of DBL Group planted 70 saplings on August 30, 2021 at factory premises. Mr. Shamimul Haque, CPO of Matin Spinning Mills Ltd inaugurated the program. A volunteer team of 15 members from Production, Admin, HR, Compliance (EMS Team) and Sustainability participated in the tree plantation program. After tree plantation the volunteer team did a discussion session within the factory complex.

DBL Group is working for SDG 15 (Life on Land) and DBL volunteers believe that Tree Plantation Program will help the Earth to manage its Biodiversity through a better Carbon performance.



## ENERGY EFFICIENT MACHINERIES

MSML always procures machines which provide high efficiency, production capacity, and machine longevity. These machines also have the advantages of less power consumption and noise level than other alternatives. For example, one of the production machines from Toyota uses Programmable Logic Control (PLC) which automatically adjusts with the revolutions per minute (RPM) thereby automatically contributing to optimum energy use and energy savings.



## ENEFLOW MAGNETIC DEVICES

From the Enecon Corporation, USA, the Eneflow devices are used in generators which helped reduce carbon footprints. They also provided significant cost savings: more than BDT 8 million per year, by investing only BDT 60,000. These devices allow efficient utilization of fuel: saving 514 liters every day and hence savings for the future is ensured given the limited natural resources available.



## ENERGY EFFICIENCY ENGAGEMENT (3E)

The 3e project was undertaken by the Nordic Chamber of Commerce and Industry (NCCI) in Bangladesh. A detailed energy assessment has been done and improvement areas have been identified. MSML will be implementing these improvements to further enhance the efficiency of its operations.







# AUDITORS' REPORT AND FINANCIAL STATEMENTS





## 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 2021, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial 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 2021, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

#### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the 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.

Key Audit Matters	How our audit addressed the key audit matters
<b>1. Recognition of revenue with related parties</b> <p>The Company has reported a gross revenue of BDT 5,021,072,086 for the year ended 30 June 2021. 76% 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>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"> <li>● 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 IFRS 15 and IAS 24.</li> <li>● We performed substantive analytical procedures over Revenue, Receivables and Related Party Balances.</li> <li>● We assessed the systems of invoicing and measurement of revenue up to entries in the general ledger.</li> <li>● 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.</li> <li>● We performed cut off tests, on a sample basis, to assess whether reported related to transactions that occurred during the year.</li> </ul>

Key Audit Matters	How our audit addressed the key audit matters
<p>Revenue has been disclosed in note 25 of the financial statements, and related party transactions and relationships have been disclosed in note 41 of the financial statements.</p>	<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"> <li>● We obtained a full list of the Company's transactions with related parties, nature and purpose of such transactions and outstanding balances.</li> <li>● We obtained an understanding the Company's process for identifying related parties and disclosing related party transactions.</li> <li>● We inspected supporting documentation to understand whether related party transactions have taken place on an arms' length basis.</li> <li>● We obtained external confirmations to evaluate the accuracy and completeness of related party balances.</li> <li>● We assessed whether related party disclosures comply with the requirements of IAS 24.</li> <li>● We performed substantive analytical procedures over Revenue, Receivables and Related Party Balances.</li> </ul>
<p><b>2. Valuation and existence of inventories</b></p> <p>At year end, the Company has inventories amounting to BDT 1,111,789,691 which amounted to 13% 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.</p> <p>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.</p> <p>Inventories have been disclosed in note 07 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"> <li>● 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.</li> <li>● We tested the purchase costs of a sample of inventory items by inspecting invoices.</li> <li>● We assessed the components of the costs included within inventory items to ensure that they are in conformity with the requirements of IAS 2.</li> <li>● We assessed the movement of inventories and analysed whether closing inventories were valued using the weighted average method.</li> <li>● We tested on a sample basis, the net realisable value by comparing costs to recent selling prices.</li> <li>● We assessed the listing of the nature of items presented within inventories and analysed whether they meet the definition of inventories.</li> <li>● We read the disclosure made by the Company for compliance with disclosure requirements.</li> </ul>

Key Audit Matters	How our audit addressed the key audit matters
<b>3. Assessment of the appropriateness of the allowance for doubtful debt</b>	
<p>Accounts receivable comprises 17% of total assets in the statement of financial position.</p> <p>The appropriateness of the allowance for doubtful debt is subjective due to the high degree of judgment applied by management in determining the impairment provision. Due to the COVID 19 conditions currently all over the world as well Bangladesh, it continues to put pressure on customers' ability to repay their outstanding account balances.</p> <p>Management of the Company is continuously reviewing and assessing the need for keeping incremental amount in bad and doubtful debts under ECL method considering its business model.</p> <p>Based on assessment, management has made necessary provision for bad and doubtful debts under ECL model to impair company's trade receivables.</p> <p>Due to the significance of trade receivables and the related estimation uncertainty this is considered a key audit matter.</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> <li>● Evaluated the debtor's impairment methodology applied in the current year to the requirements of IFRS 9: Financial Instruments;</li> <li>● Analysed the methodology by comparing the prior year provision to the actual current year write downs;</li> <li>● Assessed key ratios which include cash collections, days outstanding, and delinquencies;</li> <li>● We considered changes in account strategy and assessed the impact on the allowance for doubtful debts; and</li> <li>● Assessed any changes in the economy and the impact on the collectability of accounts receivable.</li> </ul>

### Other information included in the Company's 30 June 2021 Annual Report

Management is responsible for the other information. The other information comprises the information included in the Annual Report but does not include the financial statements and our auditor's report thereon. The Annual Report is expected to be made available to us after the date of this auditor's report.

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

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### Responsibilities of Management and Those Charged with Governance for the Financial 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.

#### Report on other legal and regulatory requirements

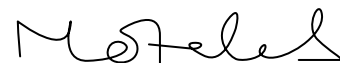
In accordance with the Companies Act 1994 and the Securities and Exchange Rules 1987, we also report the following:

- 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

RJSC Registration No: 2-PC7202



#### Mohammad Motaleb Hossain, FCA

Partner

Enrolment Number: 0950

DVC: 2110310950AS736974

Dhaka, 28 October 2021



Matin Spinning Mills Limited  
**Statement of Financial Position**

For the year ended 30 June 2021

	Notes	Amounts in Taka	
		30 June 2021	30 June 2020
<b>ASSETS</b>			
<b>Non - current assets</b>			
Property, plant and equipment	04	4,461,322,273	4,624,173,559
Investment	05	53,556,600	28,003,186
Capital work-in-process	06	316,291,054	110,153,455
<b>Total non - current assets</b>		<b>4,831,169,927</b>	<b>4,762,330,200</b>
<b>Current assets</b>			
Inventories	07	1,111,789,691	732,820,587
Accounts receivable	08	1,402,851,046	994,789,485
Advance, deposits and prepayments	09	192,533,727	222,842,805
Materials in transit	10	406,621,294	140,656,793
Cash and bank balances	11	331,267,118	243,576,752
		3,445,062,876	2,334,686,422
Asset held for sale	12	-	1,600,000
<b>Total current assets</b>		<b>3,445,062,876</b>	<b>2,336,286,422</b>
<b>Total assets</b>		<b>8,276,232,803</b>	<b>7,098,616,622</b>
<b>EQUITY AND LIABILITIES</b>			
Share capital	13	974,900,000	974,900,000
Share premium	14	920,700,000	920,700,000
Retained earnings	15	1,852,763,633	1,389,083,255
Revaluation reserve	16	1,500,232,234	1,520,826,225
<b>Total equity</b>		<b>5,248,595,867</b>	<b>4,805,509,480</b>
<b>Non-current liabilities</b>			
Long term bank loan	17	-	126,599,671
Deferred tax liability	18	257,295,814	255,290,759
<b>Total non-current liabilities</b>		<b>257,295,814</b>	<b>381,890,430</b>
<b>Current liabilities</b>			
Accounts payable	19	135,269,304	128,076,585
Short term bank loan	20	2,138,032,830	1,300,157,442
Current portion of long term loan	21	205,141,666	350,438,156
Share application money	22	4,553,160	4,553,160
Unclaimed dividend	23	4,371,032	4,027,296
Provision & accruals	24	282,973,130	123,964,072
<b>Total current liabilities</b>		<b>2,770,341,122</b>	<b>1,911,216,711</b>
<b>Total equity and liabilities</b>		<b>8,276,232,803</b>	<b>7,098,616,622</b>
<b>NAV Per Share (With Revaluation reserves)</b>	35	<b>53.84</b>	<b>49.29</b>

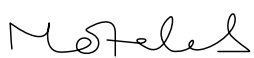
These financial statements should be read in conjunction with the annexed notes 1 to 48

As per our report of same date

**A. Qasem & Co.**  
Chartered Accountants  
RJS Registration No: 2-PC7202

  
**Abdul Wahed**  
Chairman

  
**M. A. Jabbar**  
Managing Director

  
**Mohammad Motaleb Hossain FCA**  
Partner  
Enrolment Number: 0950  
DVC: 2110310950AS736974

  
**Mohammad Emarot Hossain FCA**  
Chief Financial Officer

  
**Md. Shah Alam Miah FCS**  
Company Secretary

Dhaka, 28 October 2021

## Matin Spinning Mills Limited Statement of Profit or Loss

For the year ended 30 June 2021

	Notes	Amounts in Taka	
		2020-21	2019-20
Revenue	25	5,021,072,086	3,904,153,460
Cost of goods sold	26	(3,923,961,517)	(3,364,549,162)
<b>Gross profit</b>		<b>1,097,110,569</b>	<b>539,604,298</b>
Other income	27	98,291,289	43,882,996
		<b>1,195,401,858</b>	<b>583,487,294</b>
Administrative expenses	28	(261,004,550)	(223,072,716)
Distribution expenses	29	(8,227,395)	(6,564,955)
<b>Net profit before finance cost</b>		<b>926,169,912</b>	<b>353,849,623</b>
Finance cost	30	(41,261,347)	(87,750,912)
<b>Net profit before workers' profit participation funds &amp; tax</b>		<b>884,908,566</b>	<b>266,098,712</b>
Contribution to workers' profit participation funds	31	(42,138,503)	(12,671,367)
<b>Net profit before taxation</b>		<b>842,770,062</b>	<b>253,427,344</b>
Income tax	32	(222,196,621)	(44,925,245)
Deferred tax	33	(5,094,153)	1,709,287
<b>Net profit after tax</b>		<b>615,479,288</b>	<b>210,211,386</b>
<b>Earnings Per Share (EPS)</b>	34	<b>6.31</b>	<b>2.16</b>


These financial statements should be read in conjunction with the annexed notes 1 to 48

As per our report of same date

**A. Qasem & Co.**  
Chartered Accountants  
RJSC Registration No: 2-PC7202

  
**Abdul Wahed**  
Chairman

  
**M. A. Jabbar**  
Managing Director

  
**Mohammad Motaleb Hossain FCA**  
Partner  
Enrolment Number: 0950  
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**Mohammad Emarot Hossain FCA**  
Chief Financial Officer

  
**Md. Shah Alam Miah FCS**  
Company Secretary

Dhaka, 28 October 2021

Matin Spinning Mills Limited

## Statement of Other Comprehensive Income

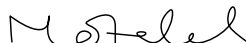
For the year ended 30 June 2021

	Notes	Amounts in Taka	
		2020-21	2019-20
<b>Net profit after tax for the year</b>		<b>615,479,288</b>	<b>210,211,386</b>
Revaluation reserve of land and building		-	611,541,109
Deferred tax on other comprehensive income	33.02	3,089,099	(52,666,234)
<b>Total comprehensive income for the year</b>		<b>618,568,387</b>	<b>769,086,261</b>

These financial statements should be read in conjunction with the annexed notes 1 to 48

As per our report of same date

**A. Qasem & Co.**  
Chartered Accountants  
RJSC Registration No: 2-PC7202

  
**Mohammad Motaleb Hossain FCA**  
Partner  
Enrolment Number: 0950  
DVC: 2110310950AS736974

  
**Abdul Wahed**  
Chairman

  
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Chief Financial Officer

  
**M. A. Jabbar**  
Managing Director

  
**Md. Shah Alam Miah FCS**  
Company Secretary

Dhaka, 28 October 2021

## Matin Spinning Mills Limited

# Statement of Changes in Equity

For the year ended 30 June 2021

Amounts in Taka

	Share Capital	Share Premium	Retained Earnings	Revaluation Reserves	Total
<b>2020-21</b>					
Balance at 01 July 2020	974,900,000	920,700,000	1,389,083,255	1,520,826,225	4,805,509,480
Net profit for the year	-	-	615,479,288	-	615,479,288
Dividend Paid	-	-	(175,482,000)	-	(175,482,000)
Depreciation on Revalued Assets			20,593,992	(20,593,992)	-
Deferred tax on other comprehensive income	-	-	3,089,099	-	3,089,099
<b>Balance at 30 June 2021</b>	<b>974,900,000</b>	<b>920,700,000</b>	<b>1,852,763,633</b>	<b>1,500,232,234</b>	<b>5,248,595,867</b>
<b>Notes</b>	<b>13</b>	<b>14</b>	<b>15</b>	<b>16</b>	
<b>2019-20</b>					
Balance at 01 July 2019	974,900,000	920,700,000	1,364,587,906	922,470,313	4,182,658,219
Net profit for the year	-	-	210,211,385	-	210,211,385
Dividend Paid	-	-	(146,235,000)	-	(146,235,000)
Revaluation surplus during the year			-	611,541,109	611,541,109
Depreciation on Revalued Assets	-	-	13,185,197	(13,185,197)	-
Deferred tax on other comprehensive income			(52,666,234)	-	(52,666,234)
<b>Balance at 30 June 2020</b>	<b>974,900,000</b>	<b>920,700,000</b>	<b>1,389,083,255</b>	<b>1,520,826,225</b>	<b>4,805,509,480</b>

These financial statements should be read in conjunction with the annexed notes 1 to 48.



Matin Spinning Mills Limited  
**Statement of Cash Flows**

For the year ended 30 June 2021

	Notes	Amounts in Taka	
		2020-21	2019-20
<b>A. Cash flows from operating activities</b>			
Collection from customers		4,569,106,305	3,819,995,162
Other Income	27	71,284,273	48,414,695
<b>Cash generated from operations</b>		<b>4,640,390,578</b>	<b>3,868,409,857</b>
Cash paid to employees		(377,427,143)	(339,409,522)
Cash paid to suppliers		(4,097,821,177)	(2,908,434,111)
Interest paid on loans		(28,447,140)	(54,666,750)
Income tax paid	09.03	(85,480,080)	(26,493,122)
Payment made to workers' profit participation funds	24.02	(12,671,367)	(6,094,891)
<b>Net cash flows from operating activities</b>		<b>38,543,671</b>	<b>533,311,461</b>
<b>B. Cash flow from investing activities</b>			
Acquisition of property, plant and equipment	4	(110,953,745)	(165,308,122)
Capital work-in-process	6	(211,497,064)	(25,235,365)
Dividend Income	27	561,139	-
Proceeds from Asset held for sale		192,393	-
Purchase of marketable securities	5	(332,221,904)	(133,596,040)
Proceeds from Sale of Marketable Securities	5	329,586,689	133,571,006
Interest on FDR and Bank Accounts	27	311,087	347,350
<b>Net cash used in investing activities</b>		<b>(324,021,406)</b>	<b>(190,221,172)</b>
<b>C. Cash flows from financing activities</b>			
Long term loan received	17	200,901,511	168,141,535
Long term loan (repaid)	17	(471,887,912)	(253,344,270)
Short term loan received from bank	20	3,503,172,254	2,645,061,569
Short term loan repaid to bank	20	(2,683,879,488)	(2,750,207,109)
Dividend Paid	23	(175,138,264)	(145,874,315)
<b>Net cash from/(used in) financing activities</b>		<b>373,168,102</b>	<b>(336,222,589)</b>
<b>D. Net increase/(decrease) in cash and cash equivalents (A+B+C)</b>		<b>87,690,367</b>	<b>6,867,700</b>
<b>E. Opening cash and cash equivalents</b>		<b>243,576,752</b>	<b>236,181,930</b>
<b>F. Effects of currency translation on cash and cash equivalents</b>		<b>-</b>	<b>527,122</b>
<b>G. Closing cash and cash equivalents (D+E+F)</b>		<b>331,267,118</b>	<b>243,576,752</b>
<b>Net Operating Cash Flow Per Share</b>		<b>0.40</b>	<b>5.47</b>

These financial statements should be read in conjunction with the annexed notes 1 to 48.

## Matin Spinning Mills Limited

# Notes to the financial statements

For the year ended 30 June 2021

### 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 vide registration no.# C-47083(3562)/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), 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.

#### 2.02 Date of authorisation

The financial statements were authorised for issue by the Board of Directors on 28/10/2021.

#### 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 2020 to 30 June 2021.

### 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. Revenue is recognized when invoice for products and services are made and the significant risk and reward of ownership are transferred to the customers, recovery of the consideration is probable, associated costs and possible return of goods can be estimated reliably, there is no continuing management involvement with the goods, and the amount of revenue can be measured reliably.

### **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 – 07	Inventories
Note – 08	Accounts Receivable
Note – 18	Deferred Tax Liability
Note – 19	Accounts Payable
Note – 24	Provisions & accruals
Note – 32	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 43.

### **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:

Asset category	Rate of depreciation (%)
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.

**(E) Revaluation of Asset**

The Company initially conducted revaluation of certain class of assets during the year 2009-10 and 2010-11. During the year ended 30 June 2020, the Company conducted another revaluation of same class of assets (i.e. Land & land development, Factory building, and Godown) in compliance with IAS-16 para 34. An independent valuer was assigned to perform this task. Impact of revaluation has been recognised in the financial statements.

**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.

IFRS 9 contains three principal classification categories for financial assets: measured at amortised cost, Fair Value through Other Comprehensive Income (FVOCI) and fair value through profit or loss (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, MSML- Special Yarn Building, Special Yarn Unit Machineries and Machineries in Transit.

#### **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 lower
Finished Goods	At cost and net realizable value whichever is lower
Spare & Parts	Weighted average cost and net realizable value whichever is lower
Diesel & Lube Oil	At cost and net realizable value whichever is lower
Stock of Bandhan	At cost and net realizable value whichever is lower

The cost is determined on weighted average cost basis. Net realizable value is based on estimated selling price less any 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 -13.

### **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. Subsequently refunded all the remaining portion of un-refunded share application money during August 2021 as per Commission's Directive no BSEC/CMRRCD/2021-386/03 dated 14 January 2021.

#### **3.15 Retained Earning**

Retained earning represents available distributable profit to the shareholders after making all necessary adjustments 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 approved by NBR.

#### **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 Company. The Board is assisted in its oversight role by Audit Committee. Internal Audit, under the purview of Audit Committee, undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Audit Committee.

#### **Credit Risk**

Credit risk is the risk of financial loss to the Company if a buyer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivable from customers and investment securities. The Company's major sales are made to the RMG exporting Companies having common directorship. A minor quantity of sales are made to the 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.



### 3.30 Non-current assets held for sale

The Company classifies a non-current asset (or disposal group) as held for sale if its carrying amount will be recovered principally through a sale transaction rather than through continuing use.

For the classification as held for sale to be made detailed criteria must be met:

- The asset must be available for immediate sale in its present condition.
- Its sale must be highly probable (i.e. significantly more likely than probable).

For the sale to be highly probable:

- Management must be committed to a plan to sell the asset.
- There must be an active programme to locate a buyer.
- The asset must be marketed for sale at a price that is reasonable in relation to its current fair value.
- The sale should be expected to take place within one year from the date of classification.
- It is unlikely that significant changes to the plan will be made or that the plan will be withdrawn.

A non-current asset held for sale is measured at the lower of:

- Its carrying amount
- Its fair value less costs to sell (i.e. its net selling price)

Impairment loss recognised in profit or loss at the time of classification as held for sale and subsequently.

### 3.31 Application of Accounting Standards

The following IASs and IFRSs are applicable for the preparation of financial statements for the year under review.

- IAS 1 Presentation of financial statements
- IAS 2 Inventories
- IAS 7 Statement of cash flows
- IAS 8 Accounting policies, changes in accounting estimates and errors
- IAS 10 Events after the reporting period
- IAS 12 Income taxes
- IAS 16 Property, plant and equipment
- IAS 19 Employee benefits
- IAS 21 The effects of changes in foreign exchange rates
- IAS 23 Borrowing costs
- IAS 24 Related party disclosures
- IAS 33 Earnings per share
- IAS 36 Impairment of assets
- IAS 37 Provisions, contingent liabilities and contingent assets
- IAS 38 Intangible assets
- IFRS 5 Non-current assets held for sale and discontinued operations
- IFRS 7 Financial Instruments, disclosures
- IFRS 8 Operating segments
- IFRS 9 Financial Instruments
- IFRS 15 Revenue from Contract with Customers
- IFRS 16 Lease

		Notes	Amounts in Taka	
			30 June 2021	30 June 2020
4	Property, plant and equipment			
A	NON REVALUED ASSETS:			
	Cost			
	Opening balance (at cost)		5,669,612,198	5,354,335,617
	Add : Additions		153,491,967	337,613,660
			5,823,104,165	5,691,949,277
	Less: Disposal/Adjustment		(2,989,517)	(22,337,079)
	Closing balance (a)		5,820,114,648	5,669,612,198
	Accumulated Depreciation			
	Opening balance		2,614,226,427	2,328,577,088
	Add : Charges for the year		293,341,705	305,086,198
			2,907,568,132	2,633,663,286
	Less: Disposal/Adjustment		(581,961)	(19,436,859)
	Closing balance (b)		2,906,986,171	2,614,226,427
	Written Down Value (a-b)		2,913,128,477	3,055,385,771
B	REVALUED ASSETS :			
	Revalued amount:			
	Opening balance (at revalued cost)		1,645,218,621	1,033,677,512
	Add : Additions		-	611,541,109
			1,645,218,621	1,645,218,621
	Less: Disposal/Adjustment		-	-
	Closing balance (a)		1,645,218,621	1,645,218,621
	Accumulated Depreciation			
	Opening balance		76,430,833	63,245,637
	Add : Charges for the year		20,593,992	13,185,197
			97,024,825	76,430,833
	Less: Disposal/Adjustment		-	-
	Closing balance (b)		97,024,825	76,430,833
	Written Down Value of Revaluation Assets (a-b)		1,548,193,796	1,568,787,788
	Total Written Down Value (A+B)		4,461,322,273	4,624,173,559
	Policy notes is mentioned in note 3.07 E			
05	Investment			
	Investment in marketable securities	5.1	53,556,600	28,003,186
			53,556,600	28,003,186
	5.01 Investment in marketable securities			
	Opening balance		28,003,186	36,413,499
	Add: Addition during the year		-	-
			28,003,186	36,413,499
	Realized gain /(loss)		24,886,914	1,479,296
	Unrealized gain /(loss) for fair value adjustment		666,500	(9,889,610)
	Closing balance		53,556,600	28,003,186

Name of securities	No. of Share	Rate	Cost Value	Market rate per share as on 30 June 2021	Market value as on 30 June 2021
Mercantile Bank	350,000	14.76	5,166,000	14.60	5,110,000
Islami Insurance	80,000	54.44	4,355,200	57.90	4,632,000
South East Bank	450,000	14.14	6,363,000	14.40	6,480,000
Dominage Steel	150,000	23.70	3,555,000	26.80	4,020,000
Prime Bank	200,000	22.59	4,518,000	23.10	4,620,000
SILVA PHARMA	100,000	18.49	1,849,000	19.70	1,970,000
One Bank Ltd	350,000	12.73	4,455,500	12.80	4,480,000
AB Bank Ltd	400,000	15.94	6,376,000	14.80	5,920,000
Dhaka Bank	236,000	13.90	3,280,400	14.10	3,327,600
Mir Akhter	40,000	81.65	3,266,000	82.10	3,284,000
NBL	300,000	7.93	2,379,000	8.00	2,400,000
M. I. Cement	40,000	73.10	2,924,000	71.70	2,868,000
IFIC	350,000	12.58	4,403,000	12.70	4,445,000
	<b>3,046,000</b>		<b>52,890,100</b>		<b>53,556,600</b>

	Notes	Amounts in Taka	
		30 June 2021	30 June 2020
<b>06 Capital work-in-process</b>			
Special Yarn Godown	6.01	8,410,110	3,147,131
Staff Quarter	6.02	-	18,388,703
Baro Bigha Cotton Store	6.03	-	-
Shuttering Materials Storage	6.04	-	2,967,406
MSML- Special Yarn Building	6.05	80,348,104	1,318,987
Baro Bigha Utility Building	6.06	6,246,653	-
Baro Bigha Boundary Wall Project	6.07	-	-
Special Yarn Unit Machineries		120,958,315	-
Machineries in Transit		100,327,872	84,331,228
		<b>316,291,054</b>	<b>110,153,455</b>
<b>6.01 Special Yarn Godown</b>			
Opening Balance		3,147,131	3,147,131
Add: Addition during the year		5,262,979	-
Less: Transfer to Fixed Assets		-	-
Closing Balance		<b>8,410,110</b>	<b>3,147,131</b>
<b>6.02 Staff Quarter</b>			
Opening Balance		18,388,703	-
Add: Addition during the year		6,616,755	18,388,703
Less: Transfer to Fixed Assets		(25,005,458)	-
Closing Balance		<b>-</b>	<b>18,388,703</b>
<b>6.03 Baro Bigha Cotton Store</b>			
Opening Balance		-	-
Add: Addition during the year		19,288,602	-
Less: Transfer to Fixed Assets		(19,288,602)	-
Closing Balance		<b>-</b>	<b>-</b>

	Notes	Amounts in Taka	
		30 June 2021	30 June 2020
<b>6.04 Shuttering materials storage</b>			
Opening Balance		2,967,406	-
Add: Addition during the year		5,797,270	2,967,406
Less: Transfer to Fixed Assets		(8,764,676)	-
Closing Balance		-	<b>2,967,406</b>
<b>6.05 MSML- Special Yarn Project</b>			
Opening Balance		1,318,987	-
Add: Addition during the year		79,029,117	1,318,987
Less: Transfer to Fixed Assets		-	-
Closing Balance		<b>80,348,104</b>	<b>1,318,987</b>
<b>6.06 Baro Bigha Utility Building</b>			
Opening Balance			
Add: Addition during the year		6,246,653	-
Less: Transfer to Fixed Assets		-	-
Closing Balance		<b>6,246,653</b>	-
<b>6.07 Baro Bigha Boundary Wall Project</b>			
Opening Balance			
Add: Addition during the year		2,256,964	-
Less: Transfer to Fixed Assets		(2,256,964)	-
Closing Balance		-	-
<b>7 Inventories</b>			
Manufacturing Inventory	7.01	1,059,960,396	714,219,319
Non Manufacturing Inventory	7.02	51,829,295	18,601,268
		<b>1,111,789,691</b>	<b>732,820,587</b>
<b>7.01 Manufacturing Inventory</b>			
Raw cotton	7.01.01	754,617,992	465,487,680
Provision for Obsolete Raw Materials		(8,360,909)	-
		746,257,083	465,487,680
Finished yarn	7.01.02	166,706,650	89,041,018
Packing materials	7.01.03	3,094,460	2,208,327
Work-in-process	7.01.04	61,624,815	43,535,277
Spare parts	7.01.05	82,277,387	113,947,017
		<b>1,059,960,396</b>	<b>714,219,319</b>
<b>7.01.01 Raw cotton</b>			
<b>Value (Taka)</b>			
Conventional Cotton		326,520,867	331,256,859
Organic Cotton		222,364,286	65,660,534
Synthetic Fiber		188,374,777	45,471,837
Usable Waste Cotton		14,160,804	20,541,006
Waste Cotton		3,197,258	2,557,444
<b>Total</b>		<b>754,617,992</b>	<b>465,487,680</b>
<b>Quantity (KG)</b>			
Conventional Cotton		2,435,511	2,138,706
Organic Cotton		1,085,590	461,539
Synthetic Fiber		1,322,390	337,707
Usable Waste Cotton		205,832	350,148
Waste Cotton		134,131	145,646
<b>Total</b>		<b>5,183,455</b>	<b>3,433,746</b>



	Notes	Amounts in Taka	
		30 June 2021	30 June 2020
<b>Cost Per Kg (TK.)</b>			
Conventional Cotton		134.07	154.89
Organic Cotton		204.83	-
Synthetic Fiber		142.45	134.65
Usable Waste Cotton		68.80	58.66
Waste Cotton		23.84	17.56
<b>7.01.02 Finished yarn</b>			
<b>Value (TK.)</b>			
Carded		532,347	4,433,144
Combed		73,735,267	27,634,095
Slub		29,622,352	11,616,220
Synthetic		20,505,510	22,425,480
Melange		27,515,785	8,586,980
Vortex		4,198,787	3,242,751
Open End		6,449,680	8,515,908
Twisted yarn		4,146,922	2,586,440
<b>Total</b>		<b>166,706,650</b>	<b>89,041,018</b>
<b>Quantity (KG)</b>			
Carded		2,276	18,185
Combed		257,320	92,679
Slub		91,805	36,296
Synthetic		83,811	95,364
Melange		97,699	31,650
Vortex		16,946	14,849
Open End		43,023	63,146
Twisted yarn		11,173	8,565
<b>Total</b>		<b>604,050</b>	<b>360,733</b>
<b>Cost Per Kg (TK.)</b>			
Carded		233.92	243.78
Combed		286.55	298.17
Slub		322.67	320.04
Synthetic		244.67	235.16
Melange		281.64	271.31
Vortex		247.78	218.39
Open End		149.91	134.86
Twisted yarn		371.17	301.97
<b>7.01.03 Packing materials Value (TK.)</b>			
Opening balance		2,208,327	3,226,100
Add: Purchase during the period		36,418,800	27,455,602
Packing materials available for consumption		38,627,127	30,681,702
Less: Consumption during the period		35,532,667	28,473,374
Closing balance		<b>3,094,460</b>	<b>2,208,327</b>

			Amounts in Taka	
Notes			30 June 2021	30 June 2020
7.01.04 Work-in-process				
Particular	Quantity (KG)			
	June 30, 2021	June 30, 2020		
Blow Room	82,129	50,836	9,222,200	6,432,856
Carding	9,600	6,857	1,156,699	943,387
B. Drawing	18,847	4,222	2,522,798	608,997
Combing	15,886	2,924	2,137,305	517,371
F. Drawing	40,421	15,826	5,580,148	2,407,704
Simplex	61,218	50,057	8,802,351	8,139,815
Ring Frame	80,675	79,224	12,657,212	14,217,967
Winding	7,900	4,799	1,591,514	1,003,673
Packing	74,625	33,650	14,043,471	6,781,833
Rotor	13,461	12,300	2,110,012	1,928,025
Vortex	5,049	3,975	752,604	553,649
Twisting	825	-	148,500	-
Doubling	3,000	-	600,000	-
Air covering	1,200	-	300,000	-
Total	414,836	264,670	61,624,815	43,535,277
7.01.05 Spare parts				
Opening Balance			113,947,017	122,241,412
Add: Addition during the year			209,844,686	120,424,943
			323,791,703	242,666,355
Less: Consumption during the year			82,944,690	69,809,787
Less: Transfer to other GL			158,569,626	58,909,551
Closing balance			82,277,387	113,947,017
7.02 Non Manufacturing Inventory				
Stock of Bandhan			2,146,833	1,683,139
Stock of Stamp			5,892	17,418
Stock of Medicine			176,893	-
Other Production Material			7,500	25,450
Construction Material			12,319,036	7,444,156
Store Materials under Inspection			37,173,141	9,431,104
			51,829,295	18,601,268
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 items.				
8 Accounts receivables				
Receivable other than related party	8.01		544,024,922	426,846,630
Receivable from related party	8.02		899,859,777	565,072,289
Bank interest receivable on FDR			5,532,792	4,806,298
Claim Receivable			9,239,531	4,972,935
Provision for bad debts			(55,805,976)	(6,908,666)
			1,402,851,046	994,789,485
8.01 Receivable other than related party				
Abonti Colour Tex. Ltd			39,161,264	52,499,083
A-One Polar Ltd.			-	11,690,751
Amber Denim Ltd			136,737,454	154,553,313
Akh Knitting & Dyeing Ltd			42,452,502	-
Asrotex Ltd.			2,156,676	16,838,337
Blue Planet Knitwear Ltd			-	1,742,382

				Amounts in Taka	
				30 June 2021	30 June 2020
				-	1,919,881
				3,731,800	1,766,585
				81,378,203	-
				-	7,261,910
				11,471,770	7,950,967
				34,294,203	17,954,967
				28,140,233	13,746,598
				13,670,728	26,651,159
				25,526,425	-
				1,226,929	7,810,289
				10,186,557	-
				9,220,229	-
				9,014,551	-
				-	4,079,603
				14,105,892	18,312,650
				6,908,666	7,004,862
				733,350	26,469
				1,098,906	10,229,000
				1,866,167	640,759
				1,137,124	6,111,376
				14,991,900	4,056,692
				2,391,991	4,615,886
				-	5,366,610
				6,902,210	4,273,265
				45,519,196	39,743,232
				<b>544,024,922</b>	<b>426,846,630</b>
<b>8.02 Receivable from related party</b>					
				330,826,885	118,706,886
				37,964,109	36,139,150
				93,447,891	24,997,731
				242,098,441	14,467,517
				167,451,785	356,815,261
				94,000	-
				20,509,987	6,608,437
				7,300,680	7,171,307
				166,000	166,000
				<b>899,859,777</b>	<b>565,072,289</b>
<b>Age analysis of Accounts Receivable:</b>					
	<b>1-3 Months</b>	<b>4-6 Months</b>	<b>above 6 Months</b>	<b>Total</b>	<b>Total</b>
Sale of yarn	1,335,532,519	86,182,814	22,169,366	1,443,884,699	991,918,918
Interest receivable on FDR(Vii)		-	5,532,792	5,532,792	4,806,298
Claim Receivable	9,239,531	-	-	9,239,531	4,972,935
	<b>1,344,772,050</b>	<b>86,182,814</b>	<b>27,702,158</b>	<b>1,458,657,022</b>	<b>1,001,698,151</b>

	Notes	Amounts in Taka	
		30 June 2021	30 June 2020
<b>I. Accounts receivable considered good in respect of which the company is fully secured</b>			
Accounts receivable accrued in the ordinary course of business are considered good and secured against confirmed L/c.			
<b>II. Accounts receivable considered good for which the company holds no security other than the personal security</b>			
There is no such accounts receivable in this respect as on 30 June 2021			
<b>III. Accounts receivable considered doubtful or bad</b>			
Accounts Receivable Tk. 55,805,976 has been considered doubtful for which provision has been incorporated in financial statements.			
<b>IV. Accounts receivable from the Directors or other officers of the company</b>			
There is no such accounts receivable in this respect as on 30 June 2021			
<b>V. Accounts receivable from Related Parties</b>			
There has been an amount of Tk 899.859,777 due as accounts receivable from related parties under common management.			
<b>VI. Provision for doubtful or bad debts</b>			
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 of Tk. 69,08,666 from Lithium Knit Fabrics Ltd. Honorable High Court issued summon to the defendants but they are untraced in their address.			
<b>VII. Interest receivable on FDR</b>			
Interest receivable on FDR shall be realized at the time of encashment of FDR from banks.			

## 09 Advance, deposits and Prepayments

### Advance

Salary & Allowances		1,279,900	2,023,100
Construction	09.01	319,322	597,422
Expenses	09.02	20,216,050	42,483,008
Advance Income Tax	09.03	124,344,760	131,519,379
		<b>146,160,032</b>	<b>176,622,910</b>

### Deposits

Security deposit for Utilities	09.04	46,373,695	46,219,895
		46,373,695	46,219,895
		<b>192,533,727</b>	<b>222,842,805</b>

### 09.01 Construction

S.S Enterprise	593	593
Energypac Engineering Ltd.	-	278,100
Jawad Trading	87,449	87,449
Shahjahan Brothers	-	-
Quantum Builders & Engineering Ltd	231,280	231,280
	<b>319,322</b>	<b>597,422</b>

### 09.02 Expenses

Groz-Beckert Carding (Wuxi) Co. Ltd.	1,788,435	-
Bangla Trac Ltd.	164,000	-
Shamsuddin Engineering Works	2,249,474	6,719,915
Signura International Pte Ltd	513,759	-



	Notes	Amounts in Taka	
		30 June 2021	30 June 2020
M/S Al-Amin Digital Scales		680,412	-
Hunan Oleom Lighting Co. , Ltd		552,175	-
Associated Engineers And General Constructors		525,000	-
360 Total Solution Limited		479,166	-
Marubeni Tekmatex Corporation		-	535,946
Gardner Denver Fze		-	3,699,985
Zaman & Sons		-	926,638
Qinshi Industrial Inc.		692,343	857,341
Dbl C&F		-	18,240,362
Md. Azizur Rahman		-	2,280,403
Rieter Maschinenfabrik Rieter Ag		2,308,727	1,976,613
Overseas Packers & Shippers Ltd.		1,003,752	-
Trutzschler Gmbh & Co. KG		-	450,517
Mr.Rashid		1,388,439	1,185,402
Mr. Sunny		117,545	217,107
BG Filtration Gmbh		2,719,721	-
Encon		145,131	682,879
Mr. Siddik		1,190,798	-
Mrs. Jabeen Noman		1,049,802	1,420,314
Mjl Bangladesh Ltd		-	53,040
Local Purchase		937,069	1,556,598
Others		1,710,303	1,679,949
		<b>20,216,050</b>	<b>42,483,008</b>
<b>09.03 Advance income Tax</b>			
Income Tax on Export	09.03.1	58,707,623	81,205,542
Tax on Interest Received (Bank)	09.03.2	2,468,639	6,666,174
Advance income tax paid for tribunal	09.03.3	63,168,498	43,647,663
		<b>124,344,760</b>	<b>131,519,379</b>
<b>09.03.1 Income Tax on Export</b>			
Opening Balance		81,205,542	96,356,461
Add: Addition during the year (Section - 53 BBBB of ITO 1984)		22,696,178	17,499,688
Less: Adjustment against provision for previous years AIT		(45,194,096)	(32,650,607)
Closing Balance		<b>58,707,623</b>	<b>81,205,542</b>
<b>09.03.2 Tax on Interest Received (Bank)</b>			
Opening Balance		6,666,174	34,237,065
Add: Addition during the year (Section - 53 F of ITO 1984)		1,365,184	528,435
Less: Adjustment against provision for previous years AIT		(5,562,718)	(28,099,326)
Closing Balance		<b>2,468,639</b>	<b>6,666,174</b>
Advance tax represents tax deducted at source @0.50 % on export proceed under section 53BBBBB of ITO 1984 and @10% on interest received from bank under section 53F of ITO 1984.			
<b>09.03.3 Advance income tax paid for tribunal</b>			
Opening Balance		43,647,663	36,682,663
Add: Addition during the year		61,418,719	8,465,000
Less: Adjustment during the year		(41,897,884)	(1,500,000)
Closing Balance		<b>63,168,498</b>	<b>43,647,663</b>

	Notes	Amounts in Taka	
		30 June 2021	30 June 2020
<i>Closing balance details as bellows:</i>			
Income tax paid for tribunal for the year 2011 -2012		1,682,663	1,682,663
Income tax paid for the year 2016 -2017		-	16,965,000
Income tax paid for the year 2017 -2018		1,540,000	11,000,000
Income tax paid for the year 2018 -2019		6,000,000	6,000,000
Income tax paid for the year 2019 -2020		16,445,835	8,000,000
Income tax paid for the year 2020 -2021		37,500,000	-
		<b>63,168,498</b>	<b>43,647,663</b>
<b>09.04 Security deposit for Utilities</b>			
Margin Against Bank Guarantee (Titas Gas)		42,740,655	42,626,055
Central Depository Bangladesh Ltd (CDBL)		500,000	500,000
Security Deposit for Electricity		3,133,040	3,093,840
		<b>46,373,695</b>	<b>46,219,895</b>

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

	1-3 Months	3-6 Months
Salary & Allowances	-	1,279,900
Construction	-	319,322
Expenses	-	20,216,050

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

## 10 Materials in transit

Margin and deposit (Raw Cotton)	10.01	406,621,294	140,656,793
		<b>406,621,294</b>	<b>140,656,793</b>
<b>10.01 Margin and deposit (Raw Cotton)</b>			
Margin against Cotton		6,161,071	9,426,724
Margin Against Bank Guarantee		12,495,783	11,062,108
Materials In Transit		387,964,441	120,167,962
		<b>406,621,294</b>	<b>140,656,793</b>

	Notes	Amounts in Taka	
		30 June 2021	30 June 2020
<b>11 Cash and bank balances</b>			
<b>Cash in hand</b>		1,459,044	1,028,689
Balance in BO Account		2,132	38
Term Deposit		11,515,800	11,515,800
<b>Bank balances with:</b>			
Islami Bank Bangladesh Ltd			
Current account		176,400	156,432
Marginal deposit Account (Special)		52,531	52,531
Marginal deposit Account (Normal)		351,398	352,468
Marginal deposit Under Reserve		144,466	144,466
Foreign currency account		8,403	8,403
Exim Bank Ltd, STD account		(4,495,102)	28,858,997
Mercantile Bank Ltd			
STD account		44,387	45,933
Foreign currency account		70,634	70,634
HSBC Bank Ltd			
STD account		5,916,550	16,819,468
Foreign currency account		162,125,430	143,614,270
The City Bank Ltd			
STD account		146,292	2,104,447
Foreign currency account		60,975	60,975
Prime Bank Ltd			
STD account		1,296,450	1,300,140
Foreign currency account		136,398	136,398
Standard Chartered Bank - STD account		1,481,618	212,308
Dutch-Bangla Bank Limited - STD account		391,292	2,534,919
BRAC Bank Ltd			
STD account		16,786,043	23,435,789
Foreign currency account		81,669,520	7,357,941
Jamuna Bank Limited			
STD account		388,892	3,403,043
Foreign currency account		50,867,012	
Mutual Trust Bank Ltd			
STD account		670,554	362,662
		<b>331,267,118</b>	<b>243,576,752</b>
<b>12 Asset held for sale</b>			
Cost:			
Forklift		-	1,872,720
Generator		-	20,464,359
		-	<b>22,337,079</b>
<b>Accumulated depreciation:</b>			
Forklift		-	1,624,705
Generator		-	17,812,154
		-	<b>19,436,859</b>
WDV		-	2,900,220
Fair value less cost to sale		-	1,600,000
<b>Asset held for sale (Lower of WDV and Fair value less cost to sale)</b>		-	<b>1,600,000</b>

		Notes	Amounts in Taka	
			30 June 2021	30 June 2020
13	Share capital			
Authorised				
150,000,000 ordinary shares of Taka 10 each			1,500,000,000	1,500,000,000
Issued and paid-up				
97,490,000 ordinary shares of Taka 10 each fully paid up			974,900,000	974,900,000
Particulars of Investors		Number of Investors	Number of shares	Percentage of Share Holding (%)
Sponsors/ Directors		8	31,917,000	32.74
Foreign Investors		85	25,137	0.03
Local Institutions		174	48,961,725	50.22
General Public		4,698	16,586,138	17.01
Total		4,965	97,490,000	100.00
Distribution schedule of each class of equity setting out the number of holders and percentage as on June 30, 2021:				
Range of Holdings		Number of Shareholders	Number of shares	Percentage of Share Holding (%)
Less than 500 shares		3,805	707,211	0.73
500 to 5,000 shares		744	1,450,849	1.49
5,001 to 10,000 shares		163	1,322,564	1.36
10,001 to 20,000 shares		117	1,760,906	1.81
20,001 to 30,000 shares		47	1,183,733	1.21
30,001 to 40,000 shares		15	557,816	0.57
40,001 to 50,000 shares		18	822,483	0.84
50,001 to 100,000 shares		19	1,343,177	1.38
100,001 to 1,000,000 shares		22	7,548,452	7.74
Over 1,000,000 shares		15	80,792,809	82.87
Total		4,965	97,490,000	100
14	Share Premium			
	No. of Shares	Premium Amount		
	34,100,000	Tk. 27	920,700,000	920,700,000
15	Retained earnings			
Opening balance			1,389,083,255	1,364,587,906
Add: Profit made during the year			615,479,288	210,211,386
Less: Dividend Paid			(175,482,000)	(146,235,000)
Depreciation on Revalued Assets			20,593,992	13,185,197
Add/(less): Deferred tax on revaluation reserve 33.02 (ii)			3,089,099	(52,666,234)
Balance at 30 June 2021			1,852,763,633	1,389,083,255
16	Revaluation reserves			
This balance consists of as follows:				
Balance at the beginning of the year			1,520,826,225	922,470,313
Addition during the year			-	611,541,109
			1,520,826,225	1,534,011,422
Depreciation on Revalued Assets			(20,593,992)	(13,185,197)
Balance at 30 June 2021			1,500,232,234	1,520,826,225



	Notes	Amounts in Taka	
		30 June 2021	30 June 2020
<b>17 Long Term bank loan</b>			
Off Shore Loan & UPAS		205,141,666	477,037,828
Less: Current portion of long term loan		(205,141,666)	350,438,156
		-	<b>126,599,671</b>

Bank	Loan Account	Particulars
HSBC	Off Shore Loan	<p>Nature: One off Term Loan</p> <p>Limit: Tk.355 million</p> <p>Purpose: One-off term loan to retire machinery import documents.</p> <p>Tenure: 5 Years, including moratorium period of 1 year.</p> <p>Repayment Clause: Equal monthly instalments.</p> <p>Interest Rate:3.8% Plus LIBOR</p> <p>Security Agreement: For security arrangement kindly refer to note No. 20.</p>
The City Bank Limited	ULC/SLC/Acceptance	<p>Nature: Project Finance</p> <p>Limit: Tk.125 million</p> <p>Purpose: To import and retire capital machinery and equipment.</p> <p>Tenure: 360 days max or as per BBK/BIDA Approval</p> <p>Repayment Clause: ULC/SLC/Acceptance liability will be adjusted on maturity from term finance facility to be arranged by DEG.</p> <p>Interest Rate:3.5% Plus LIBOR</p> <p><b>Security Agreement:</b></p> <p>1. Registered 1st ranking Pari-Passu charge with RJSC by way of hypothecation over all present and future floating assets of the company (stocks, receivable etc.) covering WC limit. IGPA to be obtained (duly notarized) to sale the hypothecated assets.</p> <p>2. Present ranking charge with RJSC on imported plant and machinery for BDT 110.00 Crore.</p>

Bank	Loan Account	Particulars
The City Bank Limited	ULC/SLC/Acceptance	3. Lien of shares of MSML covering civil construction Term Loan. Value of shares to be assessed based on last 6 months average share price. Corporate Guarantee from sister concerns Flamingo Fashions Ltd. Jinnat Knitwears Ltd. Mawna Fashions Ltd. And Jinnat Apparels Ltd.  4. Personal guarantee of the sponsor directors of the borrower, namely Mr. M A Wahed, Mr. M A Jabbar, Mr. M A Rahim and Mr. M A Quader.  5. Insurance on assets charged to CBL to be obtained covering industrial-all-risks and CBL limit and as per CBL policy on Insurance. Letter of indemnity supported by company board resolution to be obtained for any inadequacy in insurance coverage for interim period.  6. UDC along with letter of authority to insert date thereon covering total limit.  7. Accepted sanction advice, company board resolution, and basic charge documents.
		Notes
		Amounts in Taka
		30 June 2021 30 June 2020

## 18 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	2,749,200,922	2,905,972,073
Tax base	1,655,347,859	1,846,080,033
Taxable Temporary difference	<b>1,093,853,063</b>	<b>1,059,892,041</b>
Applicable tax rate (As per SRO 193 dated 30 June 2015 for Textile Sector.)	15%	15%

### Deferred tax liability on historical cost

### B. Deferred tax liability against revaluation reserve:

#### i) Deferred tax liability against revaluation reserve other than land

Carrying amount other than land	349,660,462	370,254,454
Tax base	-	-
	349,660,462	370,254,454
Applicable tax rate (As per SRO 193 dated 30 June 2015 for Textile Sector)	15%	15%
	<b>52,449,069</b>	<b>55,538,168</b>

	Notes	Amounts in Taka	
		30 June 2021	30 June 2020
<b>ii) Deferred tax liability on capital gain against revaluation of land</b>			
Carrying amount other than building & others.		1,358,959,500	1,358,959,500
Tax base		-	-
		1,358,959,500	1,358,959,500
Applicable tax rate (3% As per section 53 H of ITO 1984)		3%	3%
		<b>40,768,785</b>	<b>40,768,785</b>
<b>Deferred tax liability against revaluation reserve B ( i + ii )</b>		<b>93,217,854</b>	<b>96,306,953</b>
<b>Total Deferred tax liability ( A + B )</b>		<b>257,295,814</b>	<b>255,290,759</b>
<b>19 Accounts payable</b>			
Suppliers	19.01	78,048,648	70,148,878
Expenses	19.02	57,014,826	57,510,574
Others	19.03	205,829	417,134
		<b>135,269,304</b>	<b>128,076,585</b>

#### 19.01 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

Meghna Edible Oils Refinery Ltd.	601,178	353,540
Pioneer Insurance Company Ltd	3,940,897	13,668,138
Mita Engineering Limited	30,750	30,750
Ebrahim & Sons	1,383,408	937,235
Chandpur Hardware Store	1,147,403	210,926
Shinpower	2,137,686	819,195
Color City Ltd.	1,087,471	8,099,861
DBL Ceramics Ltd.	358,551	124,945
NDE Steel Structures Ltd.	1,104,325	-
NPC Products	-	303,450
Ali Enterprise	568,841	568,841
Nusrat Packaging	122,440	501,075
Mukul Enterprise	276,000	870,969
M.B. Steel Corporation	236,676	411,976
S.R. Engineering (BD)	-	700,000
Rising Corporation	1,005,182	1,151,224
M.M. Paper Product	142,100	310,402
Lafarge Surma Cement Ltd.	291,840	291,840
H.M Transport Agency	650,600	491,040
Green Power Electric	102,722	382,776
Patwary Trade & Co.	149,405	52,019
Jinnat Fashions Ltd.	250,000	-
DBL Distribution Ltd	23,944,202	15,896,116
Kapita Auto Bricks Limited	254,664	254,664
Shamsuddin Engineering Works	-	98,068

	Notes	Amounts in Taka	
		30 June 2021	30 June 2020
Joya Traders		855,419	-
Encon		1,197,133	-
Ma Enterprise (Ebrahim)		1,228,479	-
S.S Enterprise (Packaging)		-	307,350
Arefin Motors		2,900	67,050
Soronica Paper Products		433,350	1,260,975
L.R Trading		-	1,716,765
Cross-Link Engineering Ltd.		-	150,000
Independent Enterprise		1,624,707	-
Bsrn Steels Ltd.		-	3,272,500
Shah Ali Metal		150,579	154,702
Rahman Enterprise		-	74,907
Aqua Care Trading		863,035	1,030,401
Siam City Cement (Bangladesh) Ltd.		-	468,000
Lohajong Steel Corporation		1,961,321	-
Lafarge Holcim Bangladesh Limited		4,201,950	1,897,908
Siemens Bangladesh Ltd.		620,000	620,000
Dhaka Concrete		1,423,527	-
Rieter Maschinenfabrik Rieter Ag		-	2,180,734
Tyre & Battery Bazar		90,370	178,138
Rafin Paper Tube		555,163	478,326
Others		23,054,374	9,762,071
<b>Total</b>		<b>78,048,648</b>	<b>70,148,878</b>
<b>19.02 Payable for expenses</b>			
Salary & allowances		27,111,113	24,474,176
Audit fees		833,750	805,000
Gas bill		18,316,530	20,003,379
Electricity bill		7,173,650	6,659,048
Welfare Fund		449,072	449,072
Provident Fund		491,269	477,385
Provision for interest on Loan		1,656,347	4,252,567
Un-Applied Receipts		983,095	389,947
		<b>57,014,826</b>	<b>57,510,574</b>
During the year, provision for bad debt has been presented under Accounts receivables for better presentation.			
<b>19.03 Payable for others</b>			
Tax deducted at source (Salary)		182,704	417,134
VAT Deducted at source (on Suppliers bill)		23,125	-
		<b>205,829</b>	<b>417,134</b>



	Notes	Amounts in Taka	
		30 June 2021	30 June 2020
<b>20 Short term bank loan</b>			
UPAS Loan (Raw Cotton)		2,086,895,330	1,300,157,442
Working Capital Loan		51,137,500	-
		<b>2,138,032,830</b>	<b>1,300,157,442</b>

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 2,500 million Purpose: Import of Raw Cotton Tenure: 180 days for Clean Import Loan (CIL) & 30 days for sight (SGT) Rate of interest: @ 2.00%
		Lender: HSBC Nature: UAPS Limit: Tk 2,500 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.
		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 10 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
HSBC	<b>Security Arrangement:</b>	
	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.	
BRAC BANK	Export Development Fund (EDF)/LTR	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: @ 2.00%
	<b>Security Arrangement:</b>	
	Registered Hypothecation (1st charge on Pari Passu basis) over all present & future floating assets including stock and Book debts of the Company with RJSC, along with Notarized IGPA to sell the Hypothecated Assets.	
	BBL's Charge has been filed with RJSC for BDT 510.00 Million, which shall continue.	
	Pari Passu Security Sharing Agreement (PPSSA) executed amongst BBL, HSBC & the Borrower, for sharing floating assets.	

Bank	Loan Account	Particulars
BRAC BANK	<b>Support:</b> <ul style="list-style-type: none"> <li>a) Corporate Guarantee to be executed for BDT 510.00 Million, by the Company as follows: Jinnat Knitwears Ltd in support by Board Resolution of the guarantor company(ies).</li> <li>b) Basic Charge Documents (I.e. Demand Promissory Note, Letter of Continuity and Revival, Letter of Arrangement, General Loan Agreement, Letter of Disbursement &amp; Letter of Debit Authority),to be executed for BDT 510.00 Million, in support of Board Resolution of the Borrower.</li> <li>c) Trust Receipt ot be executed for BDT 200.00 Million, i.e.. covering the LATR limit (s),in support of Board Resolution of the Borrower.</li> <li>d) Counter Guarantee to be executed for BDT 50.00 Million,i.e. covering the Bank Guarantee limit (s),in support of Board Resolution of the Borrower.</li> <li>e) Working Capital facilities i.e.. LC,Accep.EDF,BG,BP can be utilized by hiving off among the group concerns (HTL,MTL,DBTL,MSML,CCL,PPPL and TPWL) within group approved limit subject to pre-fact clearance by bank's competent authorities.</li> </ul> <b>Security/Support covering the credit facilities under Working Capital Stimulus Package under facility No 1 (c) above, which shall continue:</b> <ul style="list-style-type: none"> <li>a) Basic Charge Documents (i.e. Demand Promissory Note, Letter of Continuity and Revival, Letter of Arrangement, General Loan Agreement, Letter of Disbursement &amp; Letter of Debit Authority),executed for BDT 50,000000.00 only, in support of Board Resolution of the Borrower.</li> <li>b) MICR Cheque obtained for BDT 50,000000.00 along with Irrevocable Letter of authority to complete the Cheque.</li> </ul>	
	Export Development Fund (EDF)	Lender: JAMUNA BANK Nature: EDF Limit: Tk 450 million Purpose: Import of Raw Cotton Tenure: a) Each LTR shall be adjusted within 180 days from the date of creation. B) EDF as per Bangladesh Bank guideline Rate of interest: @ 2.00%
JAMUNA BANK	<b>Security Arrangement:</b> <ol style="list-style-type: none"> <li>1. Personal guarantees of Mr. Abdul Wahed, Mr. M.A. Jabbar, Mr. M.A. Rahim and Mr. M.A. Quader (all are Directors of the company and key persons of DBL Group),supported by duly signed Personal Net Worth statements verified by Head of Branch.</li> <li>2. Corporate Guarantee of Jinnat Apparels Limited ( sister concern of the customer) supported by Board Resolution, MoA and AoA.</li> <li>3. Security cheques each limit with letter of approach duly signed by authorized persons.</li> <li>4. Charge with RJSC on floating assets (present &amp; future value) of the company.</li> <li>5. Usual charge documents.</li> </ol>	

		Notes	Amounts in Taka	
			30 June 2021	30 June 2020
21	<b>Current portion of long term loan</b>			
	Off Shore Loan - HSBC		205,141,666	350,438,156
			<b>205,141,666</b>	<b>350,438,156</b>
22	<b>Share Application Money</b>		<b>4,553,160</b>	<b>4,553,160</b>
	The share application money consists of the money against IPO applicants who were unsuccessful in lottery. The money were in the process of being refunded to the unsuccessful applicants. Subsequently refunded all the remaining portion of un-refunded share application money during August 2021 as per Commission's Directive no. BSEC/CMRRCD/2021-386/03 dated 14 January 2021.			
23	<b>Unclaimed dividend</b>			
	Opening Balance		4,027,296	3,666,611
	Add: Addition during the year		175,482,000	146,235,000
	Less: Paid during the year		(175,138,264)	(145,874,315)
	Closing Balance		<b>4,371,032</b>	<b>4,027,296</b>
24	<b>Provision &amp; accruals</b>			
	Provision for Income Tax	24.01	241,426,481	111,884,559
	Provision for workers' profit participation and welfare funds	24.02	41,546,649	12,079,513
			<b>282,973,130</b>	<b>123,964,072</b>
	<b>24.01 Provision for Income Tax</b>			
	Opening Balance		111,884,559	129,209,246
	Add: Provision for taxation for the year (Note - 30)		127,867,668	34,904,271
	Less: Adjustment provision for previous years AIT		(50,756,815)	(60,749,933)
	Less: Adjustment provision for previous years deposit		(41,897,884)	-
	<b>Excess/(Short) provision for taxations after final assessment order as below:</b>			
	Less: Adjustment of excess provision for the year 2011-2012		-	(9,402,553)
	Add: Adjustment of short provision for the year 2012-2013		-	(376,992)
	Less: Adjustment of excess provision for the year 2013-2014		-	(3,965,392)
	Add: Adjustment of short provision for the year 2015-2016		-	22,265,911
	Add: Adjustment of short provision for the year 2016-2017		42,144,750	-
	Add: Adjustment of short provision for the year 2017-2018		16,388,110	-
	Add: Adjustment of short provision for the year 2018-2019		35,796,093	-
			<b>241,426,481</b>	<b>111,884,559</b>
	<b>24.02 Provision for workers' profit participation and welfare funds</b>			
	Opening Balance		12,079,513	5,503,037
	Add: Addition during the year		42,138,503	12,671,367
	Less: Paid during the year		(12,671,367)	(6,094,891)
	Closing Balance		<b>41,546,649</b>	<b>12,079,513</b>
	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.			



		Notes	Amounts in Taka	
			2020-2021	2019-2020
25	Revenue			
	Carded Yarn		167,686,486	104,175,411
	Combed Yarn		1,383,435,999	1,235,090,327
	Slub Yarn		483,761,212	446,300,531
	Synthetic Yarn		1,279,017,885	904,851,371
	Melange Yarn		944,991,688	676,942,370
	Vortex		345,721,771	229,063,703
	Open End		302,534,633	234,377,943
	Twist		113,073,817	72,316,941
	Twisting Services Charges		848,594	1,034,863
			<b>5,021,072,086</b>	<b>3,904,153,460</b>
Quantitative details of sales (KG)				
2020-2021				
Product Type	Opening Stock (a)	Production (b)	Closing Stock (c)	Sales during the year (a+b-c)
Carded Yarn	18,185	540,033	2,276	555,942
Combed Yarn	92,679	4,027,091	257,320	3,862,450
Slub Yarn	36,296	1,477,002	91,805	1,421,492
Synthetic Yarn	95,364	4,262,172	83,811	4,273,726
Melange Yarn	31,650	2,569,419	97,699	2,503,370
Vortex	14,849	1,141,327	16,946	1,139,231
Open End	63,146	1,734,583	43,023	1,754,706
Twisted Yarn	8,565	296,907	11,173	294,300
Total	360,733	16,048,534	604,050	15,805,217
Turn over in Quantity (KG)				
2018-2019				
Product Type	Opening Stock (a)	Production (b)	Closing Stock (c)	Sales during the year (a+b-c)
Carded Yarn	51,264	466,293	18,185	499,372
Combed Yarn	18,153	4,240,884	92,679	4,166,358
Slub Yarn	44,008	1,456,607	36,296	1,464,319
Synthetic Yarn	33,489	3,500,939	95,364	3,439,064
Melange Yarn	38,929	2,393,525	31,650	2,400,804
Vortex	20,147	883,992	14,849	889,291
Open End	181,910	1,394,739	63,146	1,513,503
Twisted Yarn	530	252,286	8,565	244,251
Total	388,429	14,589,265	360,733	14,616,961
26	Cost of goods sold			
	Raw Material consumption (Note-26.01)		2,977,225,800	2,471,114,887
	Packing materials consumption (Note-26.02)		35,532,667	28,473,374
	Fiber Dyeing		21,925,201	12,187,362
	Manufacturing overhead (Note-26.03)		985,033,019	854,577,701
	Cost of goods manufacturing		4,019,716,687	3,366,353,324
	Opening work-in-process		43,535,277	40,794,490
	Closing work-in-process		(61,624,815)	(43,535,277)
	Cost of production		4,001,627,149	3,363,612,537
	Opening stock of finished yarn		89,041,018	89,977,643
Closing stock of finished yarn		(166,706,650)	(89,041,018)	
		<b>3,923,961,517</b>	<b>3,364,549,162</b>	

	Notes	Amounts in Taka	
		2020-2021	2019-2020
<b>26.01 Raw Material consumption</b>			
<b>Quantity (KG)</b>			
Opening Stock		2,937,952	1,267,810
Purchase during the year		21,771,326	18,578,712
Raw Material available for consumption		24,709,278	19,846,522
Closing Stock		4,843,492	2,937,952
Raw Material Consumed		<b>19,865,786</b>	<b>16,908,570</b>
<b>Value (Taka)</b>			
Opening balance		465,487,680	250,757,810
Purchase during the year		3,266,356,112	2,685,844,757
Raw Material available for consumption		3,731,843,792	2,936,602,567
Closing balance		(754,617,992)	(465,487,680)
		<b>2,977,225,800</b>	<b>2,471,114,887</b>
<b>26.02 Packing materials consumption</b>			
Opening balance		2,208,327	3,226,100
Purchase during the year		36,418,800	27,455,602
Packing materials available for consumption		<b>38,627,127</b>	<b>30,681,702</b>
Closing balance		(3,094,460)	(2,208,327)
		<b>35,532,667</b>	<b>28,473,374</b>
<b>26.03 Manufacturing overhead</b>			
Salary and allowances		257,537,013	195,052,427
Repair and maintenance		4,710,774	5,295,844
BTMA certificate charges		894,750	331,125
Store and spare parts		82,944,690	69,809,787
Travelling & Conveyance		462,985	384,165
Crockeries and Canteen Expenses		583,146	522,190
Fire Fighting Expenses-factory		2,063,185	874,908
Factory stationeries		1,691,486	1,455,390
Fuel and lubricants		389,680	1,676,052
Fuel and lubricants- Generator		30,748,503	16,006,198
Fuel and lubricants- Vehicles		729,626	630,378
Electricity bill		98,718,243	80,265,779
Gas bill		213,973,396	187,937,645
Insurance premium		5,618,548	7,218,743
Testing fee		46,430	24,010
Workshop expenses		1,378,439	648,806
Depreciation		282,542,127	286,444,255
		<b>985,033,019</b>	<b>854,577,701</b>
<b>27 Other income</b>			
Foreign currency exchange gain/(loss)		11,800,021	9,625,147
Gain /( Loss) on Investment in marketable securities		25,553,414	(8,410,314)
Bank interest received		1,037,581	1,304,609
Gain /( Loss) on Fixed Assets adjustment		(2,407,556)	-
Sales of wastage		58,571,237	38,548,714
Cash Dividend (received on marketable securities)		561,139	-
Rental Income	4,269,600		
Less: Repair and maintenance	(1,280,880)	2,988,720	2,814,840
Miscellaneous Income		186,733	-
		<b>98,291,289</b>	<b>43,882,996</b>

	Notes	Amounts in Taka	
		2020-2021	2019-2020
<b>28</b>	<b>Administrative expenses</b>		
	Salary and allowances	109,416,300	133,705,601
	Audit fees	833,750	805,000
	AGM Expenses	1,542,382	2,223,839
	Board Meeting Expenses	1,496,000	1,001,000
	Business promotion expenses	14,364,326	13,171,446
	Bank charges and commission	11,936,668	5,521,196
	Ceremonial expense	30,479	-
	Certificate and membership fees	1,800,135	3,665,348
	Credit rating expenses	145,125	145,125
	Garden Expenses	15,831	19,244
	Advertisement	1,004,745	1,237,581
	Contribution to Provident Fund	2,073,830	2,251,494
	Managing Directors Remuneration (Note -38.2)	8,400,000	8,400,000
	Entertainment	2,944,462	1,477,127
	Internet charges	106,750	152,456
	Legal expenses	-	851,508
	Medicine and medical expenses	132,420	150,832
	News paper and periodicals	12,852	4,360
	Office maintenance	390,645	285,884
	Photocopy and type expenses	465,323	338,760
	Office Stationery	234,852	116,421
	Rates and taxes	1,234,786	1,198,202
	Office Rent	4,260,936	4,260,935
	Registration and renewal	2,982,967	4,058,335
	Religious expenses	46,000	49,000
	Staff welfare	94,038	86,793
	Travelling expenses	-	85,168
	Uniform and liveries	-	17,850
	Miscellaneous expenses	2,182,796	1,539,809
	Power and fuel - vehicles	2,166,991	2,011,480
	Obsolete Raw Materials	8,360,909	-
	Doubtful debts	48,897,310	-
	VAT Expenses	779,764	1,113,562
	Depreciation	31,393,570	31,827,139
	Impairment loss on asset held for sale	1,257,607	1,300,220
		<b>261,004,550</b>	<b>223,072,716</b>
<b>29</b>	<b>Distribution expenses</b>		
	Carriage outward	8,227,395	6,564,955
		<b>8,227,395</b>	<b>6,564,955</b>
<b>30</b>	<b>Finance cost</b>		
	<b>Interest expenses</b>		
	Bank Interest on Offshore loan	10,091,209	16,780,080
	Bank Interest on term loan	7,775,600	12,929,589
	Bank interest on Export Development Fund/Upas Cotton	18,430,694	54,200,369
	Bank Interest on OD loan	4,950,374	1,494,920
	Bank Interest on loan against export bills	13,470	2,345,954
		<b>41,261,347</b>	<b>87,750,912</b>
<b>31</b>	<b>Contribution to workers' profit participation funds:</b>		
	Allocation for workers' profit participation funds Tk.42,138,503 (2020: Tk. 12,671,367). This represents 5% of net income before charging income tax as per provision of the Labour Law - 2006 and it will be allocated as defined in the said Act.		

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		Amounts in Taka		
		2020-2021	2019-2020	
<b>Computation of Taxable Income &amp; Tax Liability thereon</b>				
<b>A. Tax Payable on Total Taxable Income</b>		<b>127,867,668</b>	<b>34,904,271</b>	
Reconciliation of effective tax rate	2020-2021		2019-2020	
	Percentage	BDT Amount	Percentage	BDT Amount
Profit before tax		842,770,062		253,427,344
On Business Income	15.00%	108,485,283	15.00%	21,830,944
On Foreign currency exchange gain/(loss)	22.50%	2,655,005	25.00%	2,406,287
On Sales of wastage (balance after setting off business loss)	22.50%	13,178,528	25.00%	9,637,179
On Misc. Income	22.50%	42,015	25.00%	-
On Bank interest received	22.50%	233,456	25.00%	326,152
On Cash Dividend (received on marketable securities)	20.00%	112,228	20.00%	-
On Gain /( Loss) on Investment in marketable securities	10.00%	2,488,691	10.00%	-
On Rental Income	22.50%	672,462	25.00%	703,710
<b>Income tax expenses</b>	<b>15.17%</b>	<b>127,867,668</b>	<b>13.77%</b>	<b>34,904,271</b>
<b>B. Minimum Tax Payable u/s 82C(4)(a)</b>				
Gross receipts during this year [Schedule-B]		5,121,770,931		3,948,036,457
Tax Rate		0.60%		0.60%
<b>Minimum Tax u/s 82C(4)(a) of ITO 1984</b>		<b>30,730,626</b>		<b>23,688,219</b>
<b>C. Minimum Tax Payable u/s 82C(4)(a)</b>				
Tax deducted at Source under section 52 BBBB		22,696,178		17,499,688
		<b>22,696,178</b>		<b>17,499,688</b>
<b>Gross Tax Liability (higher of A, B and C)</b>		<b>127,867,668</b>		<b>34,904,271</b>
<b>(Excess)/Short provision for taxations after final assessment order as below:</b>				
Less: Adjustment of excess provision for the year 2011-2012		-		(9,402,553)
Add: Adjustment of short provision for the year 2012-2013		-		1,123,008
Less: Adjustment of excess provision for the year 2013-2014		-		(3,965,392)
Add: Adjustment of short provision for the year 2015-2016		-		22,265,911
Add: Adjustment of short provision for the year 2016-2017		42,144,750		-
Add: Adjustment of short provision for the year 2017-2018		16,388,110		-
Add: Adjustment of short provision for the year 2018-2019		35,796,093		-
<b>Total Current Tax</b>		<b>222,196,621</b>		<b>44,925,245</b>



	Notes	Amounts in Taka	
		2020-2021	2019-2020
<b>33</b>	<b>Deferred tax for statement of Profit &amp; loss and Statement of other comprehensive income</b>		
	<b>33.01 Deferred tax for statement of profit &amp; loss</b>		
	<b>Fixed assets:</b>		
	Carrying amount *	2,749,200,922	2,905,972,073
	Tax base	(1,655,347,859)	(1,846,080,033)
	Taxable Temporary difference	1,093,853,063	1,059,892,041
	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 2021	164,077,959	158,983,806
	Deferred tax liabilities 30 June 2020	(158,983,806)	(160,693,093)
		<b>5,094,153</b>	<b>(1,709,287)</b>
	<b>33.02 deferred tax for statement of other comprehensive income</b>		
	<b>(i) Deferred tax liability against revaluation reserve other than land</b>		
	Carrying amount other than land	349,660,462	370,254,454
	Tax base	-	-
		<b>349,660,462</b>	<b>370,254,454</b>
	Applicable tax rate (As per SRO - 193 dated 30 June 2015 for Textile Sector)	15%	15%
		<b>52,449,069</b>	<b>55,538,168</b>
	<b>(ii) Deferred tax liability on capital gain on revaluation of land</b>		
	Carrying amount other than building & others	1,358,959,500	1,358,959,500
	Tax base	-	-
		<b>1,358,959,500</b>	<b>1,358,959,500</b>
	Applicable tax rate (3% As per section 53 H of ITO 1984)	3%	3%
		<b>40,768,785</b>	<b>40,768,785</b>
	<b>Deferred tax liability against revaluation reserve ( i + ii )</b>	<b>93,217,854</b>	<b>96,306,953</b>
	Deferred tax liabilities 30 June 2020	<b>(96,306,953)</b>	<b>(43,640,719)</b>
	<b>Deferred tax for Statement of Other Comprehensive Income</b>	<b>(3,089,099)</b>	<b>52,666,234</b>
	<b>Deferred tax has been provided on Taxable Temporary difference.</b>		
	* 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.		
<b>34</b>	<b>Earnings Per Share (EPS)</b>		
	The computation of EPS is given below:		
	Earnings attributable to ordinary shareholders	615,479,288	210,211,386
	Weighted average number of ordinary shares outstanding at the year end	97,490,000	97,490,000
	Earnings per share (EPS)	<b>6.31</b>	<b>2.16</b>
	<b>34.1 Diluted earnings per share</b>		
	No diluted earnings per share is required to be calculated for the year as there was no scope for dilution during the year.		

	Notes	Amounts in Taka	
		2020-2021	2019-2020
<b>35 Net Assets Value (Per Share)</b>			
Total assets		8,276,232,803	7,098,616,622
Less: Total current liabilities		(2,770,341,122)	(1,911,216,711)
		5,505,891,681	5,187,399,911
Deduct:			
Long Term & deferred liabilities		(257,295,814)	(381,890,430)
		<b>5,248,595,867</b>	<b>4,805,509,480</b>
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		<b>53.84</b>	<b>49.29</b>
<b>36 Net Operating Cash Flow Per Share</b>			
Cash flows from operating activities as per statement of cash flows		38,543,671	533,311,461
Number of Ordinary Share at statement of financial position date		97,490,000	97,490,000
Net Operating Cash Flow - Per Share		<b>0.40</b>	<b>5.47</b>

### 37 Board Meetings

During the year from 01.07.2020 to 30.06.2021 nine board meetings were held. The attendance status is as follows:

Name of Directors	Position	Meeting Held	Attended	Remarks
Abdul Wahed	Chairman	9	9	
M.A. Jabbar	Managing Director	9	9	
M.A. Rahim	Director	9	9	
M.A. Quader	Director	9	9	
Md. Hassan Imam	Director	9	9	
Selina Parvin	Director	9	9	
Tanzeen Rahim	Director	9	9	
Taslima Begum	Director	9	9	
M. Naser Alam, Barrister-at-law	Independent Director	9	4	
Mr. Md. Abdus Salam FCA, FCS	Independent Director	9	9	
Mr. Shamsul Hasan Barrister-at-law	Independent Director	9	2	Joining date 23 March 2021

### 37 Number of employees & Payments to Directors and Officers

#### 38.1 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			
2020-21	25	439	1,683	2,147	377,427,143
2019-20	25	426	1,482	1,933	339,409,522

There is no Salary/ Wages/Remuneration below Tk. 8,000/- per month or annually Tk. 96,000. Minimum Salary/ Wages/Remuneration has started from Tk. 8,000/- per month.

### 38.2 Payments to Directors and Officers

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

Particulars	2020-2021			2019-2020		
	Directors	Managers & Others	Total	Directors	Managers & Others	Total
Basic Salary	5,139,960	60,123,863	65,263,823	5,139,960	73,470,746	78,610,706
House Rent	2,569,980	30,061,931	32,631,911	2,569,980	36,735,373	39,305,353
Conveyance	690,060	8,071,867	8,761,927	690,060	9,863,739	10,553,799
Bonus/ incentives	-	11,158,639	11,158,639	-	13,635,743	13,635,743
<b>Total Salary and allowances</b>	<b>8,400,000</b>	<b>109,416,300</b>	<b>117,816,300</b>	<b>8,400,000</b>	<b>133,705,601</b>	<b>142,105,601</b>

\* Directors represent Managing Director only.

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

### 39 Contingent Liabilities:

- As on 30 June 2021, Contingent Liability of the Company was Tk. 1,003,325,372 (Tk. 373,676,432 as at 30 June 2020) for opening of LCs by the banks in favour of foreign suppliers for raw materials and spares.
- There was no facts and figures for which the company has contingent liability to any party other than Bank as on 30 June 2021.

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

	MSML Unit	Melange Unit	Synthetic Unit	Total	
				2019-2020	2018-2019
Capacity Installed:					
No. of Spindles Installed	39,600	18,240	15,344	<b>73,184</b>	<b>73,184</b>
Capacity Utilized:					
No. of Spindles Operated	35,472	16,510	13,918	<b>65,900</b>	<b>66,394</b>
<b>Production Capacity: (In Kg)</b>					
At Equivalent Ave. 28's (Ring) & 16's Count (Rotor)	8,875,000	3,530,000	5,852,000	<b>18,257,000</b>	<b>17,224,500</b>
<b>Actual Production : (In Kg)</b>					
At Equivalent Ave. 28's (Ring) & 16's Count (Rotor)	6,871,376	2,934,794	4,992,477	<b>14,798,647</b>	<b>13,697,342</b>
<b>% of Capacity Utilization</b>	76.07	78.87	95.15	<b>81.06</b>	<b>79.52</b>

#### 41 Related party disclosure

i) 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, 2021 (Taka)	Status as of June 30, 2021	Closing balance as of June 30, 2020 (Taka)	Status as of June 30, 2020
Flamingo Fashions Ltd	Sister Concern	Sale of yarn	1,371,920,788	330,826,885	Debtor	118,706,886	Debtor
Jinnat Fashions Ltd	Sister Concern	Sale of yarn	221,039,439	37,964,109	Debtor	36,139,150	Debtor
Jinnat knitwears Ltd	Sister Concern	Sale of yarn	1,149,329,366	167,451,785	Debtor	356,815,261	Debtor
Jinnat Apparels Ltd	Sister Concern	Sale of yarn	635,106,099	242,098,441	Debtor	14,467,517	Debtor
Mawna Fashions Ltd.	Sister Concern	Sale of yarn	301,006,809	93,447,891	Debtor	24,997,731	Debtor
Hamza Textiles Ltd	Sister Concern	Sale of yarn	100,519,487	20,509,987	Debtor	6,608,437	Debtor
Parkway Printing & Packaging Ltd.	Sister Concern	Sale of yarn	27,172,455	5,769,508	Debtor	6,291,636	Debtor
		Godown Rent & Others	15,658,533	1,531,172	Debtor	879,671	Debtor
DBL Distribution Ltd	Sister Concern	Fuel & Lubricant	29,286,505	23,944,202	Creditor	15,896,116	Creditor
Color City Ltd	Sister Concern	Fiber Dyeing	6,344,941	1,087,471	Creditors	8,099,861	Creditors
DBL Ceramics Ltd	Sister Concern	Tiles	358,551	358,551	Creditors	124,945	Creditors

#### ii) Key management personal compensation comprised the following:

The Company's key management personal includes the Company's Managing Directors.

##### a) Short-term employee benefit:

Short term employee benefit includes remuneration, festival bonus and meeting attendance fees.

In Taka	2020-2021	2019-2020
Directors' remuneration	8,400,000	8,400,000
Board meeting fees	979,000	649,000
	9,379,000	9,049,000
b) Post employment benefit:	-	-
c) Other long-term benefit:	-	-
d) Termination benefit:	-	-
e) Share- based payment:	-	-
	9,379,000	9,049,000



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

Disclosure requirement of schedule XI, part II, para 8 (b&d) of the Companies Act 1994:

CIF Value of Raw Cotton, Spare Parts, Packing Materials and Capital Machinery (BDT) and Consumption:

Particular	Local Purchase	Import	Total Purchase	Consumed	% of Consumption
Raw Cotton	-	3,266,356,112	3,266,356,112	2,977,225,800	91.49%
Stores and Accessories	-	51,275,060	51,275,060	241,514,316	7.42%
Packing Materials	36,418,800	-	36,418,800	35,532,667	1.09%
Capital Machinery	-	90,030,785	90,030,785	-	-
<b>Total</b>	<b>36,418,800</b>	<b>3,407,661,956</b>	<b>3,444,080,756</b>	<b>3,254,272,782</b>	<b>100.00%</b>

### FOB Value of export

The FOB value of export is as follows:

Particular	2020-21		2019-20	
	In foreign currency \$	In Taka	In foreign currency \$	In Taka
Export	59,810,269	5,021,072,086	46,616,758	3,904,153,460

	Notes	Amounts in Taka	
		2020-2021	2019-2020
<b>43 Reconciliation of net operating cash flow</b>			
<b>Cash Flow from Operations</b>			
Net income		615,479,288	210,211,386
Less: Dividend Income transfer to investing activities		(561,139)	-
Less: Interest on FDR and Bank Accounts transfer to investing activities		(1,037,581)	(1,304,609)
Less: Effects of foreign currency translation gain /(loss)		-	(527,122)
Depreciation and amortization		313,935,696	318,271,395
Decrease (increase) in current assets		(1,021,086,088)	4,693,644
Decrease (increase) in current liabilities		166,201,776	16,924,716
Deferred tax liability		2,005,055	50,956,946
Unrealized gain/(loss)		17,672,862	28,831,598
Capital expenditure		(60,724,657)	(182,590,515)
Decrease (increase) in Revaluation Reserve		23,683,090	(39,481,037)
Gain /( Loss) on Investment in marketable securities		(22,918,199)	8,435,348
Proceeds from Asset held for sale		(192,393)	-
Accrued Interest shown in investing activities		726,494	957,258
Capital work-in-process		5,359,466	117,932,452
<b>Cash flow from operating activities</b>		<b>38,543,671</b>	<b>533,311,461</b>

## 44 Previous year's figures have been rearranged, wherever considered necessary, to conform to current year's presentation.

## 45 Figures are rounded off to the nearest Taka.

## 46 Event after the reporting period

The Board of Directors of Matin Spinning Mills Limited, at its 127th meeting held on October 28, 2021 proposed Tk. 4 per share amounting to a total of Tk. 389,960,000 as cash dividend for the year ended 30 June 2021, which represents 40% of the paid up Capital. This dividend is subject to final approval by the shareholders at the forthcoming Annual General Meeting of the Company.

## COVID 19

Bangladesh as well as the whole world continues to face the adversity of the CORONA VIRUS PANDEMIC from December 2019 to till date. Following the declaration of COVID-19 as a pandemic by the World Health Organization (WHO) in early March 2020, like many other governments, the Government of Bangladesh introduced restrictive measures to contain further spread of the virus, affecting free movement of people and goods during the financial year 2020-21. However the production was not affected significantly during the year 2020-21 for COVID 19. But immediate after the reporting period there was a Government declared shut down from 20 - 30 July 2021 which affected the business as during those days the production was stopped.

There are no other events identified after the date of the statement of financial position which require adjustment or disclosure in the accompanying financial statements.

## 47 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 Company has assessed the potential impact on its financial statements resulting from the application of IFRS 16 on its financial statements. There is no impact of IFRS 16 for the Company since the Company is exempted from lease due to short term lease. The entity has only lease item of office rent and as per agreement both party has right to terminate the agreement.

## 48 Standards issued but not yet effective

A number of new standards are effective for annual periods beginning after 1 July 2020 and earlier application is permitted; however, the Company has not early adopted the new or amended standards in preparing these financial statements.

Effective for year beginning 1 January 2020	<ul style="list-style-type: none"> <li>• Amendments to references to conceptual framework in IFRS standards</li> <li>• Amendments to IFRS 3: Business Combinations of definition of business</li> <li>• Amendments to IAS 1: Presentation of Financial Statements and IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors of definition of material.</li> </ul>
Effective for year beginning 1 January 2021	<ul style="list-style-type: none"> <li>• IFRS 17: <i>Insurance Contracts</i></li> </ul>
Effective date deferred indefinitely / available for optional adoption	<ul style="list-style-type: none"> <li>• Amendments to IFRS 10: Consolidated Financial Statements and IAS 28: Investments in Associates and Joint Ventures on sale or contribution of assets between an investor and its associate or joint venture</li> </ul>

Management does not expect that the adoption of the above new and amended standards and the interpretation to a standard will have a significant impact on the Company's financial statements.



**Abdul Wahed**  
Chairman



**M. A. Jabbar**  
Managing Director



**Mohammad Emarot Hossain FCA**  
Chief Financial Officer



**Md. Shah Alam Miah FCS**  
Company Secretary

**Details of property, plant and equipment**

for the year ended 30 June 2021

Annex i

## A) Non Revalued Assets (Cost Component)

Amounts in Taka

Name of the assets	Cost			Depreciation				Written down value at 30 June 2021		
	At 01 July 2020	Addition during the year	Adjustment/ disposal during the year	Total at 30 June 2021	Rate %	At 01 July 2020	Charge for the year		Adjustment during the year	Total at 30 June 2021
Land and land development	160,426,166	-	-	160,426,166	0%	-	-	-	-	160,426,166
Factory building	667,712,041	27,262,422	-	694,974,463	5%	196,435,852	24,239,768	-	220,675,620	474,298,843
Godown	88,041,886	28,053,278	-	116,095,164	10%	33,697,711	5,874,334	-	39,572,045	76,523,119
Plant and machinery	3,906,994,756	90,030,785	-	3,997,025,541	10%	1,983,434,303	195,001,625	-	2,178,435,927	1,818,589,613
Furniture and fixtures	3,871,294	-	-	3,871,294	10%	2,566,861	133,333	-	2,700,194	1,171,100
Sub Station (Machinery)	386,431,498	-	-	386,431,498	15%	192,191,933	29,135,935	-	221,327,868	165,103,630
Gas Generator	312,937,576	3,469,799	-	316,407,375	15%	120,793,901	28,601,201	-	149,395,102	167,012,273
Office equipments	75,553,633	4,675,683	2,989,517	77,239,799	15%	33,166,820	7,214,650	581,961	39,799,508	37,440,290
Vehicles	67,643,349	-	-	67,643,349	20%	51,939,047	3,140,860	-	55,079,907	12,563,442
<b>Total at 30 June 2021</b>	<b>5,669,612,198</b>	<b>153,491,967</b>	<b>2,989,517</b>	<b>5,820,114,648</b>		<b>2,614,226,427</b>	<b>293,341,705</b>	<b>581,961</b>	<b>2,906,986,171</b>	<b>2,913,128,477</b>

## B) Revalued Assets (Revaluation Reserve Component)

Name of the assets	Revaluation			Depreciation				Written down value at 30 June 2021		
	At 01 July 2020	Addition during the year	Adjustment/ disposal during the year	Total at 30 June 2021	Rate %	At 01 July 2020	Charge for the year		Adjustment during the year	Total at 30 June 2021
Land and land development	1,198,533,334	-	-	1,198,533,334	0%	-	-	-	-	1,198,533,334
Factory building	405,031,744	-	-	405,031,744	5%	71,741,459	16,741,033	-	88,482,492	316,549,252
Godown	41,653,543	-	-	41,653,543	10%	4,689,374	3,852,959	-	8,542,333	33,111,210
<b>Total at 30 June 2021</b>	<b>1,645,218,621</b>	<b>-</b>	<b>-</b>	<b>1,645,218,621</b>		<b>76,430,833</b>	<b>20,593,992</b>	<b>-</b>	<b>97,024,825</b>	<b>1,548,193,796</b>
<b>Total (A + B) at 30 June 2021</b>	<b>7,314,830,819</b>	<b>153,491,967</b>	<b>2,989,517</b>	<b>7,465,332,269</b>		<b>2,690,657,260</b>	<b>313,935,696</b>	<b>581,961</b>	<b>3,004,010,996</b>	<b>4,461,322,273</b>

## Allocation of depreciation:

	Year ended 30 June 2021
Manufacturing overhead @ 90%	282,542,127
Administrative overhead @ 10%	31,393,570
	<b>313,935,696</b>

-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 Limited

### Details of property, plant and equipment

for the year ended 30 June 2020

Annex ii

A) Non Revalued Assets (Cost Component)									
Name of the assets	Cost			Depreciation				Amounts in Taka	
	At 01 July 2019	Addition during the year	Adjustment/ disposal during the year	Total at 30 June 2020	Rate %	At 01 July 2019	Charge for the year	Adjustment during the year	Written down value at 30 June 2020
Land and land development	160,426,166	-	-	160,426,166	0%	-	-	-	160,426,166
Factory building	665,552,623	2,159,418	-	667,712,041	5%	171,764,352	24,671,500	-	471,276,189
Godown	85,481,417	2,560,469	-	88,041,886	10%	27,920,647	5,777,064	-	54,344,175
Plant and machinery	3,814,477,828	94,389,648	1,872,720	3,906,994,756	10%	1,778,387,449	206,671,559	1,624,705	1,923,560,453
Furniture and fixtures	3,607,434	263,860	-	3,871,294	10%	2,017,714	549,148	-	1,304,433
Sub Station (Machinery)	354,730,401	31,701,097	-	386,431,498	15%	160,907,148	31,284,785	-	194,239,565
Gas Generator	133,391,309	200,010,627	20,464,359	312,937,576	15%	113,622,477	24,983,578	17,812,154	192,143,675
Office equipments	69,025,091	6,528,542	-	75,553,633	15%	25,944,331	7,222,489	-	42,386,813
Vehicles	67,643,349	-	-	67,643,349	20%	48,012,971	3,926,076	-	15,704,302
<b>Total at 30 June 2020</b>	<b>5,354,335,617</b>	<b>337,613,660</b>	<b>22,337,079</b>	<b>5,669,612,198</b>		<b>2,328,577,088</b>	<b>305,086,198</b>	<b>19,436,859</b>	<b>3,055,385,771</b>
B) Revalued Assets (Revaluation Reserve Component)									
Name of the assets	Revaluation			Depreciation				Written down value	
	At 01 July 2019	Addition during the year	Adjustment/ disposal during the year	Total at 30 June 2020	Rate %	At 01 July 2019	Charge for the year	Adjustment during the year	at 30 June 2020
Land and land development	865,391,996	333,141,338	-	1,198,533,334	0%	-	-	-	1,198,533,334
Factory building	163,805,258	241,226,486	-	405,031,744	5%	60,505,125	11,236,334	-	333,290,285
Godown	4,480,258	37,173,285	-	41,653,543	10%	2,740,512	1,948,862	-	36,964,169
Total at 30 June 2020	1,033,677,512	611,541,109	-	1,645,218,621		63,245,637	13,185,197	-	1,568,787,788
<b>Total (A + B) at 30 June 2020</b>	<b>6,388,013,129</b>	<b>949,154,769</b>	<b>22,337,079</b>	<b>7,314,830,819</b>		<b>2,391,822,725</b>	<b>318,271,395</b>	<b>19,436,859</b>	<b>4,624,173,559</b>
Allocation of depreciation:									
Period ended 30 June 2020									
Manufacturing overhead @ 90%				286,444,255					
Administrative overhead @ 10%				31,827,139					
				<u>318,271,395</u>					

Allocation of depreciation:  
 Manufacturing overhead @ 90%  
 Administrative overhead @ 10%

Period ended 30 June 2020  
 286,444,255  
 31,827,139  
318,271,395

-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.

**NOTE:**

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**NOTE:**

Handwriting practice lines consisting of 20 horizontal dotted lines.

## Matin Spinning Mills Limited

Capita South Avenue Tower  
(6th Floor) House 50, Road 03,  
Gulshan Avenue, Dhaka 1212



### Proxy Form

I/We.....

of.....

Being a member of Matin Spinning Mills Limited and holder of.....

Shares hereby appoint Mr/Ms.....

as my/ our proxy to attend and vote for me/us on behalf of me/us at the 19th Annual General Meeting of the Company to be held on Monday the 13 December, 2021 at 11.30 A.M through Digital Platform.

Signature of Proxy  
Registered Folio/BO

Revenue Stamp  
Tk. 20.00

Signature of Shareholder  
Registered Folio/BO

**Note:** The Proxy Form, duly completed and stamped, must be submitted at Capita South Avenue Tower, 6th Floor House 50, Road 03, Gulshan Avenue, Dhaka 1212, at least 48 hours before the meeting.

## Matin Spinning Mills Limited

Capita South Avenue Tower  
(6th Floor) House 50, Road 03,  
Gulshan Avenue, Dhaka 1212



### Attendance Slip

I hereby record my attendance at the 19th Annual General Meeting of the Company to be held on Monday the 13 December, 2021.

Name of the Member/Proxy .....

Registered Folio/BO ID .....

Signature .....

Date: .....

**Note:** Please note that no gift/gift coupon/food box/benefit in cash or kind shall be distributed/paid at the AGM as per BSEC Notification No. SEC/CMRRCD/2009-193/154 dated 24th October 2013.





**CORPORATE OFFICE**

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