HORIZONS





GENESIS OF NEWER HORIZONS







CONTENT

Letter of Transmittal	06
Notice of the 20th Annual General Meeting	07



COMPANY INFORMATION

Key Information	10
Key Milestones	14
MSMPLC at a Glance	16
Mission & Vision	17
Core Values	18
Strategic Objectives	20
Our Products	22
Certifications & Awards	24
Brief Profile of the Directors	26
Event Highlights	32
Management Apparatus	36
Our Human Capital	37
Integrated Reporting	39



STATEMENTS ON CORPORATE GOVERNANCE

Guiding Philosophy and Governance Practices	41
Code of Conduct	44
Dividend Distribution Policy	48
Risks & Risk Management	53
Message from the Chairman	56
Message from the Managing Director	58
Corporate Operational Results	60
Directors' Report to the Shareholders	61
Annexure to Directors' Report	66
Declaration by Managing Director and Chief	72
Financial Officer	
Report to the Shareholders of Matin	
Spinning Mills PLC on compliance on the	73
Corporate Governance Code	15
Status Report on Compliance with the	74
Conditions Imposed by the BSEC	81.0
Report of the Audit Committee	87
Report of the Nomination &	00-
Report of the Nomination & Remuneration Committee	90



CORPORATE SOCIAL RESPONSIBILITY

Environmental, Social	98
and Governance (ESG) Overview	90
Sustainability Programs	102



AUDITORS' REPORT AND FINANCIAL STATEMENTS

	400
Independent Auditor's Report	109
Statement of Financial Position	115
Statement of Profit or Loss	116
Statement of Other Comprehensive Income	117
Statement of Changes in Equity	118
Statement of Cash Flows	119
Notes to the Financial Statements	120
Proxy Form and Attendance Slip	159



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, 2022.

Please find enclosed a copy of the Annual Report together with the Audited Financial Statements including Statement of Financial Position as at 30 June, 2022 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, 2022 along with notes thereon of Matin Spinning Mills PLC for your kind information and record.

Yours sincerely,

Md. Shah Alam Miah FCS

Company Secretary

NOTICE OF THE 20TH ANNUAL GENERAL MEETING

Notice is hereby given to all the Shareholders of Matin Spinning Mills PLC (MSMPLC) that the 20th ANNUAL GENERAL MEETING of the Company will be held on **Thursday the 8 December 2022 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 agenda:

- 1. To receive and adopt the Audited Financial Statements for the year ended 30 June 2022 together with the Report of the Directors' and the Auditors' thereon.
- 2. To declare dividend for the year ended 30 June 2022.
- 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 appoint Auditors for the year 2022-2023 and to fix their remuneration.
- 5. To appoint professionals for issuance of certificate on compliance of corporate governance code for the year 2022-2023 and to fix their remuneration.
- 6. To confirm the re-appointment of Managing Director.

By Order of the Board

(Md. Shah Alam Miah FCS)

Company Secretary

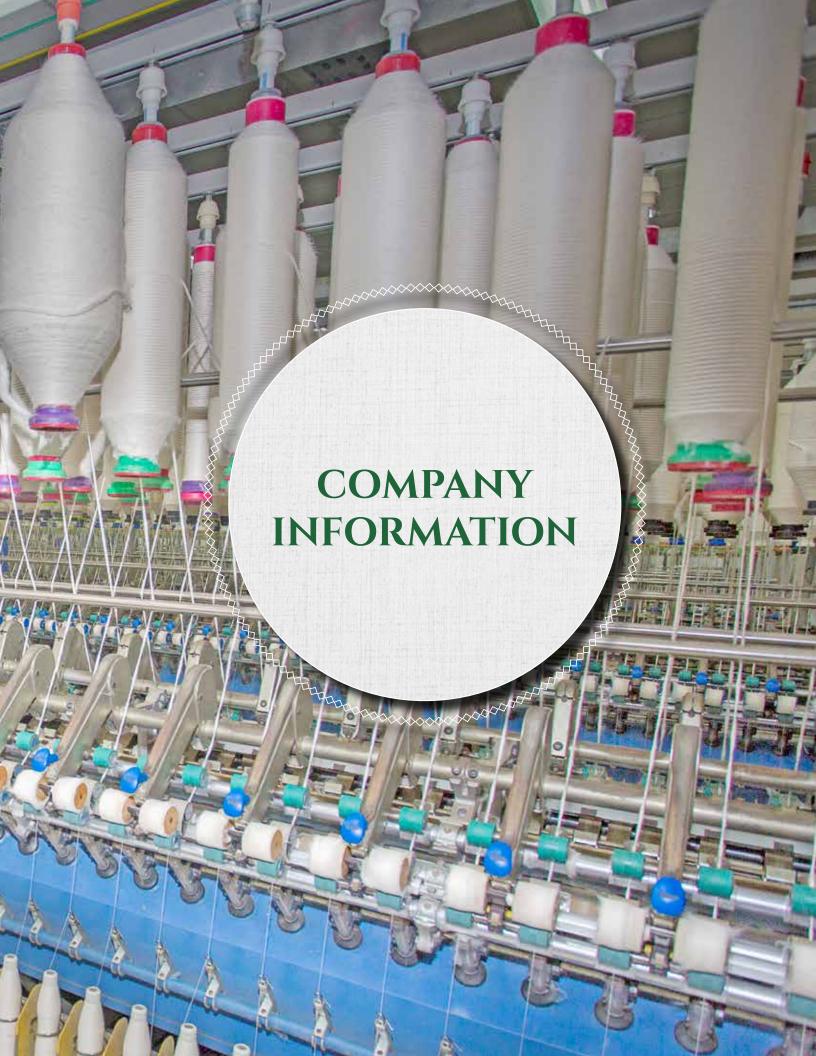
Notes:

Dated: Dhaka 15 November 2022

- 1. The "Record Date" is Sunday, 13 November 2022. 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 the 20th AGM and be entitled to receive the 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, a soft copy of the Annual Report 2021-22 will be sent to the Shareholder's respective email address as available to us. The Annual Report 2021-22 and proxy form can be available on the website at 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 Thursday, 8 December 2022. Please contact at 01955538019 for any queries in accessing the virtual meeting.







KEY INFORMATION



Entity Name MATIN SPINNING MILLS PLC

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

South Avenue Tower (6th Floor)
7 Gulshan Avenue, House #50, Road #03
Gulshan-1, Dhaka 1212, Bangladesh
Phone: +880-2-58817735, Fax: +880-2-58817736
Email: info@dbl-group.com

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

Hussain Farhad & Co., Chartered Accountants House # 15, Road # 12, Block # F, Niketon Gulshan – 1. 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

2318

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

We Produce

Innovation In Yarn Production



Cotton Yarn





Mélange Yarn





Synthetic Yarn





Recycled Yarn



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

RCS & GRS Yarns



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



RCS Yarns



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



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



GRS Yarns



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



Final product design being addressed from very beginning



Circular economy



Value addition to product range

KEY MILESTONES







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

2002

15TH SEPTEMBER

Incorporation of the Company

2006

1ST OCTOBER

Commencement of Commercial Production

2007

30TH MAY

Oeko-Tex Standard100 Certificate



Matin Spinning Mills PLC







7TH FEBRUARY

Start of Commercial Operation of Synthetic Yarn Unit

2018

2017

10TH NOVEMBER

Achieved Corporate Governance Excellence Award in Gold category at 5th National Award 2017 of The Institute of Chartered Secretaries of Bangladesh

2019

8TH DECEMBER

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

21TH DECEMBER

Achieved Corporate Governance Excellence Award in Gold category at 6th National Award 2018 of The Institute of Chartered Secretaries of Bangladesh

2021

6TH FEBRUARY

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

12TH DECEMBER

Achieved Corporate Governance Excellence Award in Gold category at 8th National Award 2020 of The Institute of Chartered Secretaries of Bangladesh

2022

1ST AUGUST

Full commercial operation of "Special Yarn Unit", adding production capacity of 10 tons (per day)

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

Achieved Corporate Governance Excellence Award in Gold category at 3rd National Award 2015 of The Institute of Chartered Secretaries of Bangladesh

MSMPLC AT A GLANCE

Matin Spinning Mills PLC (MSMPLC), 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.

MSMPLC 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, MSMPLC 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, MSMPLC was converted into a Public Limited Company on November 04, 2010.

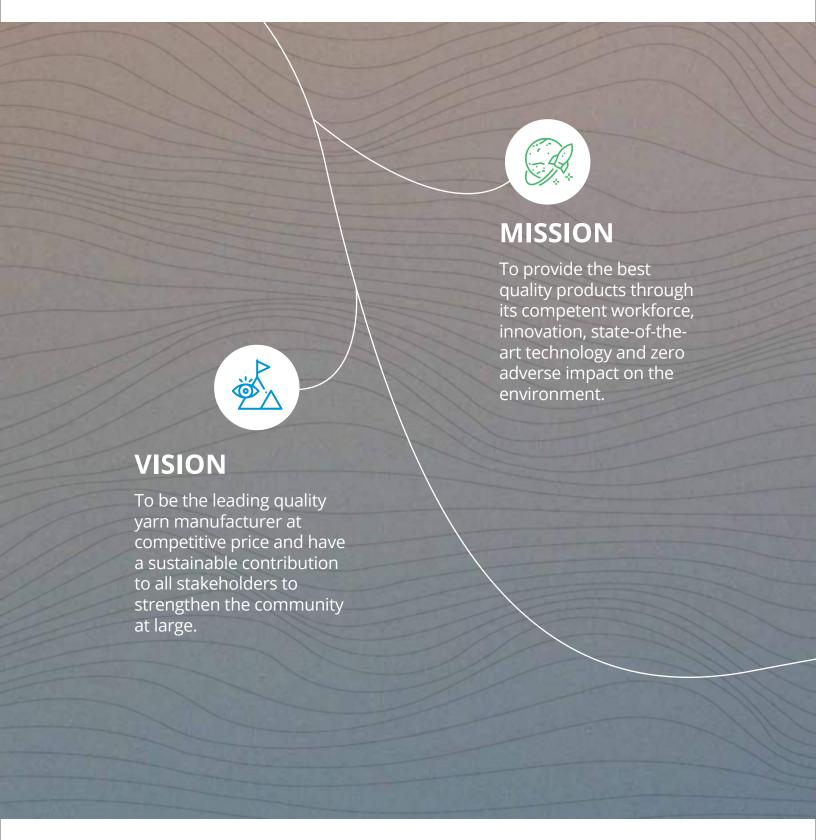
Essentially, MSMPLC provides backward linkage to the Garment units under the DBL Group. It is equipped with state-of- the-art machineries mostly of US, German, Japan and Swiss origins. The Company is proficient in producing yarn of many different specifications and providing tailor-made service to a 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. MSMPLC 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.

MSMPLC 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



CORE VALUES

Our values are a priority in all of MSMPLC's practices. This not only improves business operations but also creates transparent and long-term relationships with our employees, workers, stakeholders, patrons and broader community.



INTEGRITY

We always uphold our integrity in every action we take.

Key Actions/Behavior:

- We follow through commitment.
- We keep others informed of situations, work assignments and concerns.
- We talk to the right people at the right time.
- We honestly answer questions.
- We represent organizational values on a daily basis.
- We are consistent with action and behavior.



PASSION

We are passionate to continuously learn, grow and serve.

Key Actions/Behavior:

- We strive to improve job responsibilities through developing skills and increasing knowledge.
- We take appropriate ownership.
- We value the opinion of others while developing solutions.
- We share knowledge with colleagues.
- We participate in organizational training programs.

EXCELLENCE

We strive to excel in every aspect of our business.

Key Actions/Behavior:

- We produce high quality work.
- We do more than what is required.
- We use the best practice and proven methods when completing work assignments.
- We look for ways to streamline and simplify tasks.
- We ask questions and seek clarification in order to deliver superior work.





CARE

We care for our customers, associates, stakeholders, workplace safety, community, and environment.

Key Actions/Behavior:

- We help team members and colleagues.
- We show empathy by listening and responding appropriately to others.
- We go above and beyond to resolve client issues.
- We ask questions and offer support to colleagues and clients that are distressed.

ADAPTABILITY

We continuously adapt to change.

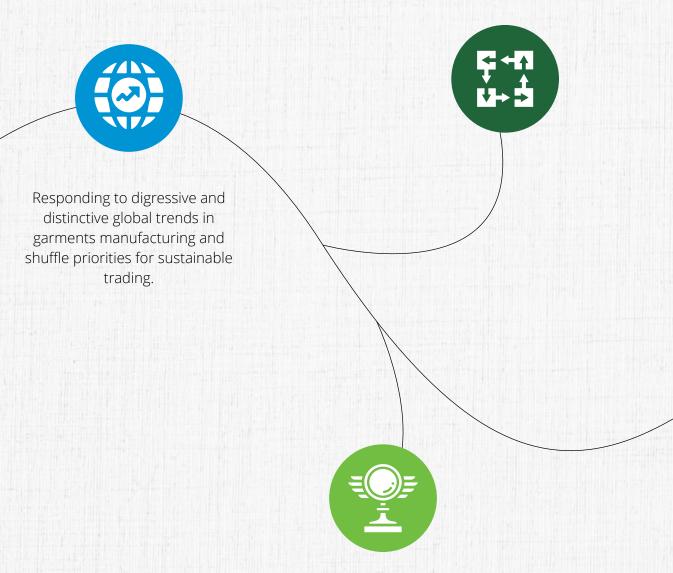
Key Actions/Behavior:

- We are optimistic in the face of change.
- We take a longer-term/bigger picture view of change.
- We read books and articles to stay informed about new and changing practices.
- We are willing to change approach based on new ideas or information.
- We are ready to make necessary adjustments.
- We display an appreciation of different opinion, roles, expectations, and backgrounds.



STRATEGIC OBJECTIVES

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



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



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





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



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

OUR PRODUCTS



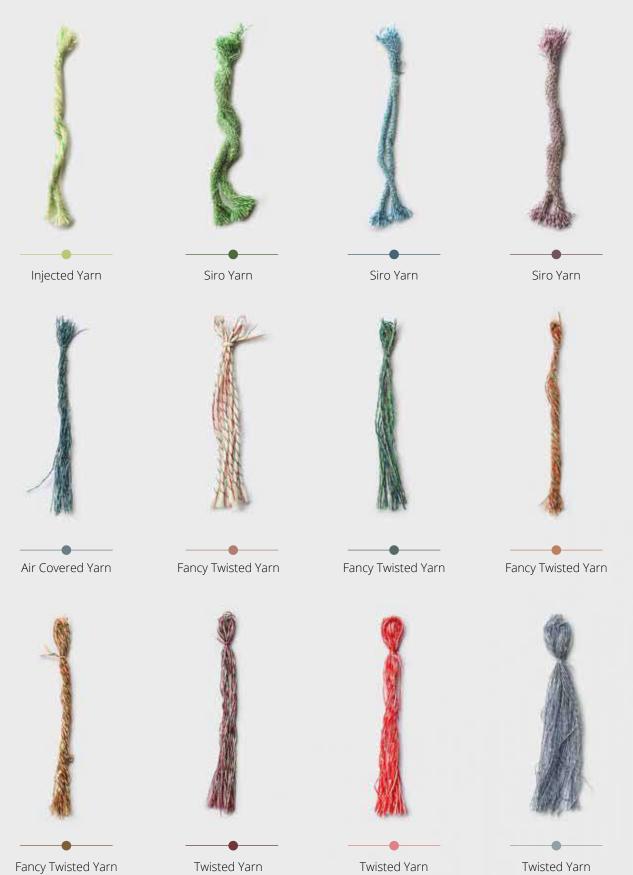
Injected Yarn

Injected Yarn

Injected Yarn



Metalic Yarn



CERTIFICATIONS & AWARDS

ORGANIC COTTON

ISO 9001:2015 SUPIMA (USA)







RECYCLED CLAIMED STANDARD (RCS)

ORGANIC CONTENT STANDARD (OCS)

GLOBAL RECYCLE STANDARD (GRS)







U.S. COTTON TRUST PROTOCOL

COTTON MADE IN AFRICA (CMIA)

GLOBAL ORGANIC TEXTILE STANDARD (GOTS)







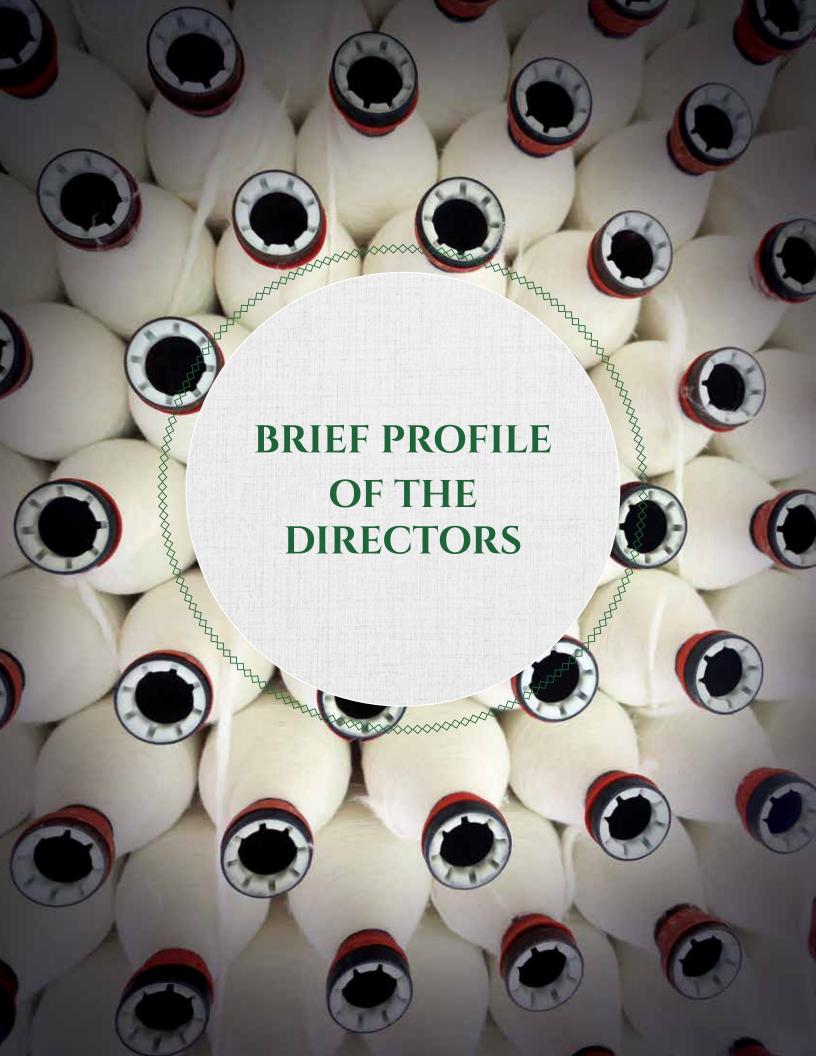
BETTER COTTON INITIATIVE

OEKO-TEX STANDARD 100 QC CIRCLES 2020 PLATINUM AWARD











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 enthralls 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.



M. A. RAHIM
VICE CHAIRMAN

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.



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.

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. labbar 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. He has also been honoured as "The Business Person of the Year 2021" at the 20th DHL-Daily Star Bangladesh Business Awards.



M. A. QUADER
DIRECTOR

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.





SELINA PERVEENDIRECTOR

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 PLC and Parkway Packaging and Printing PLC.



TANZEEN KHURSHID
DIRECTOR

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



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 PLC, Parkway Packaging and Printing PLC and also a shareholder of Hamza Textiles Limited.





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



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.



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' an 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







Matin Spinning Mills PLC, inaugurated its special yarn unit on 1 August 2022 at Kashimpur, Gazipur having 10 tons production capacity per day of special yarn to meet the growing demand for high-quality yarn. The additional production capacity will boost the total capacity to 61 tons per day. During the inauguration, Abdul Wahed, Chairman; M. A. Jabbar, Managing Director; M. A. Rahim, Vice Chairman; M. A. Quader, Director,Barrister Shamsul Hasan, Indipendent Director and other high officials of the company and distinguished guests were present.



M.A. Jabbar, Managing director of Matin Spinning Mills PLC, has been honoured as Business Person of the Year 2021 at the DHL-The Daily Star Business Award for his leadership role in taking the organisation to newer heights and contributing to Bangladesh's economic development.



M. A. Rahim, Vice Chairman, Matin Spinning Mills PLC has been honored by the Govt. of the People's Republic of Bangladesh as CIP (Commercially Important Person). The CIP Card was handed over to him by Tipu Munshi, MP, Honorable Minister, Ministry of Commerce, Govt. of the People's Republic of Bangladesh.



Matin Spinning Mills PLC has won Corporate Governance Excellence award in Gold category at the 8th ICSB National Award 2020. M. A. Jabbar, Managing Director of the company, received the award from Tipu Munshi, MP, Honorable Minister, Ministry of Commerce, Government of the People's Republic of Bangladesh.



19th Annual General Meeting of Matin Spinning Mills PLC held in digital platform. M. A. Quader, Director & Chairman of the meeting, M. A. Jabbar, Managing Director, Selina Perveen, Director, Taslima Begum, Director, Md. Abdus Salam FCA, FCS, Independent Director & Chairman of Audit Committee, Shamsul Hasan, Barrister-at-law, Independent Director & Chairman of Nomination And Remuneration Committee and representative of statutory auditor were present during the meeting.





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 khurshid	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

COMPANY SECRETARY

Mr. Md. Shah Alam Miah, FCS

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.

MSMPLC 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 MSMPLC continuously works toward attaining global goals and promoting excellence through attracting, retaining, growing and inspiring talent. Currently 2,318 employees are working to achieve the vision of MSMPLC. At MSMPLC, total 1,264 female employees are working that is 54.53% of total workforce. MSMPLC strongly believes in empowering employees by providing relevant opportunities for learning, sharing knowledge, and growing together to make a difference.

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



EMPLOYMENT CONDITIONS

Matin Spinning Mills PLC 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. MSMPLC 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.



RESTRICTION ON ENGAGEMENT OF CHILD LABOR

MSMPLC 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

MSMPLC respects a woman's motherhood. That is why all regular confirmed female employees of MSMPLC 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

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



EMPLOYEE WELFARE MEASURES

MSMPLC 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. MSMPLC continuously strives to ensure consistency and quality of the initiatives taken for the long term benefits of the employees.



WORK HOUR & LEAVE FACILITIES

All the employees of MSMPLC 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 MSMPLC is eligible for Casual Leave, Sick Leave, Annual Leave and Maternity Leave.



MINIMUM WAGE COMPLIANCE AND WAGE PAYMENTS

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



INTEGRATED REPORTING

2021-22 Annual Report has been presented as an 'Integrated Report' with the aim of articulating how Matin Spinning Mills PLC, 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 2022 with relevant comparative information. The financial statements consistently complying with the requirements of:



International Accounting Standards (IAS)



Companies Act 1994



The Securities and Exchange Ordinance 1969



The Income Tax Ordinance 1984



The Income Tax Rules 1984



The Securities & Exchange Commission Rules 1987



The Value Added Tax Rules 1991



The Value Added Tax Act 1991



International Financial Reporting
Standards (IFRS)



Corporate Governance Code 2018



Stock Exchanges
Listing Regulations 2015



And any other applicable law and regulations of the land



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 PLC 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 2021.

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	Hussain Farhad & Co., Chartered Accountants.
2	Corporate Governance	Suraiya Parveen & Associates, Chartered Secretaries.
3	Provident Fund	A. Qasem & Co., Chartered Accountants.
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 2020-21 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 PLC and the impacts thereof.

M. A. Jabbar

Managing Director



GUIDING PHILOSOPHY AND GOVERNANCE PRACTICES

The Board of Directors of Matin Spinning Mills PLC 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/ reelection/election by one third of its members.

COMPOSITION OF THE BOARD

The Board of Matin Spinning Mills PLC 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 PLC 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 PLC 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 PLC 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 PLC 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 PLC 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 MSMPLC 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 PLC 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

Hussain Farhad & 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.

INDEPENDENT SCRUTINIZER

Haruner Rashid & Associates, Chartered Secretaries will authenticate the due process of election and detail information on the voting result of the 20th AGM as an Independent Scrutinizer as per Bangladesh Securities and Exchange Commission's Guideline.

INDEPENDENT SERVICE PROVIDER

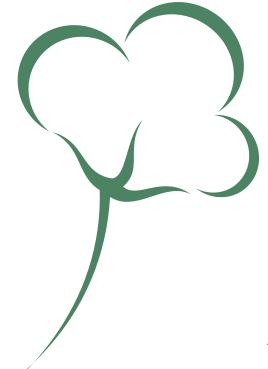
SATCOM IT Ltd. will provide the service for conducting the 20th AGM in Digital Platform as an Independent Service provider as per Bangladesh Securities and Exchange Commission's Guideline.

INTERNAL AUDIT AND CONTROL

Matin Spinning Mills PLC 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 MSMPLC 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 PLC (MSMPLC) (hereinafter referred to as "the Company or MSMPLC") 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 PLC.

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

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.

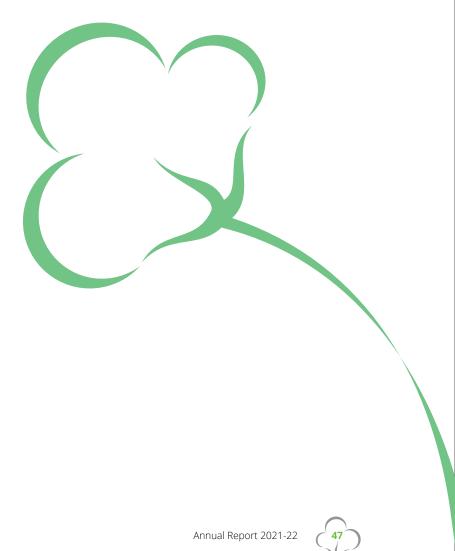


3. COMPLIANCE WITH THE CODE OF CONDUCT

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 PLC (the "Company") as per directive no. BSEC/CMRRCD/2021-386/03-, dated 14 January 2021 issued by the Bangladesh Securities Exchange Commission and (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.



	Dividend Distribution Compliance Report Under Claus, (6) of the Directive No. BSEC/CMRRCD/2021-386/03, dated: 14/01/2021	: 03, dated: 14/01/	2021
_	Name of the Issuer/Securities/Mutual Fund		
	Particulars of Issuer DP		
	Type of Dividend (Annual /Interim)	elidd≬(e	h) Interim
	(Put tick mark (囚) on the recommended option)	_	
	Whether audited or not for interim Dividend		7 () .t.t.
	(Put tick mark (☑) on the recommended option)	a) Audited	b) Oriadulted 🗀
	Date of recommendation of Dividend by the Board of Directors/Trustee:(Enclose copy of PSI)		
	Whether Dividend recommended other than directors or sponsors or any other classes		
	(Put tick mark (囚) on the recommended option)	d) res	
	Record date for entitlement		
	Rate of Dividend recommended by the Board of Directors/Trustee		
	Dividend recommended -Type	a) Cash	b) Stock
	(Put tick mark (囚) on the recommended option)		
10	Securities/mutual fund traded under which categories		
	(Put tick mark (囚) on the recommended option)	(a) A (b) B	☐ 7(a) ☐ N(b) ☐ 5(b) ☐
	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	a) BEFTN	B) Bank Transfer ☐ c) MFS ☐
	(Put tick mark (囚) on the recommended option)	d) Dividend Warrant	nt \square e) Any other mode \square
16	Date of completion of disbursement of Cash Dividend and Stock Dividend [Enclose Bank		à
	statements and Corporate Action Processing Report (DP 70)]		
17	Paid-up-capital of the issuer- before corporate action/entitlement	Tk-	
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		

	Dividend Distribution Compliance Report
	Under Claus, (6) of the Directive No. BSEC/CMRRCD/2021-386/03, dated: 14/01/2021
	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
	(BO wise detailed with reason should be maintained and submitted)
	g) through issuance of Dividend Warrant or issue of shares to Suspense Account for non-
	dematerialized securities
21	Total Dividend paid/credited for the concerned year
22	Total unpaid/undistributed Dividend /accrued during the period (20-21)
23	Total unpaid/undistributed Dividend /accrued as on 1st day of Accounting year
	(as per Audited Accounts)
24	Transfer to Suspense Account for Demate Shares or any other reasons during the
	concerned year
	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	Total Dividend paid/credited for previous years:
5 6	Total unpaid/undistributed Dividend for previous years (23+24-25) Taka/ Nos
27	Grand Total of unpaid/undistributed Dividend (22+26)
	Aging of Grand Total of unpaid/undistributed Dividend for previous years:
	More than 3 years; balance
90	More than 4 years; balance
7	More than 5 years & above; balance
	Total of unpaid/undistributed Dividend for previous years
	(Supporting bank statements and balances of securities with the Depository)

Note: Issuer shall maintain BO wise detailed information for all transfers/credit lo 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 PLC 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 department's 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 PLC 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 40:60 Which is very much favorable.

(c) Interest Rate Risks

As of 30 June 2022, Matin Spinning Mills PLC had outstanding short term and long term bank borrowing with banks to the tune of BDT 3,541 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









As the company achieved 71% growth in EPS, the Board of Directors recommended 50% cash dividend for the honourable shareholders...

Dear Shareholders Ladies and Gentlemen Assalamu Alaikum,

It is my pleasure to welcome you at the 20th Annual General Meeting of Matin Spinning Mills PLC. 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 2022.

I also pleased to inform you that during the year 2021-22, the EPS of the company was BDT 10.79, which grew by 71% compared to 2020-21, Tk.6.31. As the company achieved 71% growth in EPS, the Board of Directors recommended 50% cash dividend for the honourable shareholders. The main reason behind this significant growth due to increase in Sales Revenue and there was no significant additional fixed expenditure against the incremental revenue except raw material cost. It is also reported that the company has purchased raw materials in a

reasonable and competitive rate which has contributed a lot to achieve our extra margin

I would also like to thank 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 Managing Director







Moreover, I would further like to inform the shareholders that, the full commercial operation of the "Special Yarn Unit" of the company has commenced from 1st August 2022, adding production capacity by 10 tons per day.

Dear Shareholders Ladies and Gentlemen

It is my great pleasure, on behalf of the Board of Directors, I would like to welcome you to the 20th Annual General Meeting of Matin Spinning Mills PLC and present before you, the Annual Report for the year 2021-22 containing the Directors' Report and Audited Financial Statements for your kind perusal.

OUR BUSINESS PERFORMANCE

We would like to inform you that during the year 2021-22 the company's sales revenue was Tk.6,002 million which is 19.55% higher than 2020-2021 (Tk.5,021 million) and net profit after tax was Tk. 1,051 million which is 71% higher than 2020-2021 (Tk. 615 million).

As you are aware that our Company operates as a backward linkage industry to the RMG exporting companies largely within the 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, I would further like to inform the shareholders that, the full commercial operation of the "Special Yarn Unit" of the company has commenced from 1st August 2022, adding production capacity by 10 tons per day.

The Russian – Ukraine war just in the time of the recovery of the global economy and supply chain from the severe fallouts of Covid-19, has started affecting the country's textile sector. The cotton

prices surged to high in the global market in the wake of the Russia-Ukraine war, abnormal hike in freight charges and drought in the US, which will drive up the production cost for readymade garment (RMG) makers in Bangladesh, thus affecting their profitability. However, our profitability was not affected significantly during the year 2021-2022 by the Russian - Ukraine war. In this respect, the Board of Directors would like to appreciate the company's valuable dedicated human resources for their tireless efforts and contribution during the adverse situation.

PRODUCTION CAPACITY

The Company's total installed production capacity was 51 tons per day with 73,184 spindles. From August 2022 our total installed production capacity has been increased by 10 tons per day after inauguration of Special Yarn Unit. Now the total installed production capacity is 61 tons per day with 88,304 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.

milal

M. A. Jabbar Managing Director

CORPORATE OPERATIONAL RESULTS

No.	Description	2021-2022	2020-2021	2019-2020	2018-2019	2017-2018
1	Turnover	6,002	5,021	3,904	4,325	4,051
2	Gross Profit	1,611	1,097	539	375	609
3	Net Profit before Tax	1,245	843	253	121	356
4	Net Profit after Tax	1,052	615	210	94	303
5	Shareholder' Equity	5,910	5,246	4,806	4,183	4,253
6	Total Assets	10,391	8,282	7,099	6,569	6,722
7	Total Current Assets	4,488	3,444	2,335	2,334	2,488
8	Total Current Liabilities	4,223	2,773	1,911	1,814	1,906
9	Current Ratio	1.05	1.24	1.22	1.29	1.31
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	60.63	53.81	49.29	42.90	43.63
13	Earning Per Share (EPS)	10.79	6.31	2.16	0.97	3.10
14	Quoted Price per Share (DSE)	68.00	53.30	32.80	38.00	38.10
15	Quoted Price per Share (CSE)	67.70	52.40	33.00	37.30	36.10
16	Price Earning Ratio-DSE (Time)	6.30	8.45	15.18	39.17	12.29
17	Price Earning Ratio-CSE (Time)	6.27	8.31	15.27	38.45	11.65
18	Cash Dividend Declared per Share	5	4	1.8	1.5	1.7
19	Stock Dividend Declared	Nil	Nil	Nil	Nil	Nil
20	Total Dividend Declared (%)	50%	40%	18%	15%	17%
21	Number of Shareholders	6090	4965	4754	5003	5747
22	Human Resource (Person)					
	Officer & Staff	529	464	451	455	365
	Workers	1789	1683	1482	1427	1476

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 2022 in the following paragraphs:

A] COMPANY OPERATIONS

1] Capacity/Production

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

Particulars	2021-2022	2020-2021	2019-2020	2018-2019	2017-2018			
[1.1] Spindles								
a) No. of Spindles installed	73,184	73,184	73,184	73,184	73,184			
b) No. of Spindles in operation	69,248	65,900	66,394	69,484	67,539			
[1.2] Production Capacity ('000 Kg	[1.2] Production Capacity ('000 Kg):							
At Equivalent 28s Count (Ring Yarn)	18,185	18,257	17,225	18,286	17,937			
[1.3] Actual Production ('000 Kg):								
At Equivalent 28s Count (Ring Yarn)	14,772	14,799	13,697	15,111	14,432			
[1.4] Capacity Utilization (%)	81.24%	81.06%	79.52%	82.64%	80.46%			

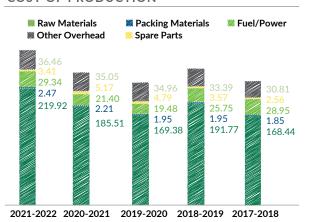
2] Cost of Production

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	2021-2022	2020-2021	2019-2020	2018-2019	2017-2018
(a) Output of Yarn ('000 Kg)	15,956	16,049	14,589	15,229	14,556
(b) Cost of Major items ('000Tk):					
Raw Materials	3,509,106	2,977,226	2,471,115	2,920,514	2,451,816
Packing Materials	39,406	35,533	28,473	29,735	26,983
Fuel/Power	468,237	343,440	284,210	392,118	421,455
Spare Parts	54,448	82,945	69,810	54,298	37,311
Other Overhead	581,756	562,484	510,005	508,537	448,428
Total Cost	4,652,953	4,001,627	3,363,613	3,905,203	3,385,993

Unit Cost/Kg (TK)	2021-2022	2020-2021	2019-2020	2018-2019	2017-2018
Raw Materials	219.92	185.51	169.38	191.77	168.44
Packing Materials	2.47	2.21	1.95	1.95	1.85
Fuel/Power	29.34	21.40	19.48	25.75	28.95
Spare Parts	3.41	5.17	4.79	3.57	2.56
Other Overhead	36.46	35.05	34.96	33.39	30.81
Unit Cost	291.60	249.35	230.55	256.43	232.62
Raw Material Cost as % of Total	75.42%	74.40%	73.47%	74.79%	72.41%

COST OF PRODUCTION



The above chart reveals that overall unit cost increased by 17% in 2021-2022 over 2020-2021. Raw Material and Fuel/ Power cost increased by 19% and 37% and Spare Parts cost decreased by -34% respectively. On the other hand, other overhead cost increased by 4% respectively.

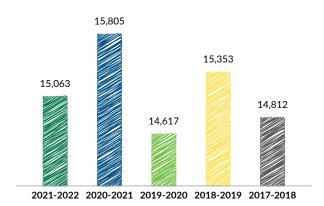
B] MARKETING OPERATIONS

1] Market Exposure

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

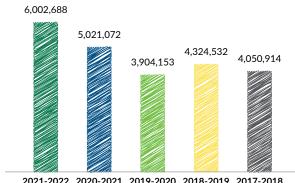
Particulars	2021-2022	2020-2021	2019-2020	2018-2019	2017-2018
(a) Sales Volume ('000 Kg)	15,063	15,805	14,617	15,353	14,812
(b) Sales Revenue ('000 Tk)	6,002,688	5,021,072	3,904,153	4,324,532	4,050,914

Sales Volume ('000kg)



The above figures show that compared to prior year, 2021-2022 sales volume decreased by 5% and sales value increased by 20% respectively. Volume decreased due to 18 days production stop compare

Sales Revenue ('000tk)



2021-2022 2020-2021 2019-2020 2018-2019 2017-2018

to last year due to 11 days compulsory shut down declared by the Government and 7 days shut down of factory due to annual maintenance, but average selling price was increased due to market demand.



2] Selling Prices

Particulars	2021-2022	2020-2021	2019-2020	2018-2019	2017-2018
Average Selling Prices (Taka/Kg)	399	318	267	282	273
% Change - compare to prior year	25% up	19% up	-5% down	3% up	1% up

It indicates that average selling price maintained an upward trend in current year compared to the year 2020-21.

C] DEVELOPMENT ACTIVITIES

During the year 2021-22, 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 expenditure for development activities are shown below (figures in '000 Taka):

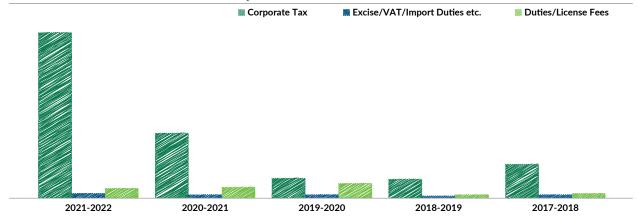
Particulars	2021-2022	2020-2021	2019-2020	2018-2019	2017-2018
Land	12,546			7,922	1,849
Civil construction					
Existing	39,955	40,206	27,395	7,261	29,002
Mélange Project					
Synthetic Project					8,240
Special Yarn Project	82,022	84,292			
Plant and Machinery					
Existing	114,319	49,603	179,028	272,839	
Mélange Project	4,818	4,818			
Synthetic Project	17,898	17,898	31,701	37,125	25,408
Special Yarn Project	979,566	120,958			
Other Fixed Assets	4,676	4,676	99,489	4,161	21,283
Total	1,255,799	322,451	337,614	329,307	85,782

E] CONTRIBUTION

1] Contribution to National Exchequer

The Company contributed Tk. 220.64 million during 2021-2022 to the National Exchequer. Last five years comparative data are as follows (figures in million Taka):

Particulars	2021-2022	2020-2021	2019-2020	2018-2019	2017-2018
Corporate Tax	216.75	85.48	26.49	25.09	44.85
Excise/VAT/Import Duties etc.	1.26	1.23	1.20	0.89	1.21
Duties/License Fees	2.63	2.98	4.06	1.20	1.54
Total	220.64	89.69	31.75	27.18	47.60



2] Foreign Exchange Earned/Saved

The Company contributed Tk.1,505 million to the Foreign Exchange Reserve of the country during the FY 2021-2022 through its export marketing operation. Last five years data are shown below (figures in million taka):

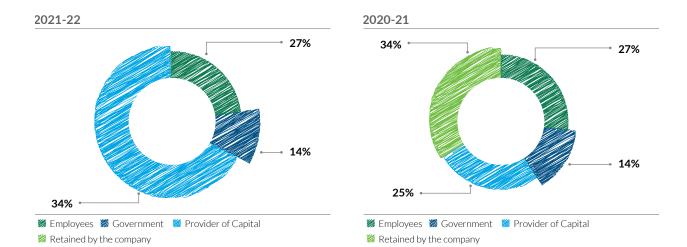
(Taka in Million)

Particulars	2021-2022	2020-2021	2019-2020	2018-2019	2017-2018	
Total Export Earnings	6,003	5,021	3,904	4,325	4,051	
Less: Import Expenses						
Raw Cotton/Staple Fiber	(4,420)	(3,266)	(2,686)	(2,591)	(2,355)	
Spare Parts	(78)	(51)	(62)	(61)	(99)	
Net Foreign Exchange Earned	1,505	1,704	1,156	1,673	1,597	

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

Particulars	2021-2022	2020-2021
Source of Funds		
Net Turnover	6,002,688	5,021,072
Less: Purchased Materials and Services	(3,976,782)	(3,541,857)
Add: Other Income	(14,169)	98,291
Value Added	2,011,737	1,577,506
Applied in the following ways		
Employees	466,031	419,566
Salaries, Wages, Provident Fund & Other Benefits	403,790	377,427
Contribution to Workers' Profit Participation & Welfare Fund	62,242	42,139
Government	194,327	228,526
Corporate Tax	193,069	227,291
Other Government Dues	1,258	1,235
Provider of Capital	487,450	389,960
Dividend	487,450	389,960
Retained by the Company	863,929	539,455
Depreciation	299,618	313,936
Retained Earnings	564,311	225,519
Total Applied	2,011,737	1,577,506





F] APPROPRIATION

The net profit after tax of BDT 1,051,760,851 earned during the year 2021-2022 has been apportioned in the following manner:

Cash dividend is recommended by the Board of Directors at 50% (Tk.5 per share for 2021-2022, total Tk. 48,74,50,000

G] AUDITORS

Hussain Farhad & Co., Chartered Accountants, have offered their willingness to be appointed as statutory auditors of the Company. The Board recommends their appointment as the statutory auditor of the Company for the year 2022-2023.

H] MANAGEMENT APPRECIATION

The Board of Directors record with deep appreciation the performance of management, the officers, staff and 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. 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 less than 50% of DBL Group's total demand.

We are pleased to inform our valued stakeholders that MSMPLC has successfully completed its Special Yarn Unit and started commercial production from 01 August 2022. The new unit capable of producing 10 tons of special yarn per day and our total production capacity increased to 61 tons per day from 51 tons. The demand for special yearn is on rise and the high value products should bring better revenue for the company.

(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 Group's revenue for the years ended 30 June 2022.

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 26 in the notes to the Financial Statements.

(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 severe irregular supply of Gas and Electricity. Price of gas is increasing continuously and price of diesel has already increased significantly. To augment low pressure and insupplicient 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 15.70% mainly because of raw material cost increased by 21.87% and other manufacturing overheads increased by 11% compared to last year. Though increased of cost of goods sold yarn price increased more than that for this reason mainly drives higher gross and net profit margin in 2021-2022.



(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-42 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

Not applicable

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

Explanatory notes for the significant variations in the Financial Statements for the year ended 30 June 2022:

Issue-1: Significant Increase in Revenue

It is reported that our total sales revenue has increased by 19.55% during the reporting period compared to last year due to significantly increased yarn price for huge increase in the demand of cotton-based products globally. Moreover, during this period our combed yarn sales has been increased significantly by around 38.78% besides other fancy yarns compare to the last year that has contributed a lot to significantly increase our sales revenue.

Issue-2: Significant Increase in EPS

EPS has been increased due to increase in Sales Revenue and there was no significant additional fixed expenditure against the incremental revenue except raw material cost. It is also reported that the company has purchased raw materials in a reasonable and competitive rate which has contributed a lot to achieve our extra margin. As such there is a positive impact of EPS enhancement. Also noted that during the reporting year, MSMPLC management has decided to make a sum of provision for bad and doubtful debts due to the non-realization of long pending outstanding from the external customer as per IFRS 9. There was no other significant Extraordinary Transactions during this year.

Issue-3: Increase in Operating Cash flows

MSMPLC sales proceeds collection has been increased significantly over the reporting period against both site and deferred LC compared to the last year. For this reason, receivables are decreased significantly. It is also observed that the inventory of raw materials and finished goods has increased during the reporting period significantly to ensure an uninterrupted supply of raw materials to production as well as to get price benefit since raw materials demand and prices are also increasing trend. Although inventory has been increased but collection from customers has been improved significantly, resultantly MSMPLC Net Operating Cash Flow per Share has increased compared to that of the 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.

(x) Remuneration to Directors including Independent Directors

Remuneration of Directors has been shown in Note-39 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. 1,051 million during 2021-22 from Tk. 615 million for the year 2020-21 are mainly due to increase of yarn price by 23.61%

(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 and SL# 16 is in '000 quantity.

SL	Particulars	2021-2022	2020-2021	2019-2020	2018-2019	2017-2018
1	Revenue	6,002,688	5,021,072	3,904,153	4,324,532	4,050,914
2	Cost of sales	(4,390,750)	(3,923,962)	(3,364,549)	(3,949,186)	(3,441,942)
3	Gross Profit	1,611,938	1,097,111	539,604	375,345	608,972
4	Operating Expenses	(246,816)	(269,232)	(228,524)	(227,902)	(232,883)
5	Finance Cost	(43,881)	(41,261)	(87,751)	(99,388)	(87,709)
6	Operating Income	1,321,241	786,617	223,329	48,055	288,380



SL	Particulars	2021-2022	2020-2021	2019-2020	2018-2019	2017-2018
7	Other Income	(14,169)	98,291	42,769	79,938	85,155
8	Net Profit before WPPF	1,307,072	884,909	266,099	127,993	373,536
9	Workers' profit participation	(62,242)	(42,139)	(12,671)	(6,095)	(17,787)
10	Net Profit before Tax	1,244,830	842,770	253,427	121,898	355,748
11	Income Tax	(192,832)	(222,197)	(44,925)	(17,788)	(31,721)
12	Deferred Tax	(237)	(5,094)	1,709	(9,762)	(21,422)
13	Net profit / loss after tax	1,051,761	615,479	210,211	94,348	302,605
14	Gross Margin (%)	26.9%	21.9%	13.8%	8.7%	15.0%
15	Net Margin after tax (%)	17.5%	12.3%	5.4%	2.2%	7.5%
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	10.79	6.31	2.16	0.97	3.10
19	Return on Equity (ROE)	18.85	12.24	4.68	2.24	7.25

(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-38 in the notes to the Financial Statements.

(xxiii) Shareholding Pattern

Pattern of Shareholding as on 30 June 2022:

Name of the Shareholders	Status	Shares held	%
a) Parent/Subsidiary/Associated Compar	nies and other related parties		
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	0.27
Jinnat Fashions Limited	Associate Company	227,850	0.23
b) Director			
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 Khurshid	Director	2,130,000	2.18
Taslima Begum	Director	2,130,000	2.18
Md. Hassan Imam	Director	2,130,000	2.18



Name of the Shareholders	Status	Shares held	%		
c) Managing Director, Chief Financial Officer, Company Secretary, Head of Internal Audit and their					
Spouses and Minor Children					

Spouses and Millor Children						
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			
d) Executives						
Shamimul Haque	Chief Production Officer	Nil	Nil			
Engr Md. Shafiqul Islam	GM-Utility	Nil	Nil			
Azad Shahriar	Addl. GM-Maintenance	Nil	Nil			
Golam Kibria	DGM-Admin	Nil	Nil			
e) Shareholders Holding 10% or more voting interest in the Company						
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. M.A. Rahim, Ms. Taslima Begum, and Mr. Md. Hasam Imam being eligible to offer themselves for re-appointment. A brief resume of the directors has been provided in the "Brief Profile of Directors" section.

Managing Director's tenure expired on 15th September 2022. The Board of Directors re-appointied him for a further period of 5 years subject to approval by the Shareholders in the 20th Annual General Meeting.

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

SL	Entity	M. A. Rahim	Taslima Begum	Md. Hasan Imam
1	Dulal Brothers Limited	√		
2	Color City Limited	√		
3	DBL Ceramics 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	√		
10	Mymun Textiles Ltd	√		
11	Parkway Packing & Printing Industries PLC	√	√	
12	Mawna Fashions Ltd	√		
13	Textile Testing Services Ltd	√		
14	DBL Telecom LTd	√		
15	DBL Pharmaceuticals Ltd	√		
16	DBL Dredging Ltd	√		
17	DBL Healthcare Ltd	√		
18	DBL Distributions Ltd	√		



SL	Entity	M. A. Rahim	Taslima Begum	Md. Hasan Imam
19	DBL Lifestyle Ltd.	√		
20	DBL Industrial Park Ltd.	√		
21	Jinnat Textiles Mills Ltd.	√		
22	Audit Committee, MSMPLC	√		√
23	Nomination and Remuneration	-/		-/
	Committee, MSMPLC	V		V

(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 Managing Director and the CFO

Declaration by the Managing Director and CFO has been given on page 72.

(xxvii) Report on Compliance of the Corporate Governance Code

MSMPLC adheres to appropriate good Corporate Governance practices, as described on pages 74 to 86 [Annexure - C]

The Company also complied with all the requirements of Corporate Governance as required by the Bangladesh 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 72 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 PLC DECLARATION BY MANAGING DIRECTOR AND CHIEF FINANCIAL OFFICER

DATE: 20 OCTOBER, 2022 ANNEXURE-A

THE BOARD OF DIRECTORS

Matin Spinning Mills PLC

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, 2022

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 PLC for the year ended on 30 June 2022 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 2022 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

Mohammad Emarot Hossain, FCA, FCS

Managing Director Chief Financial Officer



Matin Spinning Mills PLC



Suraiya Parveen & Associates

(Chartered Secretaries, Financial & Management Consultants)

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

Report to the Shareholders of Matin Spinning Mills PLC on compliance on the Corporate Governance Code

We have examined the compliance status to the Corporate Governance Code by Matin Spinning Mills PLC for the year ended on 30 June 2022. 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:

- (a) 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;
- (b) 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;
- (c) 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
- (d) The Governance of the company is satisfactory.

Dhaka, Dated October 20, 2022

For Suraiya Parveen & Associates **Chartered Secretaries**

Suraiya Parveen, FCS

Chief Executive Officer

Kaze Avalons (1st Floor), Flat- 1A. 1/15A Igbal road, Mohammadpur, Dhaka-1207. Phone: 02 41023157 (Off), Mob: 01911 421998, 01713 110408 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	(Put √in a	nce Status appropriate umn)	Remarks (if any)
NO.		Complied	Not Complied	(II ally)
1.	BOARD OF DIRECTORS:			
1(1)	Board's Size: The number of the board members of the Company shall not be less than 5 (five) and more than 20 (Twenty).	√		
1(2)	Independent Directors:			
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);	V		
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;	V		
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;	V		



Condition No.	Title	(Put√in a	nce Status appropriate umn)	Remarks (if any)
NO.		Complied	Not Complied	(ii aliy)
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:	√		
1(3)	Qualification of Independent Director:			
1(3)(a)	Independent director shall be a knowledgeable individual with integrity who is a able to ensure compliance with financial, regulatory and corporate laws and can make meaningful contribution to business.	V		
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;	V		
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;	√		
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;	V		

Condition No.	Title	Compliance Status (Put√in appropriate column)		Remarks
No.		Complied	Not Complied	(if any)
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
1(4)	Duality of Chairperson of the Board of Directors and Man Officer.	aging Dire	ector or Chi	ef Executive
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 non-executive directors as Chairperson for that particular Board's meeting; the reason of absence of the regular Chairperson shall be duly recorded in the minutes;	V		
1(5)	The Directors' Report to Shareholders:		1	
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.	√		
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;	√		



Condition No.	Title	(Put√in a	nce Status appropriate umn)	Remarks (if any)
		Complied	Not Complied	(dy)
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;	V		
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;	√		
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;	√		
1(5)(xxiii)	A report on the pattern of shareholding disclosing the ag with name-wise details where stated below) held by:-	ggregate n	umber of sh	nares (along
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);	√		

Condition No.	Title	(Put√in a	Not (if any)	Remarks (if any)
NO.		Complied		(ii ally)
1(5)(xxiv)	In case of the appointment or reappointment of a direct information to the shareholders:-	tor, a disc	losure on th	e following
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 of the company's position and operations along with a b	-	_	-
	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	V		
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	√		
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.	√		
1(6)	Meetings of the Board of Directors	√		
	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.			



Condition No.	Title	(Put√in a	nce Status appropriate umn)	Remarks (if any)
		Complied	Not Complied	
1(7)	Code of Conduct for the Chairperson, other Board membe	rs and Chi	ef Executive	Officer
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;	V		
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;	V		
2.	GOVERNANCE OF BOARD OF DIRECTORS OF SUBSIDIARY CO	DMPANY		
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
3.	MANAGING DIRECTOR (MD) OR CHIEF EXECUTIVE OFFICER ((CFO) HEAD OF INTERNAL AUDIT AND COMPLIANCE (HIAC)			
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);	√		
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;	V		
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;	√		

Condition No.	Title	Compliance Status (Put √ in appropriate column)		Remarks (if any)
		Complied	Not Complied	(II ally)
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).	√		
3(2)	Requirement to attend Board of Directors' Meetings	√		
	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.			
3(3)	Duties of Managing Director (MD) or Chief Executive Officer (C	FO) and Ch	ief Financial (Officer (CFO)
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:	√		(u. u)
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.	√		
4.	BOARD OF DIRECTOR'S COMMITTEE			
4(i)	Audit Committee	√		
4(ii)	Nomination and Remuneration Committee	√		
5.	AUDIT COMMITTEE	,		
5(1)(a)	The company shall have and Audit Committee as a sub- committee of the Board of Directors.	√		
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.	√		
5(2)	Constitution of the Audit Committee			
5(2)(a)	The Audit Committee shall be composed of at least 3 (three) members;	√		



Condition No.	Title	(Put√in a	nce Status appropriate umn)	Remarks (if any)
		Complied	Not Complied	
5(2)(b)	The Board shall appoint members of the Audit Committee who shall be non-executive 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;	V		
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.	√		
5(3)	Chairperson of the Audit Committee			
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.	V		
5(3)(c)	Chairperson of the Audit Committee shall remain present in the Annual General Meeting (AGM):	√		
5(4)	Meeting of the Audit Committee			
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.	V		
5(5)	Role of Audit Committee The Audit Committee shall:-			
5(5)(2)	oversee the financial reporting process;	√		
5(5)(a)	oversee the infancial reporting process,	V		

Condition No.	Title	Compliance Status (Put √in appropriate column)	Remarks (if any)	
		Complied	Not Complied	(if any)
5(5)(b)	monitor choice of accounting policies and principles;	$\sqrt{}$		
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;	$\sqrt{}$		
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;	$\sqrt{}$		
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
5(6)	Reporting of the Audit Committee			
5(6)(a)(i)	The Audit Committee shall report on its activities to the Board.	√ √		e: ::
5(6)(a)(ii)	The audit Committee shall immediately report to the Boany:-	oard on th	ne following	
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;	√		



Condition No.	Title	(Put√in a	nce Status ippropriate umn)	Remarks (if any)
140.		Complied	Not Complied	(ii dily)
5(6)(b)	Report to the Authorities			Not
	Reporting to the Authorities If the Audit Committee has reported			Applicable
	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,			
5(7)	whichever is earlier. Reporting to the Shareholders and General Investors	√		
3(7)		V		
	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.	NOMINATION AND REMUNERATION COMMITTEE (NRC)	,		
6(1)(a)	The company shall have a Nomination and Remuneration Committee (NRC) as a subcommittee of the Board;	\checkmark		
6(1)(b)	The NRC shall assist the Board in formulation of the nomination	√		
3(1)(3)	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			
C(4)(.)	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).	\checkmark		
6(2)	Constitution of the NRC			
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;	√		
6(2)(c)	Members of the Committee shall be nominated and appointed	\checkmark		
C(3)(4)	by the Board;	√		
6(2)(d)	The Board shall have authority to remove and appoint any member of the Committee;	V		
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;			<u> </u>

Condition No.	Title	Compliance Status (Put √ in appropriate column)		Remarks (if any)
		Complied	Not Complied	(if any)
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;	V		
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)(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.	√		
6(3)	Chairperson of the NRC			
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.	√		
6(4)	Meeting of the NRC			
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);	V		
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.	√		
6(5)	Role of the NRC			
6(5)(a)	NRC shall be independent and responsible or accountable to the Board and to the shareholders;	√		
6(5)(b)	NRC shall oversee, among others, the following matters a recommendation to the Board:	nd make r	eport with	
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;	√		



Condition No.	on Title		Compliance Status (Put √ in appropriate column)	
NO.		Complied	Not Complied	(if any)
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;	V		
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;	V		
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.	√		
7.	EXTERNAL OR STATUTORY AUDITORS			
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
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

Condition No.	Title	Compliance Status (Put√in appropriate column)		Remarks (if any)
			Not Complied	(ii diiiy)
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.	√		
8.	MAINTAINING A WEBSITE BY THE COMPANY			
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.	√		
9.	REPORTING AND COMPLIANCE OF CORPORATE GOVERNAN	ICE		
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 Annexure-C attached, in the directors' report whether the company has complied with these conditions or not.	√		

REPORT OF THE AUDIT COMMITTEE

The Audit Committee is comprised of a sub-committee of the Board. The Audit Committee assists the Board of Directors to ensure that the financial statements reflect a true and fair view of the state of affairs of the Company and ensure a sound monitoring system within the business. Besides, it advises the Board on various matters like internal control systems, risk management, and other strategical issues. The Audit Committee is accountable to the Board of Directors. The duties of the Audit Committee are clearly set forth in writing.

TERMS OF REFERENCE:

The terms of reference of the Audit Committee have been determined by the Board and are aligned with the Corporate Governance Code-2018 issued by the Bangladesh Securities and Exchange Commission (BSEC), dated June 03, 2018, vide Ref No. BSEC/CMRRCD/2006-158/207/Admin/80. The Audit Committee

is responsible for and reports to the Board of Directors.

COMPOSITION OF THE COMMITTEE

The Board has formed the Audit Committee as per requirement by the Corporate Governance Code issued by the Bangladesh Securities and Exchange Commission (BSEC). The Audit Committee is comprised of 05 (Five) members. All the Committee members are the Non-Executive Directors of the Board and the Chairman of the Committee is an Independent Director and a Fellow member of The Institute of Chartered Accountants of Bangladesh (ICAB) and The Institute of Chartered Secretaries of Bangladesh (ICSB) and Formal President of The Institute of Chartered Accountants of Bangladesh (ICAB) with more than 35 years of experience. The Company Secretary is the Secretary of the Committee. The Committee is comprised of the following:

Name	Status of the Board	Position in Audit Committee
Mr. Md. Abdus Salam FCA, FCS	Independent Director	Chairman
Mr. M.A. Rahim	Vice Chairman	Member
Mr. M.A. Quader	Director	Member
Ms. Selina Perveen	Director	Member
Mr. Md. Hasam Imam	Director	Member
Mr. Md. Shah Alam Miah, FCS	Company Secretary	Secretary

SCOPE OF THE AUDIT COMMITTEE

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 the 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.

- (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 the 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 the Initial Public Offering (IPO) proceeds.
- (o) Any other requirement assigned by the Board of Directors.

COMMITTEE MEETING AND ATTENDANCE

During the year 2021-22, the Committee held total 6 (Six) meetings. The Audit Committee member's attendance are as follows:

Name	Status	Total Number of Meetings Held	Presented	Attendance by %
Mr. Md. Abdus Salam FCA, FCS	Chairman	6	6	100%
Mr. M.A. Rahim	Member	6	6	100%
Mr. M.A. Quader	Member	6	6	100%
Ms. Selina Perveen	Member	6	6	100%
Mr. Md. Hasam Imam	Member	6	6	100%
Mr. Md. Shah Alam Miah, FCS	Secretary	6	6	100%

The Managing Director, Executive Directors, Group Finance, and Head of Internal Audit & Compliance attended the meeting as in attendance.



ACTIVITIES CARRIED OUT DURING THE YEAR

- The Committee reviewed the integrity of the quarterly, half-yearly, and annual financial statements and recommended them to the Board for consideration.
- The Committee had overseen, reviewed, and approved the procedure and task of the internal audit, financial report preparation, and external audit reports.
- The Committee reviewed the Audit Plan for the year, 2021-2022.
- The Committee reviewed the Budget for the year, 2022-2023
- The Committee reviewed the performance of the external auditor and recommended their appointment.
- The Committee reviewed related party transactions.
- The Committee reviewed the Internal Audit Charter and recommended it to the Board for approval.
- The Committee reviewed the Management Letter issued by statutory auditors.
- The Committee found the 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. Shah Alam Miah, FCS

Secretary, Audit Committee

Md. Abdus Salam FCA, FCS

Chairman, Audit Committee

REPORT OF THE NOMINATION & REMUNERATION COMMITTEE

For ensuring good governance in the Company, the Board of Directors of MSMPLC, in addition to the Audit Committee, has also duly constituted a sub-committee of the Board of Directors namely the Nomination and Remuneration Committee (NRC). The NRC, so-formed, is independent and responsible or accountable to the Board and to the shareholders. Its role is guided by its Terms of Reference (TOR) fixed by the Board of Directors in light of the Corporate Governance Code issued by the Bangladesh Securities and Exchange Commission (BSEC).

TERMS OF REFERENCE

The Nomination and Remuneration Committee has been formed by the Board of Directors as a subcommittee of the Board as per the requirements of the Corporate Governance Code of Bangladesh Securities and Exchange Commission (BSEC). The NRC has performed its duties in accordance with the Corporate Governance guideline of BSEC as well as comprising other global best practices.

COMPOSITION OF THE COMMITTEE

The Board of Directors of Matin Spinning Mills PLC formed the Nomination and Remuneration Committee (NRC) on 22 July 2018, to fully comply with BSEC Corporate Governance Code with the following composition:

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

02. Members: Mr. M.A. Rahim

: Mr. M.A. Quader

: Ms. Selina Perveen

: Mr. Md. Hassan Imam

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

PURPOSE OF THE COMMITTEE

The NRC assists the Board to formulate policy for the formal and continued process of considering the 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 determining their selection, transfer or replacement, and promotion criteria. The Report of the Nomination and Remuneration Committee is prepared according to the requirements of the Corporate Governance Code of BSEC. This Report covers nomination and remuneration policies, evaluation criteria, and activities of the 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 guidelines and applicable country 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's 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 appoints the Director(s) upon nomination and recommendation of the NRC and subject to approval by the shareholders in the 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 a 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 appoints 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. The following process are being followed during the recruitment & selection process:
- Recruitment Planning & Procedures
- Hiring Planning Meeting
- Employee Requisition Process
- Finalize Job Advertisement Process
- Candidates Screening & Shortlisting Process
- Interview Conduct Process
- Remuneration fixation

- Reference Check and Background Verification
- Hiring Approval
- Documents/Certificates Verification
- Medical Test for Fitness Check
- Offer Approval & Issue
- Appointment Letter Approval & Issue

The following factors are considered during the recruitment & selection process:

- Principles of Recruitment
- Motivation and Values
- Non-discrimination
- Accountability
- Non-preferential to Family and Friends
- Confidentiality

Explanation: Top-level executives of the Company include the Managing Director, the Chief Financial Officer, the Head of Human Resources, the Head of Legal & External Affairs, Chief Production Officer, the Company Secretary, the Head of Internal Audit & Compliance, and same level/ ranked/ salaried officials 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 the 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, and 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;
- 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;
- v. The NRC will recommend the Board meeting attendance fees, honorarium, including incidental expenses if any; and
- vi. 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.

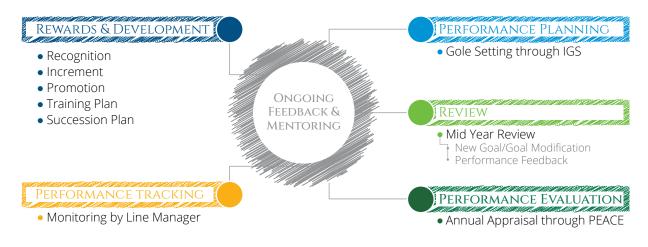
b) Independent Director & Non-Executive Director

The evaluation of the 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:

- Attendance at the Board meetings and committee meetings.
- ii) Participation in the Board meetings and committee meetings.
- iii) 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 (year-end). The respective line authority then evaluates the performance of the employee(s) according to the measurement criteria. The Performance Management Cycle are as follows:





3. Activity Summary of Nomination and Remuneration Committee during the year:

In 2021-22, the Committee held 1(One) meeting. The Managing Director, Executive Directors Group Finance, and GM Corporate HR attended the meeting by invitation of the Committee. Mr. Shamsul Hasan, Barrister -at law presided over the meeting as Chairman of the Committee. The activities of the NRC during the year were as follows:

 The NRC reviews the background of the Independent Directors, the level of their independence as well as the performance attributes of Non-Executive Directors.

- ii. Review the Nomination and Remuneration Policy of the Company and prepare recommendations for the Board.
- Review evaluation criteria of the Chairperson, other Board members, and Managing Director of the Company, and prepare recommendations for the Board.
- iv. Review evaluation criteria of the top-level executive of the Company and prepare recommendations for the Board.
- v. Recommended the re-appointment of the Managing Director.

Finale

Md. Shah Alam Miah, FCSSecretary, Nomination and Remuneration Committee

Shamsul Hasan, Barrister-at-Law

Chairman, Nomination and Remuneration Committee

INFORMATION TO THE SHAREHOLDERS

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

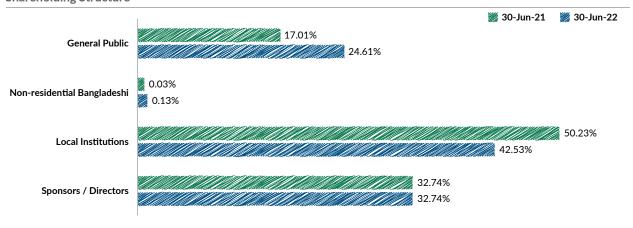
FINANCIAL CALENDAR

Events for the year	2021-2022	2020-2021
Publication of unaudited 1st Quarter Financial Statements	11 Nov-21	10 Nov-20
Publication of unaudited Half year/ 2nd Quarter Financial Statements	29 Jan-22	28 Jan-21
Publication of unaudited 3rd Quarter Financial Statements	23 April-22	29 April-21
Annual Financial Statements approved by the Board	20 Oct-22	28 Oct-21
Record Date	13 Nov-22	17- Nov-21
Dispatching notice for the Annual General Meeting	15 Nov-22	18 -Nov-21
Dispatching of Annual Report	15 Nov-22	18-Nov-21
Holding of Annual General Meeting	08 Dec-22	13-Dec-21
Transfer/Payment of Dividend	20- Dec-22	06-Jan-22

COMPARATIVE SHAREHOLDING STRUCTURE

Type of Shareholder	30 June 2022		30 June 2021		
Type of Shareholder	Number of Shares	% of Shares	Number of shares	% of Shares	
Sponsors / Directors	31,917,000	32.72	31,917,000	32.72	
Local Institutions	41,451,375	42.53	48,961,725	50.23	
Non-residential Bangladeshi	130,157	0.13	25,137	.03	
General Public	23,991,468	24.61	16,586,138	17.02	
Total Shares Held	97,490,000	100.00	97,490,000	100.00	

Shareholding Structure





Matin Spinning Mills PLC

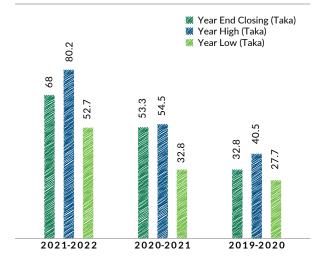
STOCK DETAILS

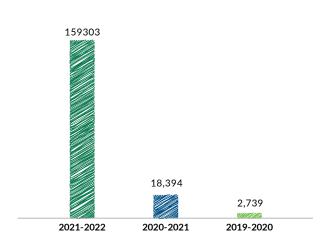
Particulars	DSE	CSE
Stock Symbol	MATINSPINN	MATINSPINN
Listing Year	2014	2014
Market Category	А	А
Face Value (Taka)	10	10
Paid -up- Capital	974,900,000	974,900,000
Market Lot	1	1
Total Number of Securities	97,490,000	97,490,000

PRICE TREND IN DSE

Period	2021-2022	2020-2021	2019-2020
Year-End Closing (Taka)	68.00	53.30	32.80
Year High (Taka)	80.20	54.50	40.50
Year Low (Taka)	52.70	32.80	27.70
Total number of Trade	159,303	18,394	2,739







SHARE INFORMATION

Particulars	30 June 2022	30 June 2021	30 June,2020
Number of shares	97,490,000	97,490,000	97,490,000
Net Asset Value per share (Taka)	60.63	53.81	49.29
Earnings per share	10.79	6.31	2.16
Dividend (Cash) %	50	40	18

Shares held by directors/executives and relatives of directors /executives (Pattern of Shareholding as on 30 June 2022 provided on pages No 69)



SUMMARY OF UNCLAIMED DIVIDEND

Years	Dividend amount in BDT as on June 30, 2022	Remarks
2018-2019	314,426	After distribution of Dividend for the financial year 2021-
2019-2020	335,079	2022, Unclaimed Dividend for the financial year 2018-
2020-2021	1,386,432	2019 will be transferred to Capital Market Stabilization
Total	2,035,937	Fund (CMSF) as BSEC guideline.

REDRESSAL OF INVESTOR'S COMPLAINTS:

Matin Spinning Mills PLC places a high degree of importance on 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. An investor can also register their complaints and queries through an application addressed to the Company Secretary.
- ii) Investors' Relations Department acknowledges the complaint and contacts the investor to confirm their identity Regarding
 - Shareholder's BO ID &
 - Shareholder's Name
- iii) Investors' Relations Department, after confirming the shareholder's 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.



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 PLC (MSMPLC) is committed to reduce its carbon footprint and any adverse effect on the environment using state-of-the-art technology on a continuous basis. Matin Spinning strongly believes in balancing economic prosperity and social progress with care for the planet to ensure good quality of life for all. Matin Spinning 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 Matin Spinning'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 PLC 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 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 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 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



17,405,998

Kg raw materials used



437,395

Cubic meters of water used



6,768

Kg hazardous &

3,578,022

kg Non- hazardous waste

ENERGY CONSUMPTION



PROCESS:

1,077,180
Liters from Diesel

12,135,577
Cubic meters from natural gas



TRANSPORTATION:

53,326

Cubic meters from natural gas

9,446

Liters from diesel

3,386

Liters from octane

GHG EMISSIONS



25,792

Tons from processes



128

Tons from transportation

SOCIAL

DIVERSITY BY GENDER



FEMALE EMPLOYEES

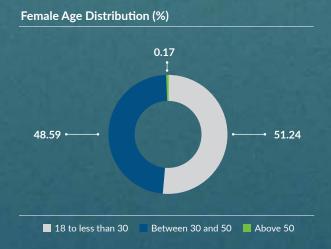
1264 / 54.53%



MALE EMPLOYEES

1054 / 45.47%

DIVERSITY BY AGE GROUP







DIVERSITY BY RELIGION





OTHER SOCIAL ISSUES



10

formal joint managementworker health & Safety committee members

0.44% of workforce



Grievances can be placed through:

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

55

Grievances addressed and resolved in 2020-21



74

Security personnel

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

GOVERNANCE



TU Board of Directors



2 Independent Directors

2 Board Sub-Committees



AUDIT COMMITTEE 5 Members



NOMINATION & REMUNERATION COMMITTEE

5 Members

1 **3** Meetings in 2020-21

5

6

1

1

Board Meetings Audit Committee meetings

Nomination and Remuneration
Committee Meeting

Annual General Meeting

SUSTAINABILITY PROGRAMS

EOPLE



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 12,810,839 sales took place in Bandhan in 2021-22.



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.

ROCESS



IDEA CLUB

Matin Spinning 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 to their full potential and gives them a feeling of fairness as every employee has an equal opportunity of obtaining this reward. Ideas provided by workers helped in increasing productivity and reducing wastage.















WOMEN HEALTH INITIATIVE (WHI)

The Women Health Initiative (WHI) has a long-term objective to ensure good health and hygiene for all Matin Spinning's female workers. The initial activity was providing women with sanitary napkins at discounted price of only Taka10: 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 Matin Spinning 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.



MSMPLC QUALITY CONTROL (QC) CIRCLES

To promote employee engagement in workplace decision making, QC Circles have been set up in Matin Spinning. Currently Matin Spinning Has five QC Circles which 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).















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 41% of the total yarn production comprises of Organic Cotton. We import Organic Cotton from India, Türkiye, Uganda and Kyrgyzstan.



BETTER COTTON INITIATIVE (BCI)

The BCI has been undertaken by Matin Spinning Mills PLC to support the global standards for Better Cotton. BCI helps Matin Spinning in promoting its commitment to make global cotton production better for the producers, environment, and the sector. 33% of the total yarn production is from BCI cotton.



PRODUCI



COMMUNITY EDUCATION AND DEVELOPMENT PROGRAM

As a part of endorsing need for quality education in Bangladesh, Matin Spinning has undertaken multiple activities to promote education in the local community of Kashimpur. Matin Spinning has 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. Renovation work has also been done in the school to accommodate further students.













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.



OEKO-TEX STANDARD 100

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



MEDICAL SERVICES FOR WORKERS AND THEIR FAMILIES

An in-house medical facility in Matin Spinning 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 are offered to employees on need basis.













COMMUNITY KNOWLEDGE EXCHANGE PROGRAMS

With the motto of "Sharing is Caring", Matin Spinning hosts Community Knowledge Exchange Programs to share learnings from the different Sustainability programs with the local community. The programs focus on:

- Empowering women through financial literacy
- Personal hygiene for women
- Sexual and Reproductive Health Rights (SRHR)
- Maternity protection and breastfeeding
- Environmental awareness



TREES TO BE PLANTED TO OFFSET CARBON EMISSIONS

Creating industries has a direct relation with creating employment. At the same time, carbon emissions are associated with the industries. A method of offsetting these emissions is by planting trees. Trees, ofcourse, have other benefits including restoring biodiversity. Recognizing all these, DBL has already planted over 10,000 trees as part of the Tree Plantation Program till 2021-22. DBL aims to continue planting trees in different regions of its operations.



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.















MINI FIRE STATION (MFS)

Cooperation through GIZ and the Bangladesh Fire Service and Civil Defence (BFSCD). 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 staffed 24 hours a day with a target to respond within the first critical 10-15 minutes than 315 successful operations in Kashimpur since it went into operation.



ENERGY EFFICIENT MACHINERIES

Matin Spinning 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.



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. Matin Spinning will be implementing these improvements to further enhance the efficiency of its operations.

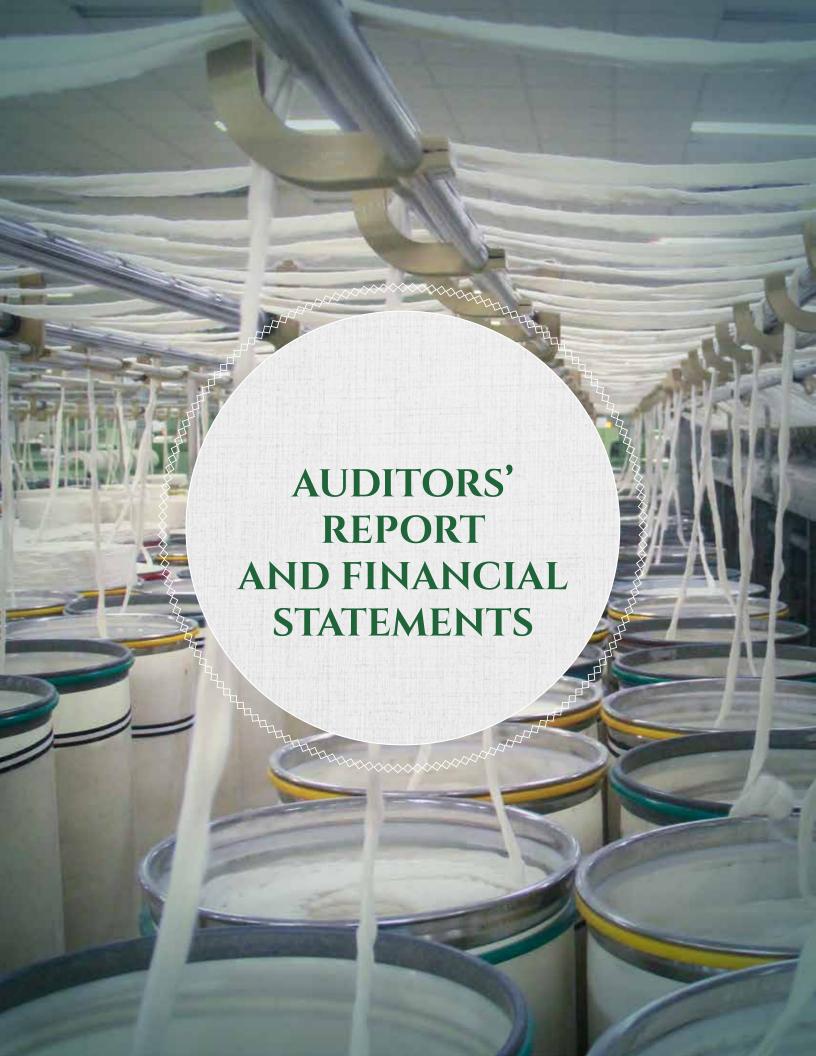














House # 15, Road # 12, Block # F, Niketon
 Gulshan-1, Dhaka-1212, Bangladesh.

Independent Auditor's Report

To the shareholders of Matin Spinning Mills PLC

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Matin Spinning Mills PLC ("the Company"), which comprise the statement of financial position as at June 30, 2022, 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 a true and fair view, in all material respects, of the financial position of the Company as at June 30, 2022, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS), the Companies Act, 1994 and other applicable laws and regulations.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISA). 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) and Bangladesh Securities and Exchange Commission (BSEC) 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 the IESBA Code and the Institute of Chartered Accountants of Bangladesh (ICAB) Bye Laws. 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 our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter

Our response to the risk

Carrying value (CV) of Property, plant and equipment (PPE) and its impairment

PPE includes the Company's Non-current assets, which flow economic benefits to the entities for more than one year. PPE is measured at historical cost except for Land and Land Development and Factory Building, which is carried at a revalued amount, being fair values at the date of revaluation. PPE comprises a major portion of the total assets of the Company, which is amounting to Tk. 4,371,812,348 for Matin Spinning Mills PLC at the reporting date.

Apparently, the carrying value of PPE represents a significant portion of the Company's assets, which is a function of depreciation charges that involved estimation. Therefore, it has been considered as a significant area of the auditor's judgment and requires special attention. There is also a risk that the impairment charges not have been recognized.

We have tested the design and operating effectiveness of key controls over PPE. Our audit procedures included, among others, considering the impairment risk of the assets.

The followings are our audit procedures on the carrying value and impairment risk of PPE:

- Reviewing basis of recognition, measurement, and valuation of assets;
- Observing procedures of assets acquisition, depreciation, and disposal;
- Checking ownership of the major assets;
- Checking the Capital-Work-In-Progress (CWIP) and its transfer to PPE.
- Performing due physical asset verification at the year-end;







 House # 15, Road # 12, Block # F, Niketon Gulshan-1, Dhaka-1212, Bangladesh.

② : +88 (02)8836015-7 ♥ : +88 01681126120 ☑ : hfc@hfc-bd.com ④ : www.hfc-bd.com

Key Audit Matter	Our	response to the risk
	•	We critically challenged the Company's assumptions in relation to recoverable amounts of the major PPE to identify if there is any requirement of recognition of impairment; and
	•	Finally assessed the appropriateness and presentation of disclosures against relevant accounting standards.
	•	Our testing did not identify any issues with regard to the carrying value of PPE and any indicators that would trigger impairment.

See notes no. 4, 3.07, & Annex-i to the financial statements

Revenue Recognition

For the year-end, the Company reported total revenue of Taka 6,002,688,295 in Note 26. Approximately 70% of the Company's goods are sold to its group of companies.

Revenue is recognized when invoices 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 the possible return of goods can be estimated reliably, and there is no continuing management involvement with the goods, and the amount of revenue can be measured reliably.

There is also a risk that revenue may be misstated due to fraud, through misstating of price declaration, unrecorded sales, maintaining accrual concept for invoicing, recognition within the cutoff period, inaccurate sales figure, and unauthorized sales.

We have tested the design and operating effectiveness of key controls focusing on the following:

- We assessed the appropriateness of revenue recognition accounting policy in line with IFRS 15 Revenue from contracts with customers;
- Performed walkthrough tests to understand the adequacy and the design of the revenue cycle;
- We also reviewed the monthly reporting from stores and depots and/ or distributors and assessed them for consistency and checked the documentation on a sample basis.;
- We obtained supporting documentation for sales transactions recorded on either side of year-end and whether revenue was recognized in the correct period.
- Obtained some third-party confirmation for the parties among trade and other receivables.
- We performed substantive analytical procedures to understand how revenue trends over the year among other parameters and perform detailed testing on transactions around the year-end, to test revenues were recognized in the correct accounting period.
- Finally assessed the appropriateness and presentation of disclosures against relevant accounting standards.

See note no. 26 & 3.03 to the financial statements

Implementation of IFRS 16 Leases

IFRS 16 "Leases" becomes effective for annual reporting beginning on or after 01 January 2019 which replaces the existing standard IAS 17.

The Company applied IFRS 16 leases to its leases using modified retrospective approach by initially applying with the cumulative effect of this standard as an adjustment to the opening balance of retained earnings at the date of 1 July 2020. Instead, the comparative information in respect of the preceding year is not restated.

The Company reported the right-of-use (ROU) asset for the amount of Taka 4,865,928 and lease liability for the amount of Taka 5,897,255 at the year ended 30 June 2022.

We reviewed appropriateness of management's application of IFRS 16 and assessment of the impact on the financial statements.

Our audit procedure included testing classification and measurement of right-of-use assets and lease liabilities in accordance with IFRS 16.

- We checked the present value calculation for the lease.
- We reviewed lease agreements and made calculations to ascertain the appropriateness of the incremental borrowing rate used.







: House # 15, Road # 12, Block # F, Niketon Gulshan-1, Dhaka-1212, Bangladesh.

: +88 (02)8836015-7 🕻 : +88 01681126120 💌 : hfc@hfc-bd.com 🏻 : www.hfc-bd.com

Key Audit Matter

Given the first-time adoption of IFRS 16 "Leases", there are connections with other line items of the financial statements including depreciation and interest, and higher level of management judgments were required for identifying the lease, lease period, discount rate etc.

The company has made all leasing arrangements within the scope of IFRS 16 which have been identified and appropriately included in the calculation and specific assumptions applied to determine the discount rates for leases.

See Notes no. 05, 3.08 to the financial statements

Our response to the risk

We also examined the accuracy and appropriateness of accounting adjustments in the financial statements arising as well as verified the sufficiency and appropriateness of disclosures in the financial statements.

Deferred tax Liabilities

The company reported net deferred tax liabilities Tk. 255,202,443 as at June 30, 2022. Significant judgment is required in relation to deferred tax liabilities as it is dependent on forecasts of future profitability over a number of years.

There is significant measurement uncertainty involved in this valuation and therefore it was significant to our audit.

We carried out the following substantive testing to address the related risk:

- We obtained an understanding, evaluated the design, and tested the operational effectiveness of the Company's key controls over the recognition and measurement of deferred tax assets and deferred tax liabilities and the assumptions used in estimating the future taxable income of the Company.
- We also assessed the completeness and accuracy of the data used for the estimations of future taxable income.
- We tested the mathematical accuracy in the calculation of deferred tax.
- We assessed key assumptions, controls, recognition, and measurement of Deferred Tax Assets.
- We assessed the adequacy of the Company's disclosures setting out the basis of deferred tax assets balances and the level of estimation involved.
- We also assisted in evaluating the tax implications, the reasonableness of estimations, and calculations determined by management.
- Finally assessed the appropriateness and presentation of disclosures against IAS 12 Income Taxes.

See notes no 19 & 34 to the financial statements.

Assessment of the appropriateness of the allowance for doubtful debt

Accounts receivable comprise 12.15% of total assets in the Our audit procedures included the following: statement of financial position.

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 volatile economic conditions currently, all over the world including Bangladesh, it continues to put pressure on customers' ability to repay their outstanding account balances.

Management of the Company is continuously reviewing and assessing the need for keeping incremental amount in bad and doubtful debts under the Expected Credit Loss (ECL) method considering its business model.

- Evaluated the debtor's impairment methodology applied in the current year to the requirements of IFRS 9: Financial
- Analyzed the methodology by comparing the prior year provision to the actual current year write downs; Assessed key ratios which include cash collections, days outstanding, and delinquencies;
- We considered changes in account strategy and assessed the impact on the allowance for doubtful debts; and
 - Assessed any changes in the economy and the impact on the collectability of accounts receivable.







 House # 15, Road # 12, Block # F, Niketon Gulshan-1, Dhaka-1212, Bangladesh.

2 : +88 (02)8836015-7 (: +88 01681126120 : hfc@hfc-bd.com : www.hfc-bd.com

Key Audit Matter	Our response to the risk
Based on assessment, management has made necessary provision for bad and doubtful debts under ECL model to impair company's trade receivables.	
Due to the significance of trade receivables and the related estimation uncertainty this is considered a key audit matter.	
See notes no. 3.12 & 9 to the financial statements	

Valuation and Existence of Inventories

The Company had inventories of Tk. 2,278,906,219 at 30th June 2022 held in Manufacturing Inventory and Non-Manufacturing Inventory.

Inventories are carried at a lower of cost and net realizable value in compliance with the requirements of Para 21 & 25 of IAS-2.

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

Since the value of inventory is significant to the financial statements and there is significant measurement uncertainty involved in this valuation, the valuation of inventory was significant to our audit.

With regard to the appropriate valuation of inventories, we adopted the following audit procedures:

- We observed MSMPLC's year-end inventory count, performed test counts, and reconciled counted sheet records to inventory valuation report in order to verify the existence of inventories reported in the accounts;
 - We tested the purchase costs of a sample of inventory items by inspecting invoices and LC-related documents;
- We assessed the components of the costs included within inventory items to ensure that they are in conformity with the requirements of IAS 2;
- We assessed the movement of inventories and analyzed whether closing inventories were valued using the weighted average method;
- We tested on a sample basis, the net realizable value by comparing costs to recent selling prices;
- We assessed the listing of the nature of items presented within inventories and analyzed whether they meet the definition of inventories; and
- We read the disclosure made by the MSMPLC for compliance with disclosure requirements.

See notes no 8 & 3.13 to the financial statements

Other Matter

The financial statements of Matin Spinning Mills PLC for the year ended June 30, 2021, were audited by A. Qasem & Co., Chartered Accountants who expressed an unmodified opinion on those financial statements on 28 October 2021.

Other Information

Management is responsible for the other information. The other information comprises all of the information 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.

After going through the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to the board of directors of the company. We have nothing to report in this regard.







House # 15, Road # 12, Block # F, Niketon
 Gulshan-1, Dhaka-1212, Bangladesh.

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 in accordance with International Financial Reporting Standards (IFRS), the Companies Act, 1994, the Securities and Exchange Rules, 2020, 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 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 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 ISA 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 International Standards on Auditing (ISA), we exercise professional judgment and maintain professional skepticism 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 Group's and 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.







: House # 15, Road # 12, Block # F, Niketon Gulshan-1, Dhaka-1212, Bangladesh.

: +88 (02)8836015-7 🕻 : +88 01681126120 💌 : hfc@hfc-bd.com 🏻 : www.hfc-bd.com

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, 2020 and relevant notification issued by Bangladesh Securities and Exchange Commission, we also report the following:

- we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our
- b) in our opinion, proper books of accounts as required by law have been kept by the Company so far as it appeared from our examination of these books:
- c) the Company's statements of financial position and statement of profit or loss and other comprehensive income along with the annexed notes 1 to 49 dealt with by the report are in agreement with the books of accounts; and
- d) the expenditure incurred was for the purposes of the Company's business.

Hussain Farhad & Co.

Chartered Accountants Registration No: 4/452/ICAB-84 A.K.M Fazlul Haque FCA

Partner

Enrolment Number: 1090 DVC: 2210201090AS992813

Dhaka, 20 October 2022





Statement of Financial Position

As at 30 June 2022

	Notes	Amounts in Taka	
	Notes	30 June 2022	30 June 2021
			Restated*
ASSETS			
Non - current assets			
Property, plant and equipment	04	4,371,812,348	4,461,322,273
Right-of-use assets (ROU)	05	4,865,928	7,520,070
Investment	06	54,819,850	53,556,600
Capital work-in-process	07	1,471,058,264	316,291,054
Total non - current assets		5,902,556,389	4,838,689,997
Current assets			
Inventories	08	2,278,906,219	1,111,789,691
Accounts receivable	09	1,262,026,807	1,402,851,046
Advances, deposits and prepayments	10	431,042,406	191,483,925
Materials in transit	11	62,615,810	406,621,294
Cash and bank balances	12	453,941,471	331,267,118
Total current assets		4,488,532,714	3,444,013,075
Total assets		10,391,089,103	8,282,703,071
EQUITY AND LIABILITIES			
Share capital	13	974,900,000	974,900,000
Share premium	14	920,700,000	920,700,000
Retained earnings	15	2,533,891,008	1,850,457,160
Revaluation reserve	16	1,481,093,650	1,500,232,234
Total equity		5,910,584,658	5,246,289,394
Non-current liabilities	47		
Long term bank loan	17	2 205 070	- 007.255
Lease liability	18 19	2,395,879	5,897,255
Deferred tax liability Total non-current liabilities	19	255,202,443 257,598,321	257,459,727 263,356,982
		237,330,321	203,330,962
Current liabilities	20	100.051.001	125 260 202
Accounts payable	20 21	180,051,991	135,269,303
Short term bank loan	22	2,487,003,581 1,054,404,943	2,138,032,830 205,141,666
Current portion of long term loan Current portion of Lease liability	22	3,501,376	2,715,572
Share application money	23	3,501,370	4,553,160
Unclaimed dividend	23 24	2,035,937	4,371,032
Provision & accruals	25	495,908,294	282,973,130
Total current liabilities	23	4,222,906,123	2,773,056,694
Total equity and liabilities		10,391,089,103	8,282,703,071
NAV Per Share (With Revaluation reserves)	36	60.63	53.81
147.17 1 31 311die (141til Nevaluation leselves)	50	00.05	33.01

^{*} The comparative information is restated on account of retrospective restatement. See Note 15. These financial statements should be read in conjunction with the annexed notes 1 to 48. As per our report of same date

HUSSAIN FARHAD & CO.

Chartered Accountants Registration No: 4/452/ICAB-84

A.K.M Fazlul Haque FCA

Partner Enrolment Number: 1090 DVC: 2210201090AS992813

Dhaka, 20 October 2022

Mohammad Emarot Hossain FCA,FCS

Abdul Wahed

Chairman

Chief Financial Officer

M. A. Jabbar

Managing Director

Md. Shah Alam Miah FCS

Company Secretary

Matin Spinning Mills PLC

Statement of Profit or Loss

For the year ended 30 June 2022

		Amounts in Taka		
	Notes	2021-22	2020-21	
			Restated*	
Revenue	26	6,002,688,295	5,021,072,086	
Cost of goods sold	27	(4,390,750,261)	(3,923,961,517)	
Gross profit		1,611,938,034	1,097,110,569	
Other income	28	(14,169,388)	100,698,845	
		1,597,768,646	1,197,809,414	
Administrative expenses	29	(238,266,862)	(262,546,344)	
Distribution expenses	30	(8,549,435)	(8,227,395)	
Net profit before finance cost		1,350,952,349	927,035,675	
Finance cost	31	(43,880,702)	(42,148,312)	
Net profit before workers' profit participation funds & tax		1,307,071,647	884,887,363	
Contribution to workers' profit participation funds	32	(62,241,507)	(42,138,503)	
Net profit before taxation		1,244,830,140	842,748,860	
Income tax	33	(192,832,161)	(222,196,621)	
Deferred tax	34	(237,129)	(5,152,911)	
Net profit after tax		1,051,760,851	615,399,328	
Earnings Per Share (EPS)	35	10.79	6.31	

^{*} The comparative information is restated on account of retrospective restatement. See Note 15. These financial statements should be read in conjunction with the annexed notes 1 to 48. As per our report of same date

HUSSAIN FARHAD & CO.

Chartered Accountants
Registration No: 4/452/ICAB-84

A.K.M Fazlul Haque FCA

Partner Enrolment Number: 1090 DVC: 2210201090AS992813

Dhaka, 20 October 2022

Abdul Wahed Chairman

Mohammad Emarot Hossain FCA,FCS

Chief Financial Officer

M. A. Jabbar

Managing Director

Md. Shah Alam Miah FCS

Company Secretary

Matin Spinning Mills PLC

Statement of Other Comprehensive Income

For the year ended 30 June 2022

		Amounts in Taka	
	Notes	2021-22	2020-21
Net profit after tax for the year		1,051,760,851	615,399,328
Revaluation reserve of land and building			-
Deferred tax on other comprehensive income	34.02	2,494,414	3,089,099
Total comprehensive income for the year		1,054,255,264	618,488,427

^{*} The comparative information is restated on account of retrospective restatement. See Note 15. These financial statements should be read in conjunction with the annexed notes 1 to 48. As per our report of same date

HUSSAIN FARHAD & CO.

Chartered Accountants
Registration No: 4/452/ICAB-84

A.K.M Fazlul Haque FCA

Partner Enrolment Number: 1090 DVC: 2210201090AS992813

Dhaka, 20 October 2022

Abdul Wahed

Chairman

Mohammad Emarot Hossain FCA,FCS

Chief Financial Officer

M. A. Jabbar

Managing Director

Md. Shah Alam Miah FCS

Company Secretary

Matin Spinning Mills PLC **Statement of Changes in Equity**

For the year ended 30 June 2022

Amounts in Taka

	Share Capital	Share Premium	Retained Earnings	Revaluation Reserves	Total
2021-22					
Balance at 01 July 2021	974,900,000	920,700,000	1,850,457,160	1,500,232,234	5,246,289,394
Net profit for the year	-	-	1,051,760,851	-	1,051,760,851
Dividend Paid	-	-	(389,960,000)	=	(389,960,000)
Depreciation on Revalued Assets			19,138,584	(19,138,584)	-
Deferred tax on other comprehensive income			2,494,414		2,494,414
Balance at 30 June 2022	974,900,000	920,700,000	2,533,891,008	1,481,093,650	5,910,584,658
2020-21 Balance at 01 July 2020 Less: Effect of correction of IFRS	974,900,000	920,700,000	1,389,083,255 (2,226,513)	1,520,826,225	4,805,509,480 (2,226,513)
16 Lease error Balance at 01 July 2020 - As restated*	974,900,000	920,700,000		1,520,826,225	4,803,282,967
Net profit for the year	-	-	615,399,328	-	615,399,328
Dividend Paid Revaluation surplus during the year	-	-	(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
Balance at 30 June 2021 - As restated*	974,900,000	920,700,000	1,850,457,160	1,500,232,234	5,246,289,394

^{*} The comparative information is restated on account of retrospective restatement. See Note 15.

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

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

For the year ended 30 June 2022

			Amounts	in Taka
		Notes	2021-22	2020-21
A.	Cash flows from operating activities			-
	Collection from customers		6,118,314,456	4,569,106,305
	Other Income	28	164,534,400	71,284,273
	Cash generated from operations		6,282,848,856	4,640,390,578
	Cash paid to employees		(403,789,879)	(377,427,143)
	Cash paid to suppliers		(4,994,320,983)	(4,097,821,177)
	Interest paid on loans		(24,011,942)	(28,447,140)
	Income tax paid	10.03	(216,752,932)	(85,480,080)
	Payment made to workers' profit- participation funds	25.02	(42,138,503)	(12,671,367)
	Net cash flows from operating activities		601,834,617	38,543,671
В.	Cash flow from investing activities			
	Acquisition of property, plant and equipment	4	(210,772,799)	(110,953,745)
	Capital work-in-process	7	(1,095,126,919)	(211,497,064)
	Dividend Income	28	1,716,757	561,139
	Proceeds from Asset held for sale		-	192,393
	Purchase of marketable securities	6	(145,964,911)	(332,221,904)
	Proceeds from Sale of Marketable Securities	6	145,973,226	329,586,689
	Interest on FDR and Bank Accounts	28	301,783	311,087
	Net cash used in investing activities		(1,303,872,864)	(324,021,406)
C.	Cash flows from financing activities			
	Long term loan received	17	980,495,149	200,901,511
	Long term loan (repaid)	17	(131,231,873)	(471,887,912)
	Short term loan received from bank	21	4,250,738,687	3,503,172,254
	Short term loan repaid to bank	21	(3,901,767,936)	(2,683,879,488)
	Share application money refunded		(4,553,160)	
	Dividend Paid	24	(392,295,095)	(175,138,264)
	Net cash from/(used in) financing activities		801,385,772	373,168,102
n	Net increase/(decrease) in cash and cash equivalents		99,347,525	87,690,366
_	(A+B+C)			
E.	Opening cash and cash equivalents		331,267,118	243,576,752
F.	Effects of currency translation on cash and cash equivalents		23,326,828	-
G.	Closing cash and cash equivalents (D+E+F)		453,941,471	331,267,118
	Net Operating Cash Flow Per Share		6.17	0.40

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

Matin Spinning Mills PLC

Notes to the financial statements

For the year ended 30 June 2022

1 Reporting entity

1.01 Company Profile

Matin Spinning Mills PLC (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 2020, 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 20/10/2022.

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 2021 to 30 June 2022.

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 – 08	Inventories
Note – 09	Accounts Receivable
Note – 19	Deferred Tax Liability
Note – 20	Accounts Payable
Note – 25	Provisions & accruals
Note – 33	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, 2020. A reconciliation to cash flows from operating activities under indirect method has been shown in note 44.

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
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 Accounting policy for IFRS 16: Leases The Company as lessee:

The Company assesses whether a contract is or contains a lease, at inception of the contract. The Company recognizes a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value, assets (such as tablets and personal computers, small items of office furniture and telephones). For these leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

Following IFRS 16 paragraph 15, The Company has elected to opt for the practical expedient that permits lessees to make an accounting policy election, by class of underlying asset, to account for each separate lease component of a contract and any associated non-lease components as a single lease component.



This expedient has been opted to alleviate concerns that the costs and administrative burden of allocating consideration to separate lease and non-lease components may not be justified by the benefit of more precisely reflecting the right-of-use asset and the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid are the commencement date discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Company uses the Bangladesh Bank T-bill.

Lease payments included in the measurement of the lease liability comprise:

- Fixed lease payments (including in substance fixed payments), less any lease incentives receivable;
- Variable lease payment that depends on an index or rate, initially measured using the index;
- The amount expected to be payable by the lessee under residual value guarantees;
- The exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and
- Payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The lease liability is presented as a separate line in the statement of financial position.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The Company remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- The lease term has changed or there is a significant event or change in circumstances resulting in a change in the assessment of exercise of a purchase option, in which case the lease liability is measured by discounting the revised lease payments using a revised discount rate.
- The lease payments change due to changes in an index or rate on a change expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the lease payments using an unchanged discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case revised discount rate is used).
- A lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

The Company did not make any such adjustments during the periods presented.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Whenever the Company incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognized and measured under IAS 37. To the extent that the costs relate to a right-of-use asset, the costs are included in the related right-of-use asset, unless those costs are incurred to produce inventories.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the right-of use asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Company expects to exercise a purchase option, the related right-of-use asset is depreciated ver the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

The right-of-use assets are presented as a separate line in the statement of financial position.

The Company applies IAS 36 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in the Property and Equipment policy.

3.09 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.

3.10 Capital Work in Process:

Capital work-in-process comprises Godown, Special Yarn Building, Special Yarn Unit Machineries and Machineries in Transit.

3.11 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.

3.12 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.

3.13 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	At cost and net realizable value whichever is lower
and Work-in-process	
Finished Goods	At cost and net realizable value whichever is lower



Types of Stock	Basis of Valuation
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.

3.14 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.

3.15 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 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.

3.16 Retained Earning

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

3.17 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.

3.18 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.

3.19 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.

3.20 Finance costs

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

3.21 Finance income

Finance income comprises interest income on fixed deposit receipts.

3.22 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.

3.23 Provident Fund

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

3.24 Foreign currency translation

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

3.25 Materiality and Aggregation

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

3.26 Earnings per share

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

3.27 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.

3.28 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.

3.29 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.

3.30 Events after the reporting date

Events after the reporting date that provide additional information about the Company's position at the reporting date are reflected in the financial statements. Events after the reporting date that are not adjusting events are disclosed in the notes when material.

3.31 Non-current assets held for sale

The Company classify 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.

3.32 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	Leases



		Notes	Amounts 30 June 2022	in Taka 30 June 2021
4	Property, plant and equipment			
Α	NON REVALUED ASSETS:			
	Cost			
	Opening balance (at cost)		5,820,114,648	5,669,612,198
	Add : Additions		210,772,799	153,491,967
			6,030,887,447	5,823,104,165
	Less: Disposal/Adjustment		(765,000)	(2,989,517)
	Closing balance (a)		6,030,122,447	5,820,114,648
	Accumulated Depreciation		2 006 006 474	2 64 4 226 427
	Opening balance		2,906,986,171	2,614,226,427
	Add : Charges for the year		280,479,312	293,341,705
	Loss, Disposal/Adjustment		3,187,465,484	2,907,568,132
	Less: Disposal/Adjustment Closing balance (b)		(100,171) 3,187,365,312	(581,961) 2,906,986,171
	Written Down Value (a-b)		2,842,757,135	2,913,128,477
_	• •		2,042,737,133	2,913,120,477
В	REVALUED ASSETS:			
	Revalued amount:			
	Opening balance (at revalued cost)		1,645,218,621	1,645,218,621
	Add : Additions		- 4 CAE 24 0 C24	- 4 6 45 24 0 624
	Lagg. Dignagal/Adjustment		1,645,218,621	1,645,218,621
	Less: Disposal/Adjustment Closing balance (a)		1,645,218,621	1,645,218,621
	•		1,043,218,021	1,043,218,021
	Accumulated Depreciation		07.034.035	76 420 022
	Opening balance Add : Charges for the year		97,024,825 19,138,584	76,430,833
	Add . Charges for the year		116,163,408	20,593,992 97,024,825
	Less: Disposal/Adjustment		110,103,400	57,024,025
	Closing balance (b)		116,163,408	97,024,825
	Written Down Value of Revaluation Assets (a-b)		1,529,055,213	1,548,193,796
	Total Written Down Value (A+B)		4,371,812,348	4,461,322,273
	Policy notes is mentioned in note 3.07 E			
5	Right use of assets (ROU)			
	Cost:			
	Opening Balance		13,270,712	13,270,712
	Add: Addition during the period		-	=
	Less: Disposal during the period		-	
	Closing balance (a)		13,270,712	13,270,712
	Accumulated Depreciation			
	Opening balance		5,750,642	3,096,499
	Add : Charges for the year		2,654,142	2,654,142
	Less: Disposal/Adjustment		-	
	Closing balance (b)		8,404,784	5,750,642
	Written Down Value (a-b)		4,865,928	7,520,070
	* The comparative information is restated an account o	fratrocoacti	un roctatore ent	

^{*} The comparative information is restated on account of retrospective restatement.

		Nicker	Amount	ts in Taka
		Notes	30 June 2022	30 June 2021
6	Investment			
	Investment in marketable securities	6.1	54,819,850	53,556,600
			54,819,850	53,556,600
6.01	Investment in marketable securities			
	Opening balance		53,556,600	28,003,186
	Add: Addition during the year		-	-
			53,556,600	28,003,186
	Realized gain /(loss)		12,830,775	24,886,914
	Unrealized gain /(loss) for fair value adjustment		(11,567,525)	666,500
	Closing balance		54,819,850	53,556,600

Name of securities	No. of Share	Rate	Cost Value	Market rate per share as on 30 June 2022	Market value as on 30 June 2022
Mercantile Bank	315,000	14.00	4,410,000	14.40	4,536,000
BSRM	10,000	104.06	1,040,600	98.70	987,000
South East Bank	260,000	14.56	3,785,600	14.30	3,718,000
Vanguard MF One	25,000	10.74	268,500	7.60	190,000
Shahji Power	72,000	95.15	6,850,800	75.20	5,414,400
I.C.B	8,000	143.30	1,146,400	101.60	812,800
Prime Bank	200,000	22.59	4,518,000	20.20	4,040,000
Beximco Pharma	5,000	223.28	1,116,400	154.60	773,000
Islami Insurance	58,000	57.09	3,311,220	45.80	2,656,400
AB Bank Ltd	309,000	13.90	4,295,100	10.50	3,244,500
FBFIF	220,000	7.00	1,540,000	5.20	1,144,000
City General Ins.	100,000	37.79	3,779,000	29.20	2,920,000
Popular Life 1st MF	160,000	7.15	1,144,000	5.40	864,000
Phoenix Ins.	147,000	55.93	8,221,710	41.00	6,027,000
BATBC	8,500	571.26	4,855,710	543.50	4,619,750
Confidence Cem	15,000	140.07	2,101,050	103.40	1,551,000
Continental Ins	130,000	44.60	5,798,000	36.30	4,719,000
Central Ins	125,000	52.14	6,517,500	42.00	5,250,000
Pioneer Ins	16,500	102.29	1,687,785	82.00	1,353,000
	2,184,000		66,387,375		54,819,850

		Amounts in Taka	
	Notes	30 June 2022	30 June 2021
7 Capital work-in-process			
Special Yarn Godown	7.01	6,268,793	8,410,110
Staff Quarter	7.02	-	-
Baro Bigha Cotton Store	7.03	-	-
Shuttering Materials Storage	7.04	-	-
Special Yarn Building	7.05	164,511,100	80,348,104
Baro Bigha Utility Building	7.06	37,644,316	6,246,653
Baro Bigha Boundary Wall Project	7.07	-	-
Special Yarn Unit Machineries		1,100,524,575	120,958,315
Machineries in Transit		162,109,479	100,327,872
		1,471,058,264	316,291,054



			Amounts	in Taka
		Notes	30 June 2022	30 June 2021
7.01	Special Yarn Godown			
	Opening Balance Add: Addition during the year		8,410,110	3,147,131 5,262,979
	Less: Adjustment during the year		(2,141,317)	-
	Closing Balance		6,268,793	8,410,110
7.02	Staff Quarter			
	Opening Balance Add: Addition during the year Less: Transfer to Fixed Assets Closing Balance		- - -	18,388,703 6,616,755 (25,005,458)
7.03	Baro Bigha Cotton Store			
	Opening Balance Add: Addition during the year Less: Transfer to Fixed Assets Closing Balance			19,288,602 (19,288,602)
7.04	Shuttering materials storage			
	Opening Balance Add: Addition during the year Less: Transfer to Fixed Assets		-	2,967,406 5,797,270 (8,764,676)
7.05	Closing Balance			
7.05	Special Yarn Building		00 240 40 4	1 210 007
	Opening Balance Add: Addition during the year Less: Transfer to Fixed Assets		80,348,104 84,162,996 -	1,318,987 79,029,117 -
	Closing Balance		164,511,100	80,348,104
7.06	Baro Bigha Utility Building			
	Opening Balance Add: Addition during the year Less: Transfer to Fixed Assets Closing Balance		6,246,653 31,397,662 - 37,644,316	6,246,653 - 6,246,653
7.07	Baro Bigha Boundary Wall Project			
	Opening Balance Add: Addition during the year Less: Transfer to Fixed Assets Closing Balance			2,256,964 (2,256,964)
8	Inventories			
	Manufacturing Inventory	8.01	2,259,067,295	1,059,960,396
	Non Manufacturing Inventory	8.02	19,838,924	51,829,295
0.04	Manufacturianian		2,278,906,219	1,111,789,691
8.01	Manufacturing Inventory	0.04.04	1.005.047.040	75 4 64 7 000
	Raw cotton Provision for Obsolete Raw Materials	8.01.01	1,665,017,316 (8,360,909)	754,617,992 (8,360,909)
	I LOVISION FOR CONSOLERE LYAM MINISTELIAIS			
			1,656,656,406	746,257,083

	Notes	Amounts 30 June 2022	in Taka 30 June 2021	
Packing materials	8.01.03	3,444,979	3,094,460	
Work-in-process	8.01.04	67,172,889	61,624,815	
Spare parts	8.01.05	102,883,399	82,277,387	
5 pa. 6 pa. 6	0.01.00	2,259,067,295	1,059,960,396	
8.01.01 Raw cotton			· · · ·	
Value (TK.)				
Conventional Cotton		637,520,004	326,520,867	
Organic Cotton		785,890,463	222,364,286	
Synthetic Fiber		225,070,363	188,374,777	
Usable Waste Cotton		13,989,744	14,160,804	
Waste Cotton		2,546,741	3,197,258	
Total		1,665,017,316	754,617,992	
Quantity (KG)				
Conventional Cotton		3,559,713	2,435,511	
Organic Cotton		2,489,398	1,085,590	
Synthetic Fiber		1,186,353	1,322,390	
Usable Waste Cotton		166,768	205,832	
Waste Cotton		110,291	134,131	
Total		7,512,523	5,183,455	
Cost Per Kg (TK.)				
Conventional Cotton		179.09	134.07	
Organic Cotton		315.69	204.83	
Synthetic Fiber		189.72	142.45	
Usable Waste Cotton		83.89	68.80	
Waste Cotton		23.09	23.84	
8.01.02 Finished yarn				
Value (TK.)				
Carded		75,607,891	532,347	
Combed		190,746,114	73,735,267	
Slub		8,493,575	29,622,352	
Synthetic		46,498,358	20,505,510	
Melange		25,493,393	27,515,785	
Vortex		42,976,970	4,198,787	
Open End Twisted yarn		37,482,058 1,611,262	6,449,680 4,146,922	
Total		428,909,621	166,706,650	
Quantity (KG)				
Carded		266,200	2,276	
Combed		570,169	257,320	
Slub		30,131	91,805	
Synthetic		188,036	83,811	
Melange		83,596	97,699	
Vortex		161,228	16,946	
Open End		194,466	43,023	
Twisted yarn		3,936	11,173	
Total		1,497,761	604,050	



			Amounts	s in Taka
		Notes	30 June 2022	30 June 2021
Cost Per Kg (TK.)				
Carded			284.03	233.92
Combed			334.54	286.55
Slub			281.89	322.67
Synthetic			247.28	244.67
Melange			304.96	281.64
Vortex Open End			266.56 192.74	247.78 149.91
Twisted yarn			409.39	371.17
8.01.03 Packing materials Value	(TK.)			
Opening balance			3,094,460	2,208,327
Add: Purchase during the period			39,756,379	36,418,800
Packing materials available for consu	umption		42,850,839	38,627,127
Less: Consumption during the perio	d		39,405,860	35,532,667
Closing balance			3,444,979	3,094,460
8.01.04 Work-in-process				
Daudian lau	Quantity			
Particular	June 30, 2022	June 30, 2021		
Blow Room	69,637	82,129	12,321,490	9,222,200
Carding	5,945	9,600	1,221,079	1,156,699
B. Drawing	4,401	18,847	878,021	2,522,798
Combing	6,489	15,886	1,294,801	2,137,305
F. Drawing	16,104	40,421	3,283,955	5,580,148
Simplex Ring Frame	64,294 73,152	61,218 80,675	13,361,065 18,031,131	8,802,351 12,657,212
Winding	16,412	7,900	4,037,226	1,591,514
Packing	40,204	74,625	10,380,128	14,043,471
Rotor	10,670	13,461	1,525,311	2,110,012
Vortex	-	5,049	-	752,604
Twisting	862	825	211,423	148,500
Doubling	2,565	3,000	627,259	600,000
Air covering Total	310,735	1,200 414,836	67,172,889	300,000
8.01.05 Spare parts	310,735	414,630	67,172,889	61,624,815
Opening Balance			82,277,387	113,947,017
Add: Addition during the year			172,612,725	209,844,686
			254,890,112	323,791,703
Less: Consumption during the year			54,448,022	82,944,690
Less: Transfer to other GL			94,887,518	158,569,626
Closing balance			102,883,399	82,277,387
Non Manufacturing Inventory				
Stock of Bandhan			3,335,662	2,146,833
Stock of Stamp Stock of Medicine			42,228	5,892
Stock of Medicilie			187,454	176,893
			7 500	7 500
Other Production Material			7,500 5 572 800	7,500 12 319 036
			7,500 5,572,800 10,693,280	7,500 12,319,036 37,173,141

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.

		Notes	Amounts 30 June 2022	s in Taka 30 June 2021
9	Accounts receivables			, in the second second
	Receivable other than related party	9.01	446,601,347	544,024,922
	Receivable from related party	9.02	881,657,190	899,859,777
	Bank interest receivable on FDR	3.02	6,113,016	5,532,792
	Claim Receivable		4,350,799	9,239,531
	Provision for bad debts		(76,695,545)	(55,805,976)
	Trovision for bud debes		1,262,026,807	1,402,851,046
9.01	Receivable other than related party		1,202,020,007	1,102,031,010
J.0 I	• •		4 02 4 202	20.161.264
	Abonti Colour Tex. Ltd		4,824,202	39,161,264
	Cotton Club(BD) Ltd		13,316,265	126 727 45 4
	Amber Denim Ltd		114,376,040	136,737,454
	Akh Knitting & Dyeing Ltd		32,378,629	42,452,502
	Asrotex Ltd.		6,836,134	2,156,676
	Purbani Fabrics Ltd		7,010,825	-
	Executive Greentex Ltd.		11,007,500	2 724 000
	Crony Apparels Ltd		-	3,731,800
	Comfit Composite Knit Ltd		66,875,470	81,378,203
	Midland Knitwear Ltd		23,368,118	11 471 770
	Essential Clothing Ltd		1,459,903	11,471,770
	Fakir Apparels Ltd Fakir Fashions Ltd		5,076,400	34,294,203
			41,673,050	28,140,233
	Fariha Knitex Ltd		2,170,780	13,670,728
	Grameen Fabrics & Fashions Ltd Euro Knitwear Ltd.		11,993,781	25,526,425
			2704052	1,226,929
	Young Socks Ltd Tasniah Fabrics Ltd.		2,704,053	10,186,557
	Sensible Fashion (Pvt) Ltd		-	9,220,229
	Noman Terry Towel Mills Ltd		10,148,175	9,014,551
	Jointex Knit Wears Ltd.		14,105,892	- 14,105,892
	Lithium Knit Fabrics Ltd		6,908,666	6,908,666
	Megna Knit Composit Ltd.		0,908,000	733,350
	Rizvi Fashions Ltd.		4,245,750	1,098,906
	S.B Knitting Ltd.		4,243,730	1,866,167
	Cute Dress Industry		5,527,263	1,137,124
	Square Fashions Ltd.		10,235,829	14,991,900
	Epyllion Knitex Ltd.		11,250,970	2,391,991
	Sublime Greentex Ltd		8,849,013	2,391,991
	Viyellatex Ltd.		0,049,013	6,902,210
	Others		30,258,641	45,519,196
	Others		446,601,347	544,024,922
9.02	Receivable from related party		1.0,001,047	J . 1,02-1,322
J.UZ	• •		254.760	220 026 005
	Flamingo Fashions Ltd Jinnat Fashions Ltd		254,769	330,826,885
	Mawna Fashions Ltd		24,220,561 3,461,876	37,964,109 93,447,891
	Dulal Brothers Ltd		4,689,705	75, 44 7,091
	Jinnat Apparels Ltd		144,624,982	242,098,441
	Jii ii iat Appareis Liu		144,024,902	Z4Z,U30,44 l



				A	· · · · · · · · ·
			Notes		ts in Taka
				30 June 2022	30 June 2021
Jinnat Knitwears Ltd				646,833,890	167,451,785
Matin Construction				-	94,000
DBL Textile Recycling	Ltd.			1,008,007	
Hamza Textiles Ltd.				6,460,726	20,509,987
Parkway Packing and	Printing Ltd			48,500,038	7,300,680
DB Trims Ltd				1,602,638	166,000
				881,657,190	899,859,777
Age analysis of Acc	counts Receiv	able:			
	1-3 Months	4-6 Months	above 6 Months		
Sale of yarn	1,204,228,553	79,543,085	44,486,900	1,328,258,538	1,443,884,699
Interest receivable on FDR(Vii)	-	-	6,113,016	6,113,016	5,532,792
,	4 250 700			4 250 700	0.220.521
Claim Receivable	4,350,799			4,350,799	9,239,531
	1,208,579,352	79,543,085	50,599,916	1,338,722,352	1,458,657,022

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

Accounts receivable accrued in the ordinary course of business are considered good and secured against confirmed L/c.

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

There is no such accounts receivable in this respect as on 30 June 2022

III. Accounts receivable considered doubtful or bad

Tk. 76,695,545.27 receivable has been considered doubtful for which full provision has been incorporated in financial statements as per ECL Method of IFRS -9.

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

There is no such accounts receivable in this respect as on 30 June 2022

V. Accounts receivable from Related Parties

There has been an amount of Tk 881,657,190.45 due as accounts receivable from related parties under common management.

VI. Provision for doubtful or bad debts

A money suit case no. 14/13 dated 8 April 2013 has been lodged in the High Court Division for the recovery of the outstanding amount from Lithium Knit Fabrics Ltd. Honourable High Court issued summon to the defendants.

VII. Interest receivable on FDR

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

10 Advances, deposits and Prepayments

Advances

Salary & Allowances		1,648,900	1,279,900
Prepaid Expenses		8,292,294	-
VAT Current Account		1,724,653	-
Construction	10.01	1,245,192	319,322
Expenses	10.02	28,659,979	19,166,248
Advance Income Tax	10.03	341,097,692	124,344,760
		382,668,711	145,110,230
Deposits			
Security deposit for Utilities	10.04	48,373,695	46,373,695
		48,373,695	46,373,695
		431,042,406	191,483,925

Notes					
			Notes		
Erfan Enterprise & Engineering Rangpur Metal Industries Ltd.	10.01	Construction			oo jame 2021
Erfan Enterprise & Engineering Rangpur Metal Industries Ltd.		S.S Enterprise		593	593
Rangpur Metal Industries Ltd.		·		-	-
Navana Limited 307,150 37,449				-	-
Jawad Trading Tradent Agency		<u>.</u>		507,150	
Trident Agency Quantum Builders & Engineering Ltd 2312,80 2312,80 2312,80 2319,320 2319,					87.449
Quantum Builders & Engineering Ltd 1,245,192 319,325 319,3		-			
10.02 Expenses Groz-Beckert Carding (Wuxi) Co. Ltd. - 1,788,435 Bangla Trac Ltd. 3,244,080 164,000 Saurer Components GrnhH 2,298,581 - 2,249,474 Shamsuddin Engineering Works - 680,412 513,759 MyS Al-Amin Digital Scales - 680,412 680,412 Hunan Oleom Lighting Co., Ltd - 7,250,000 360,000 360 Total Solution Limited 540,000 - 479,166 Novelly Infrastructures Limited 540,000 - 479,166 Novelly Infrastructures Limited 540,000 - 749,166 Miller Activities Limited 1,065,544 692,343 Amin Limiter Limited 1,065,544 692,343				-	231 280
Separate Separate		Quartern Banacis & Engineering Lea		1,245,192	
Groz Beckert Carding (Wuxi) Co. Ltd. 3,244,080 164,000 Saure Toc (Tomponents GmhH 2,298,581 2,249,474 51gnura International Pte Ltd - 6 1513,759 51	10.02	Expenses			
Bangla Tract Ltd. 3.244,080 164,000 Saurer Components GmhH 2.298,581 5.24,474 Shamsuddin Engineering Works - 2.249,474 Signura International Pte Ltd - 513,759 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 540,000 479,166 Novelly Infrastructures Limited 540,000 - Tanweer International 850,340 - Marzoli 3348,636 - Amin, Mr. Mohammad Ruhul 2,245,058 - Qinshi Industrial Inc. 1,065,544 692,343 GRUNLER SKOLSKA 1,364,430 - Allam Enterprise(C&F) 4,017,430 - Miller Maschineripselicik Rieter Ag 53,836 2,308,727 Overseas Packers & Shippars Ltd. - 1,003,752 Millmark Associates 649,825 BROTHERS TRADING 975,000 -				_	1 788 <i>4</i> 35
Saurer Components GrinHH 2,249,474 Shamsuddin Engineering Works - 2,249,474 Signura International Pte Ltd - 680,412 M/S Al-Amin Digital Scales - 680,412 Hunan Oleom Lighting Co., Ltd - 552,000 360 Total Solution Limited 540,000 479,166 Novelty Infrastructures Limited 540,000 - Tarveer International 850,340 - Marzoli 3348,636 - Amin, Mr. Mohammad Ruhul 2,245,058 - Qinshi Industrial Inc. 1,065,544 692,343 GRUNLER SKOLSKA 1,364,430 - Murata Machinery Bangladesh Ltd. 944,625 - Alam Enterprise(C&F) 4,017,430 - Rieter Maschinenfabrik Reter Ag 53,836 2,308,727 Overseas Packers & Shippars Ltd. 975,000 - Mr. Rashid 2,676,197 1,388,439 Mr. Surny 238,286 117,545 BG Filtration Gmbh 137,876 2,719,271 Encon				3 244 080	
Shamsuddin Engineering Works 2,249,474 Signura International Pte Ltd 513,759 M/S Al-Amin Digital Scales - 680,412 Hunan Oleom Lighting Co., Ltd - 552,175 Associated Engineers And General Constructors - 552,000 360 Total Solution Limited 479,166 Novelly Infrastructures Limited 540,000 Tanveer International 850,340 Marzoli 3,348,636 - 6 Amin, Mr. Mohammad Ruhul 2,245,058 - 6 Qinshi Industrial Inc. 1,065,544 692,343 GRUNLER SKOLSKA 1,065,544 692,343 Murata Machinery Bangladesh Ltd. 944,625 Alam Enterprise(C&F) 4,017,430 - 6 Netter Maschinernfabrik Rieter Ag 53,836 2,308,727 Overseas Packers & Shippars Ltd. 1,003,752 Millmark Associates 649,825 1,003,752 MR. Rashid 2,676,197 1,388,439 Mr. Rashid 2,676,197 1,388,439 Mr. Sunny 238,286 117,545 BG Filtration Gmbh 137,876 <td></td> <td></td> <td></td> <td></td> <td>10 1,000</td>					10 1,000
Signura International Pte Ltd 513,759 M/S Al-Amin Digital Scales - 680,412 Hunan Oleom Lighting Co., Ltd - 552,175 Associated Engineers And General Constructors - 479,166 Novelty Infrastructures Limited 540,000 Tanveer International 850,340 Marzoli 3,348,636 - Amin, Mr. Mohammad Ruhul 2,245,058 - Qinshi Industrial Inc. 1,065,544 692,343 GRUNLER SKOLSKA 1,364,430 - Murata Machinery Bangladesh Ltd. 944,625 - Alam Enterprise(C&F) 4,017,430 - Rieter Maschinenfabrik Rieter Ag 53,836 2,308,727 Overseas Packers & Shippars Ltd. 975,000 - Millmark Associates 649,825 - BROTHERS TRADING 975,000 - Mr. Rashid 2,676,6197 1,388,439 Mr. Sunny 238,286 117,545 BG Filtration Gmbh 137,876 2,719,721 Encon 87,500 145,131 Mr. Siddik		·		-	2,249,474
Hunan Oleom Lighting Co., Ltd 552,175 Associated Engineers And General Constructors 525,000 360 Total Solution Limited 540,000 Tanveer International 880,340 3				-	513,759
Associated Engineers And General Constructors 360 Total Solution Limited 540,000		M/S Al-Amin Digital Scales		-	680,412
360 Total Solution Limited				-	
Novelty Infrastructures Limited 540,000 Tanveer International 850,340 Marzoli 3,348,636 - Amin, Mr. Mohammad Ruhul 2,245,058 - Qinshi Industrial Inc. 1,065,544 692,343 GRUNLER SKOLSKA 1,364,430 - Murata Machinery Bangladesh Ltd. 944,625 Alam Enterprise(C&F) 4,017,430 - Rieter Maschinenfabrik Rieter Ag 53,836 2,308,727 Overseas Packers & Shippars Ltd. - 1,003,752 Millmark Associates 649,825 - BROTHERS TRADING 975,000 - Mr. Rashid 2,676,197 1,388,439 Mr. Sunny 238,286 117,545 BG Filtration Gmbh 137,876 2,719,721 Encon 87,500 145,131 Mr. Siddik 464,970 1,190,798 MJL Bangladesh Ltd 239,040 - Local Purchase 274,096 937,069 Others 2,944,630 1,710,303 Tax on Interest Rece				-	
Tanveer International Marzoli 850,340 Marzoli 3,348,636 - Amin, Mr. Mohammad Ruhul 2,245,058 - Qinshi Industrial Inc. 1,065,544 692,343 GRUNLER SKOLSKA 1,364,430 - Murata Machinery Bangladesh Ltd. 944,625 Alam Enterprise(C&F) 4,017,430 - Rieter Maschinenfabrik Rieter Ag 53,836 2,308,727 Overseas Packers & Shippars Ltd. - 1,003,752 Millmark Associates 649,825 - BROTHERS TRADING 975,000 - Mr. Sashid 2,676,197 1,388,439 Mr. Sunny 238,286 117,545 BG Filtration Gmbh 137,876 2,719,721 Encon 87,500 145,131 Mr. Siddik 464,970 1,190,798 MJL Bangladesh Ltd 239,040 - Local Purchase 274,096 937,069 Others 2,944,630 1,710,303 Tax on Interest Received (Bank) 10,03.1 90,525,868 58,7				-	479,166
Marzoli 3,348,636 - Amin, Mr. Mohammad Ruhul 2,245,058 - Qinshi Industrial Inc. 1,065,544 692,343 GRUNLER SKOLSKA 1,364,430 - Murata Machinery Bangladesh Ltd. 944,625 - Alam Enterprise(C&F) 4,017,430 - Rieter Maschinenfabrik Rieter Ag 53,836 2,308,727 Overseas Packers & Shippars Ltd. - 1,003,752 Millmark Associates 649,825 - BROTHERS TRADING 975,000 - Mr. Rashid 2,676,197 1,388,439 Mr. Sunny 238,286 117,545 BG Filtration Gmbh 137,876 2,719,721 Encon 87,500 145,131 Mr. Siddik 464,970 1,190,798 MJL Bangladesh Ltd 239,040 - Local Purchase 274,096 937,069 Others 2,944,630 1,710,303 28,659,979 19,166,248 10,03 Advance income Tax 10,03.1 90,525,868 58,707,623 Tax on Interest Received (Bank) 10,03.2 <td></td> <td>· ·</td> <td></td> <td></td> <td></td>		· ·			
Amin, Mr. Mohammad Ruhul 2,245,058 692,343 Qinshi Industrial Inc. 1,065,544 692,343 GRUNLER SKOLSKA 1,364,430 - Murata Machinery Bangladesh Ltd. 944,625 Alam Enterprise(C&F) 4,017,430 - Rieter Maschinenfabrik Rieter Ag 53,836 2,308,727 Overseas Packers & Shippars Ltd. - 1,003,752 Millmark Associates 649,825 880 BROTHERS TRADING 975,000 - Mr. Rashid 2,676,197 1,388,439 Mr. Sunny 238,286 117,545 BG Filtration Gmbh 137,876 2,719,721 Encon 87,500 145,131 Mr. Siddik 464,970 1,190,798 MJL Bangladesh Ltd 239,040 - Local Purchase 274,096 937,069 Others 2,944,630 1,710,303 10,03 4dvance income Tax 10,031 90,525,868 58,707,623 Tax on Interest Received (Bank) 10,03.1 90,525,868 58,707,623 63,168,498 10,03.1 Income Tax on Export 10,03.1					
Qinshi Industrial Inc. 1,065,544 692,343 GRUNLER SKOLSKA 1,364,430 - Murata Machinery Bangladesh Ltd. 944,625 - Alam Enterprise(C&F) 4,017,430 - Rieter Maschinenfabrik Rieter Ag 53,836 2,308,727 Overseas Packers & Shippars Ltd. - 1,003,752 Millmark Associates 649,825 - BROTHERS TRADING 975,000 - Mr. Rashid 2,676,197 1,388,439 Mr. Sunny 238,286 117,545 BG Filtration Gmbh 137,876 2,719,721 Encon 87,500 145,131 Mr. Siddik 464,970 1,190,798 MJL Bangladesh Ltd 239,040 - Local Purchase 274,096 937,069 Others 2,944,630 1,710,303 10.03 Advance income Tax 10.03.1 90,525,868 58,707,623 Income Tax on Export 10.03.1 90,525,868 58,707,623 87,68,639 Advance income tax paid for tribunal <					=
GRUNLER SKOLSKA 1,364,430					692 343
Murata Machinery Bangladesh Ltd. 944,625 Alam Enterprise(C&F) 4,017,430 - Rieter Maschinenfabrik Rieter Ag 53,836 2,308,727 Overseas Packers & Shippars Ltd. - 1,003,752 Millmark Associates 649,825 8 BROTHERS TRADING 975,000 - Mr. Rashid 2,676,197 1,388,439 Mr. Sunny 238,266 117,545 BG Filtration Gmbh 137,876 2,719,721 Encon 87,500 145,131 Mr. Siddik 464,970 1,190,798 MJL Bangladesh Ltd 239,040 - Local Purchase 2,74,096 937,069 Others 2,944,630 1,710,303 2,944,630 1,710,303 28,659,979 19,166,248 10.03 Advance income Tax 10.03.1 90,525,868 58,707,623 Tax on Interest Received (Bank) 10.03.2 11,286,012 2,468,639 Advance income tax paid for tribunal 10.03.3 239,285,813 63,168,498 10.03.1 Income Tax on Export 58,707,623 81,205,542 Add:		·			-
Alam Enterprise(Ĉ&F) 4,017,430 - Rieter Maschinenfabrik Rieter Ag 53,836 2,308,727 Overseas Packers & Shippars Ltd. - 1,003,752 Millmark Associates 649,825 BROTHERS TRADING 975,000 - Mr. Rashid 2,676,197 1,388,439 Mr. Sunny 238,286 117,545 BG Filtration Gmbh 137,876 2,719,721 Encon 87,500 145,131 Mr. Siddik 464,970 1,190,798 MJL Bangladesh Ltd 239,040 - Local Purchase 274,096 937,069 Others 2,944,630 1,710,303 Rocal Purchase 2,944,630 1,710,303 Advance income Tax 10.03.1 90,525,868 58,707,623 Tax on Interest Received (Bank) 10.03.2 11,286,012 2,468,639 Advance income tax paid for tribunal 10.03.3 239,285,813 63,168,498 10.03.1 Income Tax on Export 10.03.1 90,525,868 58,707,623 81,205,542 Add: Addition during the year (Section - 53 BBBB of ITO 1984) 31,818,245 22,					
Overseas Packers & Shippars Ltd. - 1,003,752 Millmark Associates 649,825 - BROTHERS TRADING 975,000 - Mr. Rashid 2,676,197 1,388,439 Mr. Sunny 238,286 117,545 BG Filtration Gmbh 137,876 2,719,721 Encon 87,500 145,131 Mr. Siddik 464,970 1,190,798 MjL Bangladesh Ltd 239,040 - Local Purchase 274,096 937,069 Others 2,944,630 1,710,303 10.03 Advance income Tax 28,659,979 19,166,248 Tax on Interest Received (Bank) 10.03.1 90,525,868 58,707,623 Tax on Interest Received (Bank) 10.03.2 11,286,012 2,468,639 Advance income tax paid for tribunal 10.03.2 11,286,012 2,468,639 Advance income tax paid for tribunal 10.03.2 11,286,012 2,468,639 Advance income Tax on Export 58,707,623 341,097,692 124,344,760 Dening Balance 58,707,623 81,205,542 Add: Addition during the year (Sectio				4,017,430	-
Millmark Associates 649,825 BROTHERS TRADING 975,000 Mr. Rashid 2,676,197 1,388,439 Mr. Sunny 238,286 117,545 BG Filtration Gmbh 137,876 2,719,721 Encon 87,500 145,131 Mr. Siddik 464,970 1,190,798 MJL Bangladesh Ltd 239,040 - Local Purchase 274,096 937,069 Others 2,944,630 1,710,303 10.03 Advance income Tax 2,944,630 1,710,303 Tax on Interest Received (Bank) 10.03.1 90,525,868 58,707,623 Tax on Interest Received (Bank) 10.03.2 11,286,012 2,468,639 Advance income tax paid for tribunal 10.03.3 239,285,813 63,168,498 10.03.1 Income Tax on Export 58,707,623 81,205,542 Add: Addition during the year (Section - 53 BBBB of ITO 1984) 31,818,245 22,696,178 Less: Adjustment against provision for previous years AIT (45,194,096)		Rieter Maschinenfabrik Rieter Ag		53,836	2,308,727
BROTHERS TRADING 975,000 - Mr. Rashid 2,676,197 1,388,439 Mr. Sunny 238,286 117,545 BG Filtration Gmbh 137,876 2,719,721 Encon 87,500 145,131 Mr. Siddik 464,970 1,190,798 MJL Bangladesh Ltd 239,040 - Local Purchase 274,096 937,069 Others 2,944,630 1,710,303 Others 2,944,630 1,710,303 Income Tax on Export 10.03.1 90,525,868 58,707,623 Tax on Interest Received (Bank) 10.03.2 11,286,012 2,468,639 Advance income tax paid for tribunal 10.03.2 11,286,012 2,468,639 Advance income tax paid for tribunal 10.03.2 11,286,012 24,468,639 10.03.1 Income Tax on Export 58,707,623 81,205,542 Add: Addition during the year (Section - 53 BBBB of ITO 1984) 31,818,245 22,696,178 Less: Adjustment against provision for previous years AIT (45,194,096)				-	1,003,752
Mr. Rashid 2,676,197 1,388,439 Mr. Sunny 238,286 117,545 BG Filtration Gmbh 137,876 2,719,721 Encon 87,500 145,131 Mr. Siddik 464,970 1,190,798 MJL Bangladesh Ltd 239,040 - Local Purchase 274,096 937,069 Others 2,944,630 1,710,303 28,659,979 19,166,248 10.03 Advance income Tax 10.03.1 90,525,868 58,707,623 Tax on Interest Received (Bank) 10.03.2 11,286,012 2,468,639 Advance income tax paid for tribunal 10.03.3 239,285,813 63,168,498 10.03.1 Income Tax on Export 341,097,692 124,344,760 Opening Balance 58,707,623 81,205,542 Add: Addition during the year (Section - 53 BBBB of ITO 1984) 31,818,245 22,696,178 Less: Adjustment against provision for previous years AIT (45,194,096)					
Mr. Sunny 238,286 117,545 BG Filtration Gmbh 137,876 2,719,721 Encon 87,500 145,131 Mr. Siddik 464,970 1,190,798 MJL Bangladesh Ltd 239,040 - Local Purchase 274,096 937,069 Others 2,944,630 1,710,303 28,659,979 19,166,248 Income Tax on Export 10.03.1 90,525,868 58,707,623 Tax on Interest Received (Bank) 10.03.2 11,286,012 2,468,639 Advance income tax paid for tribunal 10.03.3 239,285,813 63,168,498 10.03.1 Income Tax on Export 341,097,692 124,344,760 Opening Balance 58,707,623 81,205,542 Add: Addition during the year (Section - 53 BBBB of ITO 1984) 31,818,245 22,696,178 Less: Adjustment against provision for previous years AIT (45,194,096)					4 200 420
BG Filtration Gmbh 137,876 2,719,721 Encon 87,500 145,131 Mr. Siddik 464,970 1,190,798 MJL Bangladesh Ltd 239,040 - Local Purchase 274,096 937,069 Others 2,944,630 1,710,303 28,659,979 19,166,248 10.03 Advance income Tax 10.03.1 90,525,868 58,707,623 Tax on Interest Received (Bank) 10.03.2 11,286,012 2,468,639 Advance income tax paid for tribunal 10.03.3 239,285,813 63,168,498 10.03.1 Income Tax on Export 341,097,692 124,344,760 10.03.1 Income Tax on Export 58,707,623 81,205,542 Add: Addition during the year (Section - 53 BBBB of ITO 1984) 31,818,245 22,696,178 Less: Adjustment against provision for previous years AIT - (45,194,096)					
Encon 87,500 145,131 Mr. Siddik 464,970 1,190,798 MJL Bangladesh Ltd 239,040 - Local Purchase 274,096 937,069 Others 2,944,630 1,710,303 28,659,979 19,166,248 Income Tax on Export 10.03.1 90,525,868 58,707,623 Tax on Interest Received (Bank) 10.03.2 11,286,012 2,468,639 Advance income tax paid for tribunal 10.03.3 239,285,813 63,168,498 10.03.1 Income Tax on Export 341,097,692 124,344,760 Opening Balance 58,707,623 81,205,542 Add: Addition during the year (Section - 53 BBBB of ITO 1984) 31,818,245 22,696,178 Less: Adjustment against provision for previous years AIT - (45,194,096)		,			
Mr. Siddik 464,970 1,190,798 MJL Bangladesh Ltd 239,040 - Local Purchase 274,096 937,069 Others 2,944,630 1,710,303 10.03 Advance income Tax 28,659,979 19,166,248 Income Tax on Export 10.03.1 90,525,868 58,707,623 Tax on Interest Received (Bank) 10.03.2 11,286,012 2,468,639 Advance income tax paid for tribunal 10.03.3 239,285,813 63,168,498 10.03.1 Income Tax on Export 341,097,692 124,344,760 10.03.1 Income Tax on Export 58,707,623 81,205,542 Add: Addition during the year (Section - 53 BBBB of ITO 1984) 31,818,245 22,696,178 Less: Adjustment against provision for previous years AIT (45,194,096)					
MJL Bangladesh Ltd 239,040 - Local Purchase 274,096 937,069 Others 2,944,630 1,710,303 28,659,979 19,166,248 10.03 Advance income Tax Income Tax on Export 10.03.1 90,525,868 58,707,623 Tax on Interest Received (Bank) 10.03.2 11,286,012 2,468,639 Advance income tax paid for tribunal 10.03.3 239,285,813 63,168,498 10.03.1 Income Tax on Export Opening Balance 58,707,623 81,205,542 Add: Addition during the year (Section - 53 BBBB of ITO 1984) 31,818,245 22,696,178 Less: Adjustment against provision for previous years AIT (45,194,096)					
Local Purchase Others 274,096 2,944,630 937,069 1,710,303 Others 2,944,630 1,710,303 10.03 Advance income Tax Income Tax on Export 10.03.1 90,525,868 58,707,623 Tax on Interest Received (Bank) 10.03.2 11,286,012 2,468,639 Advance income tax paid for tribunal 10.03.3 239,285,813 63,168,498 10.03.1 Income Tax on Export Opening Balance 58,707,623 81,205,542 Add: Addition during the year (Section - 53 BBBB of ITO 1984) 31,818,245 22,696,178 Less: Adjustment against provision for previous years AIT (45,194,096)					-
28,659,979 19,166,248 10.03 Advance income Tax 10.03.1 90,525,868 58,707,623 Tax on Interest Received (Bank) 10.03.2 11,286,012 2,468,639 Advance income tax paid for tribunal 10.03.3 239,285,813 63,168,498 10.03.1 Income Tax on Export 341,097,692 124,344,760 Opening Balance 58,707,623 81,205,542 Add: Addition during the year (Section - 53 BBBB of ITO 1984) 31,818,245 22,696,178 Less: Adjustment against provision for previous years AIT (45,194,096)					937,069
10.03 Advance income Tax Income Tax on Export 10.03.1 90,525,868 58,707,623 Tax on Interest Received (Bank) 10.03.2 11,286,012 2,468,639 Advance income tax paid for tribunal 10.03.3 239,285,813 63,168,498 341,097,692 124,344,760 10.03.1 Income Tax on Export Opening Balance 58,707,623 81,205,542 Add: Addition during the year (Section - 53 BBBB of ITO 1984) 31,818,245 22,696,178 Less: Adjustment against provision for previous years AIT (45,194,096)		Others		2,944,630	1,710,303
Income Tax on Export 10.03.1 90,525,868 58,707,623 Tax on Interest Received (Bank) 10.03.2 11,286,012 2,468,639 Advance income tax paid for tribunal 10.03.3 239,285,813 63,168,498 341,097,692 124,344,760 Dening Balance 58,707,623 81,205,542 Add: Addition during the year (Section - 53 BBBB of ITO 1984) 31,818,245 22,696,178 Less: Adjustment against provision for previous years AIT (45,194,096)				28,659,979	19,166,248
Tax on Interest Received (Bank) 10.03.2 11,286,012 2,468,639 Advance income tax paid for tribunal 10.03.3 239,285,813 63,168,498 341,097,692 124,344,760 10.03.1 Income Tax on Export Opening Balance 58,707,623 81,205,542 Add: Addition during the year (Section - 53 BBBB of ITO 1984) 31,818,245 22,696,178 Less: Adjustment against provision for previous years AIT (45,194,096)	10.03	Advance income Tax			
Advance income tax paid for tribunal 10.03.3 239,285,813 63,168,498 341,097,692 124,344,760 10.03.1 Income Tax on Export		Income Tax on Export	10.03.1	90,525,868	58,707,623
341,097,692 124,344,760 10.03.1 Income Tax on Export Opening Balance 58,707,623 81,205,542 Add: Addition during the year (Section - 53 BBBB of ITO 1984) 31,818,245 22,696,178 Less: Adjustment against provision for previous years AIT (45,194,096)		Tax on Interest Received (Bank)	10.03.2	11,286,012	2,468,639
10.03.1 Income Tax on Export 58,707,623 81,205,542 Opening Balance 58,707,623 81,205,542 Add: Addition during the year (Section - 53 BBBB of ITO 1984) 31,818,245 22,696,178 Less: Adjustment against provision for previous years AIT - (45,194,096)		Advance income tax paid for tribunal	10.03.3	239,285,813	
Opening Balance 58,707,623 81,205,542 Add: Addition during the year (Section - 53 BBBB of ITO 1984) 31,818,245 22,696,178 Less: Adjustment against provision for previous years AIT - (45,194,096)				341,097,692	124,344,760
Add: Addition during the year (Section - 53 BBBB of ITO 1984) 31,818,245 22,696,178 Less: Adjustment against provision for previous years AIT (45,194,096)					
Less: Adjustment against provision for previous years AIT - (45,194,096)		. •			
		· · · · · · · · · · · · · · · · · · ·		31,818,245	22,696,178
Closing Balance 90,525,868 58,707,623			AIT	-	(45,194,096)
		Closing Balance		90,525,868	58,707,623



-	Notes	Amoun	ts in Taka
	Notes	30 June 2022	30 June 2021
10.03.2 Tax on Interest Received (Bank)			
Opening Balance		2,468,639	6,666,174
Add: Addition during the year (Section - 53 F of ITO 198-	4)	8,817,372	1,365,184
Less: Adjustment against provision for previous years A	IT	+	(5,562,718)
Closing Balance		11,286,012	2,468,639

Advance tax represents tax deducted at source @0.50 % on export proceed under section 53BBBB of ITO 1984 and @10% on interest received from bank under section 53F of ITO 1984.

10.03.3 Advance income tax paid for tribunal		
Opening Balance	63,168,498	43,647,663
Add: Addition during the year	176,117,315	61,418,719
Less: Adjustment during the year	-	(41,897,884)
Closing Balance	239,285,813	63,168,498
Closing balance details as bellows:		
Income tax paid for tribunal for the year 2011 -2012	1,682,663	1,682,663
Income tax paid for the year 2016 -2017	1,113,570	-
Income tax paid for the year 2017 -2018	3,919,277	1,540,000
Income tax paid for the year 2018 -2019	22,407,166	6,000,000
Income tax paid for the year 2019 -2020	16,445,835	16,445,835
Income tax paid for the year 2020 -2021	103,717,302	37,500,000
Income tax paid for the year 2021 -2022	90,000,000	
	239,285,813	63,168,498
10.04 Security deposit for Utilities		
Margin Against Bank Guarantee (Titas Gas)	42,740,655	42,740,655
Central Depository Bangladesh Ltd (CDBL)	500,000	500,000
Security Deposit for Electricity	5,133,040	3,133,040
	48,373,695	46,373,695

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

	1-3 Months	3-6 Months	6 Months above
Salary & Allowances	-	-	1,648,900
Construction	-	1,157,150	88,042
Expenses	=	28,659,979	

- 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 except tk. 1,736,942 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.

11 Materials in transit			
Margin and deposit (Raw Cotton)	11.01	62,615,810	406,621,294
		62,615,810	406,621,294

	-			1
		Notes	Amounts 30 June 2022	30 June 2021
	11.01 Margin and deposit (Raw Cotton)		30 Julie 2022	30 Julie 2021
	Margin against Cotton		4,129,271	6,161,071
	Margin Against Cotton Margin Against Bank Guarantee		13,127,773	12,495,783
	Materials In Transit		45,358,766	387,964,441
	iviaterials iii ii arisit		62,615,810	406,621,294
12	Cash and bank balances		02,013,010	400,021,254
12				
	Cash in hand		2,334,032	1,459,044
	Balance in BO Account		10,446	2,132
	Term Deposit		11,515,800	11,515,800
	Bank balances with:			
	Islami Bank Bangladesh Ltd			
	Current account		1,208,773	176,400
	Marginal deposit Account (Special)		52,531	52,531
	Marginal deposit Account (Normal)		350,558	351,398
	Marginal deposit Under Reserve		144,466	144,466
	Foreign currency account		9,259	8,403
	Exim Bank Ltd, STD account		5,901,840	(4,495,102)
	Mercantile Bank Ltd			
	STD account		42,690	44,387
	Foreign currency account		77,828	70,634
	HSBC Bank Ltd			
	STD account		7,230,283	5,916,550
	Foreign currency account		353,149,084	162,125,430
	The City Bank Ltd			
	STD account		2,230,808	146,292
	Foreign currency account		67,185	60,975
	Prime Bank Ltd			
	STD account		1,292,760	1,296,450
	Foreign currency account		150,289	136,398
	Standard Chartered Bank - STD account		947,180	1,481,618
	Dutch-Bangla Bank Limited - STD account		1,793,937	391,292
	BRAC Bank Ltd			
	STD account		18,750,513	16,786,043
	Foreign currency account		44,079,799	81,669,520
	Jamuna Bank Limited			
	STD account		136,151	388,892
	Foreign currency account		592,001	50,867,012
	Mutual Trust Bank Ltd			
	STD account		1,873,257	670,554
			453,941,471	331,267,118
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		. , ,	
	·		974 999 999	074 000 000
	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	78	130,157	0.13
Local Institutions	147	41,451,375	42.52
General Public	5,857	23,991,468	24.61
Total	6,090	97,490,000	100.00

Distribution schedule of each class of equity setting out the number of holders and percentage as on June 30, 2022:

Range of Holdings	Number of	Number of	Percentage of
Range of Holdings	Shareholders	shares	Share Holding (%)
Less than 500 shares	4,071	733,068	0.75
500 to 5,000 shares	1,451	2,613,999	2.68
5,001 to 10,000 shares	272	2,138,997	2.19
10,001 to 20,000 shares	148	2,218,975	2.28
20,001 to 30,000 shares	35	878,427	0.90
30,001 to 40,000 shares	20	692,298	0.71
40,001 to 50,000 shares	22	1,022,362	1.05
50,001 to 100,000 shares	26	1,969,330	2.02
100,001 to 1,000,000 shares	26	6,803,187	6.98
Over 1,000,000 shares	19	78,419,357	80.44
Total	6,090	97,490,000	100

		_	Notes	Amount	s in Taka
		_	Notes	30 June 2022	30 June 2021
14	Share Premium				
	No. of Shares	Premium Amount			
	34,100,000	Tk. 27		920,700,000	920,700,000
15	Retained earnings				
	Opening balance			1,850,457,160	1,389,083,255
	Retrospective adjustr	ment for IFRS 16 Recognition		-	(2,226,513)
				1,850,457,160	1,386,856,742
	Add: Profit made dur	ing the year		1,051,760,851	615,399,328
	Less: Dividend Paid			(389,960,000)	(175,482,000)
	Depreciation on Reva	alued Assets		19,138,584	20,593,992
	` '	tax on revaluation reserve	34.02	2,494,414	3,089,099
	Balance at 30 June	2022		2,533,891,008	1,850,457,160
16	Revaluation reserv	/es			
	This balance consists	of as follows:			
	Balance at the beginr	ning of the year		1,500,232,234	1,520,826,225
	Addition during the y	ear		-	-
				1,500,232,234	1,520,826,225
	Depreciation on Reva	alued Assets		(19,138,584)	(20,593,992)
	Balance at 30 June	2022		1,481,093,650	1,500,232,234
17	Long Term bank lo	an			
	Off Shore Loan & UP	AS		1,054,404,943	205,141,666
	Less: Current portion	of long term loan		(1,054,404,943)	(205,141,666)
				-	-

Bank	Loan Account	Particulars
		Nature: One off Term Loan
		Limit: Tk.355 million
		Purpose: One-off term loan to retire machinery import documents.
HSBC	Off Shore Loan	Tenure: 5 Years, including moratorium period of 1 year.
		Repayment Clause: Equal monthly instalments.
		Interest Rate:3.8% Plus LIBOR
		Security Agreement: For security arrangement kindly refer to note No. 21.
		Nature: Project Finance
		Limit: Tk.125 million
		Purpose: To import and retire capital machinery and equipment.
		Tenure: 360 days max or as per BBK/BIDA Approval Repayment Clause: ULC/SLC/Acceptance liability will be adjusted on maturity from term finance facility to be arranged by DEG.
		Security Agreement:
		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.
		2. Present ranking charge with RJSC on imported plant and machinery for BDT 110.00 Crore.
The City Bank Limited	ULC/SLC/Acceptance	3. Lien of shares of MSMPLC 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 2022	30 June 2021
Lease liability			
Opening Balance		8,612,827	10,875,255
Add: Addition during the year			
Add: Interest charged for the period		668,474	886,958
Less: Lease payment during the Year		3,384,046	3,149,386
Less: Current portion of Lease liability		3,501,376	2,715,572
Closing Balance		2,395,879	5,897,255

This represents the application of IFRS 16 as current lease agreement will be expired on 30 April, 2024 and accordingly, the full amount of lease obligation is a part of current portion. However, we have calculated the lease liability excluding non-refundable VAT.

19 Deferred Tax Liability

18

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	2,666,987,734	2,749,200,922
Tax base	1,571,492,383	1,655,347,859
Taxable Temporary difference	1,095,495,351	1,093,853,063
Applicable tax rate (As per SRO 193 dated 30 June 2015 for Textile Sector.)	15%	15%
Deferred tax liability on historical cost	164,324,303	164,077,959
B. Deferred tax liability against revaluation reserve:		
i) Deferred tax liability against revaluation reserve other than	n land	
Carrying amount other than land	330,521,879	349,660,462
Tax base	-	-
	330,521,879	349,660,462
Applicable tax rate (As per SRO 193 dated 30 June 2015 for Textile	15%	15%
Sector)	40 570 000	
	49,578,282	52,449,069
ii) Deferred tax liability on capital gain against revaluation of	land	
Carrying amount other than building & others.	1,371,505,300	1,358,959,500
Tax base	-	-
	1,371,505,300	1,358,959,500
Applicable tax rate (3% As per section 53 H of ITO 1984)	3%	3%
	41,145,159	40,768,785
Deferred tax liability against revaluation reserve B (i + ii)	90,723,441	93,217,854
C. Deferred tax liability on Right-of-Used (ROU) Assets:		
Carrying amount of PV of lease obligation	5,897,255	8,612,827
Carrying amount Right to Use Assets	4,865,928	7,520,070
Taxable Temporary difference	1,031,327	1,092,757
Applicable tax rate (As per SRO 193 dated 30 June 2015 for Textile Sector.)	15%	15%
Deferred tax liability on Lease	154,699	163,914
Total Deferred tax liability (A + B+ C)	255,202,443	257,459,727
• •		

		Notes	Amounts	s in Taka
		Notes	30 June 2022	30 June 2021
20	Accounts payable			
	Suppliers	20.01	99,637,304	78,048,648
	Expenses	20.02	79,892,132	57,014,826
	Others	20.03	522,555	205,829
			180,051,991	135,269,304

20.01 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
Pioneer Insurance Company Ltd	69,255	3,940,897
Mita Engineering Limited	30,750	30,750
Ebrahim & Sons	477,373	1,383,408
Chandpur Hardware Store	1,052,044	1,147,403
Shinpower	625,795	2,137,686
Color City Ltd.	10,819,354	1,087,471
Dbl Ceramics Ltd.	5,930,918	358,551
Nde Steel Structures Ltd.	856,458	1,104,325
Scube Technologies Ltd.	8,004,150	-
Ali Enterprise	568,841	568,841
Nusrat Packaging	-	122,440
Mukul Enterprise	577,500	276,000
M.B. Steel Corporation	313,614	236,676
Mozumder Transport Agency	1,750,200	-
Rising Corporation	2,576,914	1,005,182
Rbd Fibers Limited	1,634,850	-
Kati Bangladesh Ltd	1,146,974	=
Energypac Engineering Ltd.	1,600,000	=
M.M. Paper Product	121,888	142,100
Lafarge Surma Cement Ltd.	291,840	291,840
H.M Transport Agency	573,200	650,600
Green Power Electric	118,602	102,722
Patwary Trade & Co.	113,787	149,405
Jinnat Fashions Ltd.	250,000	250,000
Dbl Distribution Ltd	24,294,579	23,944,202
DBL Lifestyle Ltd	226,263	-
Kapita Auto Bricks Limited	254,664	254,664
Shamsuddin Engineering Works	2,780,083	=
Joya Traders	-	855,419
Encon	717,391	1,197,133
Ma Enterprise (Ebrahim)	155,346	1,228,479
Kati Bangladesh Ltd	948,000	-
Arefin Motors	-	2,900
Soronica Paper Products	837,800	433,350
Gph Ispat Ltd.	946,000	-
Independent Enterprise	1,358,380	1,624,707
Unique Cement Fibre Industries Ltd.	776,250	-
Shah Ali Metal	381,870	150,579
Sigma Pumps Ltd.	530,000	-



		Amounts in Taka	
	Notes	30 June 2022	30 June 2021
Aqua Care Trading	-	831,490	863,035
M.R. Enterprise		766,727	-
Lohajong Steel Corporation		-	1,961,321
Lafarge Holcim Bangladesh Limited		780,000	4,201,950
Siemens Bangladesh Ltd.		620,000	620,000
Dhaka Concrete		-	1,423,527
Tyre & Battery Bazar		106,615	90,370
Rafin Paper Tube		284,686	555,163
Others		22,536,854	23,054,374
Total		99,637,304	78,048,648
20.02 Payable for expenses			
Salary & allowances		33,394,562	27,111,113
Audit fees		833,750	833,750
Gas bill		14,501,149	18,316,530
Electricity bill		8,173,750	7,173,650
Welfare Fund		249,072	449,072
Provident Fund		480,472	491,269
Provision for interest on Loan		21,525,107	1,656,347
Un-Applied Receipts		734,269	983,095
		79,892,132	57,014,826

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

20.03 Payable for others		
Tax deducted at source (Salary)	520,331	182,704
VAT Deducted at source (on Suppliers bill)	2,224	23,125
	522,555	205,829
21 Short term bank loan		
UPAS / EDF Loan (Raw Cotton)	2,473,826,671	2,086,895,330
Working Capital Loan	13,176,911	51,137,500
	2,487,003,581	2,138,032,830

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

Bank	Loan Account	Particulars
		Lender: HSBC
		Nature: EDF
		Limit: Tk 2,500 million
		Purpose: Import of Raw Cotton
		Tenure: 180 days for Clean Import Loan (CIL) & 30
	Export Development Fund (EDF)/ UPAS	days for sight (SGT)
		Rate of interest: @ 2.00%
HSBC		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.

Bank	Loan Account	Particulars		
		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.		
	UPAS	Tenure: 360 days		
	UPAS	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. Lender: HSBC		
		Nature: Bill Discounting		
		Limit: USD 10 million		
		Purpose: To discount maximum 90% of export bills		
	Bill Discounting	against local bank acceptance (acceptable to HSBC)		
	Sin Biscoarienig	with recourse to the borrower(s).		
		Tenure: 120 days		
HSBC		Rate of interest: Interest will be charged on daily		
		balances @1.92% per annum.		
	Security Arrangement:			
	1. Demand promissory note for Tk 4,487,500,000 with letter of continuity & revival.			
		Mr. Abdul Wahed, Mr. M.A. Jabbar, Mr. M.A. Rahim and 00,000 each supported by personal net worth/wealth		
	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 Finis Goods and Book Debts / Receivables with The Registrar of Joint Stock Companies Firms (RJSC) on pari passu basis with other lender(s). HSBC's share is Tk 2,945,000,0			
	7. Power of Attorney for Back to Ba	ck facility.		
	8. 'Letter of Lien over Deposits with	n Authority to Encash' obtained.		
	9. Registered Mortgage for Tk 1,210,000,000.00 over 802.50 decimals land and structure thereon situated at Mouza: Gobindabari, PS. & Sub- registry office: Sadar, Gazipur, in the name of Matin Spinning Mills PLC held for the term loan facilities extended to Matin Spinning Mills PLC. In this regard, Irrevocable General Power of Attorney to be obtained.			
	ation of property mortgaged in favour of bank under d.			



Bank	Loan Account	Particulars		
	F 1	Lender: BRAC BANK		
		Nature: EDF		
		Limit: Tk 1000 million		
	Export Development Fund (EDF)/ UPAS	Purpose: Import of Raw Cotton		
	0170	Tenure: 180 days from the date of creation of each		
		contract.		
		Rate of interest: @ 2.00%.		
	Security Arrangement:			
		e on Pari Passu basis) over all present & future floating ots of the Company with RJSC,along with Notarized IGPA		
	BBL's Charge has been filed with RJ BDT 1110 Million.	SC for BDT 510.00 Million, which to be enhanced up to		
	Pari Passu Security Sharing Agreement (PPSSA) executed amongst BBL,HSBC & the Borrower, for sharing floating assets.			
	Support:			
BRAC BANK	 a) Corporate Guarantee to be executed Jinnat Knitwears Ltd in support Ib b) Basic Charge Documents (I,e. De Letter of Arrangement, Genera Debit Authority), to be executed of the Borrower. c) Trust Receipt ot be executed for support of Board Resolution of Id) Counter Guarantee to be executed limit (s), in support of Board Resolution Counter Guarantee (HTL, MTL, DBTL limit subject to pre-fact clearance) 	ed for BDT 50.00 Million,i,e. covering the Bank Guarantee olution of the Borrower. Accep.EDF,BG,BP can be utilized by hiving off among the ,MSMPLC,CCL,PPPL and TPWL) within group approved te by bank's competent authorities.		
	Security/Support covering the credit facilities under Working Capital Stimulus			
	 Package under facility No 1 (c) above, which shall continue: Basic Charge Documents (i.e. Demand Promissory Note, Letter of Continuity and Revival, Letter of Arrangement, General Loan Agreement, Letter of Disbursement & Letter of Debit Authority), executed for BDT 50,000000.00 only, in support of Board Resolution of the Borrower. MICR Cheque obtained for BDT 50,000000.00 along with Irrevocable Letter of authority to complete the Cheque. 			

Bank	Loan Account	Particulars		
		Lender: JAMUNA BANK		
		Nature: EDF		
		Limit: Tk 450 million		
	Export Dovelopment Fund (FDF)	Purpose: Import of Raw Cotton		
	Export Development Fund (EDF)	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%		
	Security Arrangement:			
JAMUNA BANK	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.			
	2. Corporate Guarantee of Jinnat Apparels Limited (sister concern of the customer) supported by Board Resolution, MoA and AoA.			
	3. Security cheques each limit with	n letter of approach duly signed by authorized persons.		
	4. Charge with RJSC on floating assets (present & future value) of the company.			
	5. Usual charge documents.			

		Notes	Amounts in Taka	
		Notes	30 June 2022	30 June 2021
22	Current portion of long term loan			
	Off Shore Loan & UPAS		1,054,404,943	205,141,666
			1,054,404,943	205,141,666
			-	4,553,160

23 Share Application Money

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.

	no. BSEC/CMRRCD/2021-386/03 dated 14 January 2021.			
24	Unclaimed dividend			
	Opening Balance		4,371,032	4,027,296
	Add: Addition during the year		389,960,000	175,482,000
	Less: Paid during the year		(392,295,095)	(175,138,264)
	Closing Balance		2,035,937	4,371,032
25	Provision & accruals			
	Provision for Income Tax	25.01	434,258,641	241,426,481
	Provision for workers' profit participation and welfare funds	25.02	61,649,653	41,546,649
			495,908,294	282,973,130
25.01	Provision for Income Tax			
	Opening Balance		241,426,481	111,884,559
	Add: Provision for taxation for the year (Note - 33)		192,832,161	127,867,668
	Less: Adjustment provision for previous years AIT		-	(50,756,815)
	Less: Adjustment provision for previous years deposi	t	-	(41,897,884)



Natas	Amoun	ts in Taka
Notes	30 June 2022	30 June 2021
Excess/(Short) provision for taxations after final assessme	ent order as below:	
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
	434,258,641	241,426,481
25.02 Provision for workers' profit participation and welfare fun	ds	
Opening Balance	41,546,649	12,079,513
Add: Addition during the year	62,241,507	42,138,503
Less: Paid during the year	(42,138,503)	(12,671,367)
Closing Balance	61,649,653	41,546,649

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.

		Amounts in Taka	
		2021-2022	2020-2021
26	Revenue		
	Carded Yarn	486,578,736	167,686,486
	Combed Yarn	1,919,914,064	1,383,435,999
	Slub Yarn	363,928,840	483,761,212
	Synthetic Yarn	1,440,298,690	1,279,017,885
	Melange Yarn	848,461,065	944,991,688
	Vortex	335,580,239	345,721,771
	Open End	431,827,545	302,534,633
	Twist	174,547,503	113,073,817
	Twisting Services Charges	1,551,612	848,594
		6,002,688,295	5,021,072,086

Quantitative details of sales (KG) 2021-2022

Product Type	Opening Stock (a)	Production (b)	Closing Stock (c)	Sales during the year (a+b-c)
Carded Yarn	2,276	1,586,044	266,200	1,322,120
Combed Yarn	257,320	4,973,602	570,169	4,660,752
Slub Yarn	91,805	799,562	30,131	861,236
Synthetic Yarn	83,811	3,751,558	188,036	3,647,333
Melange Yarn	97,699	1,753,337	83,596	1,767,440
Vortex	16,946	1,007,542	161,228	863,259
Open End	43,023	1,797,545	194,466	1,646,102
Twisted Yarn	11,173	287,276	3,936	294,513
Total	604,050	15,956,466	1,497,761	15,062,755

Turn over in Quantity (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

		-4-1- T-1-
	Notes 2021-2022	unts in Taka 2020-2021
	2021-2022	2020-2021
27 Cost of goods sold		
Raw Material consumption (Note-27.01	3,509,105,8	18 2,977,225,800
Packing materials consumption (Note-2		
Fiber Dyeing	21,400,7	
Manufacturing overhead (Note-27.03)	1,088,588,8	
Cost of goods manufacturing	4,658,501,3	
Opening work-in-process	61,624,8	
Closing work-in-process	(67,172,88	
Cost of production	4,652,953,2	
Opening stock of finished yarn	166,706,6	
Closing stock of finished yarn	(428,909,62	
	4,390,750,2	3,923,961,517
27.01 Raw Material consumption		
Quantity (KG)		
Opening Stock	4,843,4	92 2,937,952
Purchase during the year	20,656,6	82 21,771,326
Raw Material available for consumption	25,500,1	74 24,709,278
Closing Stock	7,235,4	64 4,843,492
Raw Material Consumed	18,264,7	19,865,786
Value (Taka)		
Opening balance	754,617,9	92 465,487,680
Purchase during the year	4,419,505,1	3,266,356,112
Raw Material available for consumption	5,174,123,1	3,731,843,792
Sale of cotton- local		-
Closing balance	(1,665,017,31	
	3,509,105,8	2,977,225,800
27.02 Packing materials consumption		
Opening balance	3,094,4	2,208,327
Purchase during the year	39,756,3	
Packing materials available for consum	ption 42,850,8	38,627,127
Closing balance	(3,444,97	(3,094,460)
	39,405,8	35,532,667
27.03 Manufacturing overhead		
Salary and allowances	275,032,8	78 257,537,013
Repair and maintenance	5,951,1	
BTMA certificate charges	734,8	
Store and spare parts	54,448,0.	
Travelling & Conveyance	453,5.	
Crockeries and Canteen Expenses	696,3	
Fire Fighting Expenses-factory	2,297,0	
Factory stationeries	2,189,5	
Fuel and lubricants	345,8	
Fuel and lubricants- Generator	102,075,6	
Fuel and lubricants- Vehicles	703,8	729,626
Electricity bill	209,791,0	93 98,718,243



		Notes	Amounts 2021-2022	s in Taka 2020-2021
	-			
	Gas bill		156,370,599	213,973,396
	Insurance premium		5,719,203	5,618,548
	Testing fee		256,950	46,430
	Workshop expenses		1,866,180	1,378,439
	Depreciation		269,656,106	282,542,127
			1,088,588,860	985,033,019
28	Other income			
	Foreign currency exchange gain/(loss)		(91,427,203)	11,800,021
	Gain /(Loss) on Investment in marketable securities	es	1,263,250	25,553,414
	Bank interest received		882,007	1,037,581
	Sales of wastage		69,364,786	58,571,237
	Cash Dividend (received on marketable securities)		1,716,757	561,139
	Rental Income	5,376,157		
	Less: Repair and maintenance	(1,612,847)	3,763,310	2,988,720
	Miscellaneous Income		267,705	186,733
			(14,169,388)	100,698,845
29	Administrative expenses			
	Salary and allowances		117,980,641	109,416,300
	Audit fees		833,750	833,750
	AGM Expenses		2,107,065	1,542,382
	Board Meeting Expenses		2,282,500	1,496,000
	Business promotion expenses		22,280,518	14,364,326
	Bank charges and commission		10,296,522	11,936,668
	Ceremonial expense		55,030	30,479
	Certificate and membership fees		3,014,820	1,800,135
	Credit rating expenses		107,500	145,125
	Garden Expenses		19,725	15,831
	Advertisement		1,886,300	1,004,745
	Contribution to Provident Fund		2,376,360	2,073,830
	Managing Directors Remuneration (Note -39.2)		8,400,000	8,400,000
	Entertainment		1,220,516	2,944,462
	Internet charges		50,400	106,750
	Legal expenses		157,050	422.420
	Medicine and medical expenses		120,774	132,420
	News paper and periodicals		56,528	12,852
	Office maintenance		352,689	390,645
	Photocopy and type expenses		545,328	465,323
	Office Stationery Rates and taxes		72,804	234,852
			1,257,517	1,420,044
	Depreciation on Right-of-use (ROU) Asset		2,654,142	2,654,142
	Registration and renewal		2,632,383	2,982,967
	Religious expenses		65,595	46,000
	Staff welfare		68,442	94,038
	Travelling expenses		143,579	-
	Software Expenses Miscellaneous expenses		226,263 1,832,291	7 107 70 <i>6</i>
	Miscellalieons exhelises		1,032,291	2,182,796

			Amounts in Taka	
		Notes	2021-2022	2020-2021
	Power and fuel - vehicles		1,780,842	2,166,991
	Obsolete Raw Materials		-	8,360,909
	Doubtful debts		20,889,569	48,897,310
	VAT Expenses		1,872,799	1,335,537
	Depreciation		29,961,790	31,393,570
	Loss/(Gain) on Fixed Assets adjustment		664,830	2,407,556
	Impairment loss on asset held for sale		-	1,257,607
			238,266,862	262,546,344
30	Distribution expenses			
	Carriage outward		8,549,435	8,227,395
			8,549,435	8,227,395
31	Finance cost			
	Interest expenses			
	Bank Interest on Offshore loan		-	10,091,209
	Bank Interest on term loan		1,472,262	7,775,600
	Bank interest on Export Development Fund/Upas	Cotton	40,307,503	18,430,694
	Interest Expense on Lease Liability		668,474	886,965
	Bank Interest on OD loan		1,432,462	4,950,374
	Bank Interest on loan against export bills		-	13,470
			43,880,702	42,148,312
32	Contribution to workers' profit participation	n funds:		

Allocation for workers' profit participation funds Tk.62,241,507 (2021: Tk. 42,138,503). 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.

192,832,161

6,079,946,110

36,479,677

0.60%

127,867,668

5,121,770,931

30,730,626

0.60%

33 Computation of Taxable Income & Tax Liability thereon

Δ	Tay Payahle on Total Tayahle Income	

•				
Decenciliation of affective tay rate	2021-2022		2020-2021	
Reconciliation of effective tax rate	Percentage	BDT Amount	Percentage	BDT Amount
Profit before tax		1,244,830,140		842,748,860
On Business Income	15.00%	176,350,170	15.00%	108,485,283
On Foreign currency exchange gain/(loss)	20.00%	-	22.50%	2,655,005
On Sales of wastage (balance after setting off business loss)	20.00%	13,872,957	22.50%	13,178,528
On Misc. Income	20.00%	53,541	22.50%	42,015
On Bank interest received	20.00%	176,401	22.50%	233,456
On Cash Dividend (received on marketable securities)	20.00%	343,351	20.00%	112,228
On Gain /(Loss) on Investment in marketable securities	10.00%	1,283,078	10.00%	2,488,691
On Rental Income	20.00%	752,662	22.50%	672,462
Income tax expenses	15.49%	192,832,161	15.17%	127,867,668



Tax Rate

B. Minimum Tax Payable u/s 82C(4)(a)Gross receipts during this year [Schedule-B]

Minimum Tax u/s 82C(4)(a)of ITO 1984

	••	Amount	Amounts in Taka		
	Notes	2021-2022	2020-2021		
	C. Minimum Tax Payable u/s 82C(4)(a)				
	Tax deducted at Source under section 52 BBBB	31,818,245	22,696,178		
		31,818,245	22,696,178		
	Gross Tax Liability (higher of A, B and C)	192,832,161	127,867,668		
	(Excess)/Short provision for taxations after final assessment	nent order as below:			
	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		
	Total Current Tax	192,832,161	222,196,621		
34	Deferred tax for statement of Profit & loss and Statement	ent of other comprehens	ive income		
34.01	Deferred tax for statement of profit & loss				
	A. Deferred tax on Fixed assets:				
	Carrying amount *	2,666,987,734	2,749,200,922		
	Tax base	(1,571,492,383)	(1,655,347,859)		
	Taxable Temporary difference	1,095,495,351	1,093,853,063		
	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 2022	164,324,303	164,077,959		
	Deferred tax liabilities as 01/30 June 2022	(164,077,959)	(158,983,806)		
	Deterred tax habilities 30 june 2021	246,343	5,094,153		
	B. Deferred tax on Right-of-Used (ROU) Assets:				
	Carrying amount of PV of lease obligation	5,897,255	8,612,827		
	Carrying amount Right to Use Assets	4,865,928	7,520,070		
	Taxable Temporary difference	1,031,328	1,092,757		
	Tax rate	15%	15%		
	Deferred tax liabilities as on 30 June 2022	154,699	163,914		
	Deferred tax liabilities 30 June 2021	(163,914)	(105,156)		
	Total Deferred Tax Expenses (A+B)	(9,214)	58,757 5,152,911		
34 02	deferred tax for statement of other comprehensive inco		3,132,311		
34.02	(i) Deferred tax liability against revaluation reserve oth				
			240,660,462		
	Carrying amount other than land Tax base	330,521,879	349,660,462		
	Tax base	330,521,879	349,660,462		
	Applicable tax rate (As per SRO - 193 dated 30 June 2015 for Textile S		15%		
		49,578,282	52,449,069		
	(ii) Deferred tax liability on capital gain on revaluation of				
	Carrying amount other than building & others	1,371,505,300	1,358,959,500		
	Tax base	-	-		
		1,371,505,300	1,358,959,500		
	Applicable tax rate (3% As per section 53 H of ITO 1984)	3%	3%		
		41,145,159	40,768,785		

-	Notes	Amounts in Taka		
_		2021-2022	2020-2021	
Deferred tax liability against revaluation res	erve (i + ii)	90,723,441	93,217,854	
Deferred tax liabilities 30 June 2021		(93,217,854)	(96,306,953)	
Deferred tax for Statement of Other Comprel	nensive Income	(2,494,414)	(3,089,099)	

Deferred tax has been provided on Taxable Temporary difference.

35 Earnings Per Share (EPS)

The computation of EPS is given below:

Diluted counings you should		
Earnings per share (EPS)	10.79	6.31
year end		
Weighted average number of ordinary shares outstanding at the	97,490,000	97,490,000
Earnings attributable to ordinary shareholders	1,051,760,851	615,399,328

35.1 Diluted earnings per share

No diluted earnings per share is required to be calculated for the year as there was no scope for dilution during the year.

	the year.		
36	Net Assets Value (Per Share)		
	Total assets	10,391,089,103	8,282,703,071
	Less: Total current liabilities	(4,222,906,123)	(2,773,056,694)
		6,168,182,980	5,509,646,378
	Deduct:		
	Long Term & deferred liabilities	(257,598,321)	(263,356,982)
		5,910,584,658	5,246,289,395
	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	60.63	53.81
37	Net Operating Cash Flow Per Share		
	Cash flows from operating activities as per statement of cash flows	601,834,617	38,543,671
	Number of Ordinary Share at statement of financial position date	97,490,000	97,490,000
	Net Operating Cash Flow - Per Share	6.17	0.40

38 Board Meetings

During the year from 01.07.2021 to 30.06.2022 five board meetings were held. The attendance status is as follows:

Name of Directors	Position	Meeting Held	Attended	Remarks
Abdul Wahed	Chairman	5	5	
M.A. Jabbar	Managing Director	5	5	
M.A. Rahim	Director	5	5	
M.A. Quader	Director	5	5	
Md. Hassan Imam	Director	5	5	
Selina Parvin	Director	5	5	
Tanzeen Rahim	Director	5	5	
Taslima Begum	Director	5	5	
Md. Abdus Salam FCA, FCS	Independent Director	5	5	
Shamsul Hasan Barrister-at-law	Independent Director	5	5	



^{*} 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.

39 Number of employees & Payments to Directors and Officers

39.1 Number of employees

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

	Officer & Staff		Worker	Total Employee	Amount in Taka
	Head Office	Factory			
2021-22	25	504	1,789	2,318	403,789,879
2020-21	25	439	1,683	2,147	377,427,143

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.

39.2 Payments to Directors and Officers

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

2021-2022					2020-2021	
Particulars	Directors	Managers & Others	Total	Directors	Managers & Others	Total
Basic Salary	5,139,960	64,829,937	69,969,897	5,139,960	60,123,863	65,263,823
House Rent	2,569,980	32,414,969	34,984,949	2,569,980	30,061,931	32,631,911
Conveyance	690,060	8,703,676	9,393,736	690,060	8,071,867	8,761,927
Bonus/ incentives	=	12,032,059	12,032,059	-	11,158,639	11,158,639
Total Salary and allowances	8,400,000	117,980,641	126,380,641	8,400,000	109,416,300	117,816,300

^{*} Directors represent Managing Director only.

40 Contingent Liabilities:

- **a** As on 30 June 2022, Contingent Liability of the Company was Tk. 861,534,622.69 (Tk.1,003,325,372 as at 30 June 2021) for opening of LCs by the banks in favour of foreign suppliers for raw materials and spares.
- **b** There was no facts and figures for which the company has contingent liability to any party other than Bank as on 30 June 2022.

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

	MSMPLC	Melange	Synthetic	Tot	al
	Unit	Unit	Unit	2020-2021	2019-2020
Capacity Installed:					
No. of Spindles Installed	39,600	18,240	15,344	73,184	73,184
Capacity Utilized:					
No. of Spindles Operated	38,175	16,924	14,149	69,248	65,900
Production Capacity: (In Kg) At Equivalent Ave. 28's (Ring) & 16's Count (Rotor)	8,750,000	3,530,000	5,904,534	18,184,534	18,257,000
Actual Production : (In Kg)					
At Equivalent Ave. 28's (Ring) & 16's Count (Rotor)	7,214,971	2,851,154	4,706,139	14,772,265	14,798,647
% of Capacity Utilization	82.46	80.77	79.70	81.24	81.06

42 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:

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

Name of the related party	Relationship	Nature of transaction	Value of transactions (Taka)	Closing balance as of June 30, 2022 (Taka)	Status as of June 30, 2022	Closing balance as of June 30, 2021 (Taka)	Status as of June 30, 2021
Flamingo Fashions Ltd	Sister Concern	Sale of yarn	1,634,672,579	254,769	Debtor	118,706,886	Debtor
Jinnat Fashions Ltd	Sister Concern	Sale of yarn	87,242,736	24,220,561	Debtor	36,139,150	Debtor
Jinnat knitwears Ltd	Sister Concern	Sale of yarn	2,251,993,222	646,833,890	Debtor	356,815,261	Debtor
Jinnat Apparels Ltd	Sister Concern	Sale of yarn	522,538,647	144,624,982	Debtor	14,467,517	Debtor
Mawna Fashions Ltd.	Sister Concern	Sale of yarn	308,385,553	3,461,876	Debtor	24,997,731	Debtor
Hamza Textiles Ltd	Sister Concern	Sale of yarn	130,041,648	6,460,726	Debtor	6,608,437	Debtor
Parkway Printing &	Sister Concern	Sale of yarn	41,303,652	46,968,866	Debtor	6,291,636	Debtor
Packaging Ltd.	Sister Concern	Godown Rent & Others	4,102,494	1,531,172	Debtor	879,671	Debtor
	Sister Concern	Sale of yarn	60,032	60,032	Debtor	-	Debtor
DB Trims Ltd	Sister Concern	Godown Rent & Others	13,750,225	1,542,606	Debtor	166,000	Debtor
DBL Distribution Ltd	Sister Concern	Fuel & Lubricant	93,460,456	24,294,579	Creditor	15,896,116	Creditor
Color City Ltd	Sister Concern	Fiber Dyeing	10,316,918	10,819,354	Creditors	8,099,861	Creditors
DBL Ceramics Ltd	Sister Concern	Tiles	5,572,367	5,930,918	Creditors	124,945	Creditors
Dulal Brothers Ltd	Sister Concern	Sale of yarn	4,689,705	4,689,705	Debtor	-	-
DBL Life Style Ltd	Sister Concern	Services	226,263	226,263	Creditors		
DBL Textile Recycling Ltd.	Sister Concern	Rental Income	1,008,007	1,008,007	Debtor	-	-

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



43 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	=	4,419,505,141	4,419,505,141	3,509,105,818	94.90%
Stores and Accessories	-	77,725,207	77,725,207	149,335,540	4.04%
Packing Materials	39,756,379	-	39,756,379	39,405,860	1.07%
Capital Machinery	-	157,855,276	157,855,276	-	=
Total	39,756,379	4,655,085,624	4,694,842,003	3,697,847,218	100.00%

FOB Value of export

The FOB value of export is as follows:

	202	1-22	202	0-21
Particular	In foreign currency \$	In Taka	In foreign currency \$	In Taka
Export	69,395,240	6,002,688,295	59,810,269	5,021,072,086

		Amoun	ts in Taka
		2021-22	2020-21
44	Reconciliation of net operating cash flow		
	Cash Flow from Operations		
	Net income	1,051,760,851	615,479,288
	Less: Dividend Income transfer to investing activities	(1,716,757)	
	Less: Interest on FDR and Bank Accounts transfer to	(882,007)	(1,037,581)
	investing activities Less: Effects of foreign currency translation gain /(loss)	(23,326,828)	-
	Depreciation and amortization	299,617,896	313,935,696
	Depreciation on Right-of-Used (ROU) Assets	2,654,142	-
	Decrease (increase) in current assets	(921,845,287)	(1,021,086,088)
	Decrease (increase) in current liabilities	237,029,978	166,201,776
	Deferred tax liability	(2,257,285)	2,005,055
	Unrealized gain/(loss)	(1,166,280)	17,672,862
	Capital expenditure	664,829	(60,724,657)
	Decrease (increase) in Revaluation Reserve	21,632,997	23,683,090
	Gain /(Loss) on Investment in marketable securities	(1,271,564)	(22,918,199)
	Proceeds from Asset held for sale	-	(192,393)
	Accrued Interest shown in investing activities	580,224	726,494
	Capital work-in-process	(59,640,291)	5,359,466
	Cash flow from operating activities	601,834,617	38,543,671

- 45 Previous year's figures have been rearranged, wherever considered necessary, to conform to current year's presentation.
- 46 Figures are rounded off to the nearest Taka.

47 Event after the reporting period

The Board of Directors of Matin Spinning Mills PLC, at its 133 meeting held on October 20, 2022 proposed Tk. 5 per share amounting to a total of Tk.487,450,000 as cash dividend for the year ended 30 June 2022, which represents 50% of the paid up Capital. This dividend is subject to final approval by the shareholders at the forthcoming Annual General Meeting of the Company.

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	 Amendments to references to conceptual framework in IFRS standards Amendments to IFRS 3: Business Combinations of definition of business Amendments to IAS 1: Presentation of Financial Statements and IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors of definition of material.
Effective for year beginning 1 January 2021	IFRS 17: Insurance Contracts
	• Amendments to IFRS 10: Consolidated Financial Statements and IAS 28:
indefinitely / available for	Investments in Associates and Joint Ventures on sale or contribution of assets
optional adoption	between an investor and its associate or joint venture

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

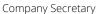
Chairman Mar

Managing Director

M. A. Jabbar Mohammad Emarot Hossain FCA,FCS

Chief Financial Officer

Md. Shah Alam Miah FCS



Matin Spinning Mills PLC Details of property, plant and equipment

For the year ended 30 June 2022

Annex i

			Cost				Depreciation	Ud		Written
Name of the assets	At 01 July 2021	Addition during the year	Adjustment/ disposal during the year	Total at 30 June 2022	Rate %	At 01 July 2021	Charge for the year	Adjustment during the year	Total at 30 June 2022	down value at 30 June 2022
Land and land development	160,426,166	12,545,800	I	172,971,966	%0	ı	,	1	ı	172,971,966
Factory building	694,974,463	5,759,260	ı	700,733,723	2%	220,675,620	23,720,369	1	244,395,989	456,337,734
Godown	116,095,164	2,797,584	ı	118,892,748	10%	39,572,045	7,636,367	1	47,208,412	71,684,336
Plant and machinery	3,997,025,541	157,855,276	ı	4,154,880,817	10%	2,178,435,927	189,475,062	1	2,367,910,989	1,786,969,828
Furniture and fixtures	3,871,294	3,047,748	ı	6,919,042	10%	2,700,194	133,124	1	2,833,318	4,085,724
Sub Station (Machinery)	386,431,498	2,691,328	ı	389,122,826	15%	221,327,868	24,936,663	1	246,264,530	142,858,295
Gas Generator	316,407,375	10,871,996	ı	327,279,371	15%	149,395,102	25,308,852	1	174,703,954	152,575,417
Office equipments	77,239,799	15,203,807	765,000	91,678,606	15%	39,799,508	6,756,188	100,171	46,455,525	45,223,082
Vehicles	67,643,349	1	ı	67,643,349	20%	55,079,907	2,512,688	1	57,592,596	10,050,753
Total at 30 June 2022	5,820,114,648 210,772,799	210,772,799	765,000	765,000 6,030,122,447	ı II	2,906,986,171 280,479,312	280,479,312	100,171	100,171 3,187,365,312 2,842,757,135	2,842,757,135

B) Revalued Assets (Revaluation Reserve Component)

At 01 July during the 2021 year year year 1,198,533,334 - 1 405,031,744 - 1 41,653,543 - 1	Revaluation		Depreciation	<u>_</u>		Written
1,198,533,334 405,031,744 41,653,543	ustment/ lisposal Total at 30 Rate Iring the June 2022 % year	Rate At 01 July % 2021	Charge for the year	Adjustment during the year	Total at 30 June 2022	down value at 30 June 2022
1,198,533,334 405,031,744 41,653,543						
405,031,744 41,653,543	- 1,198,533,334	%0	1	ı	ı	1,198,533,334
41,653,543	- 405,031,744	5% 88,482,49	88,482,492 15,827,463	1	104,309,955	300,721,789
700 070 170 7	- 41,653,543	10% 8,542,333	33 3,311,121	ı	11,853,454	29,800,089
•	- 1,645,218,621	97,024,82	97,024,825 19,138,584	•	116,163,408	116,163,408 1,529,055,213
Total (A+B) at 30 June 2022 7,465,333,269 210,772,799 765,000 7,675,341,	765,000 7,675,341,068	3,004,010,99	3,004,010,996 299,617,896	100,171 3,3	303,528,721	100,171 3,303,528,721 4,371,812,348

Allocation of deprecation:	Year ended 30 June 2022
Manufacturing overhead @ 90%	269,656,106
Administrative overhead @ 10%	29,961,790
	299,617,896

-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 PLC

Details of property, plant and equipment

For the year ended 30 June 2021

Annex ii

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

B) Revalued Assets (Revaluation Reserve Component)

		Reval	aluation				Depreciation	ud		Written
Name of the assets	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	down value at 30 June 2021
Land and land development 1,198,533,334	1,198,533,334	ı	ı	1,198,533,334	%0	1	ı	1	ı	1,198,533,334
Factory building	405,031,744	ı	ı	405,031,744	2%	71,741,459	71,741,459 16,741,033	1	88,482,492	88,482,492 316,549,252
Godown	41,653,543	1	ı	41,653,543	10%	4,689,374	3,852,959	1	8,542,333	33,111,210
Total at 30 June 2021	1,645,218,621	'	•	1,645,218,621		76,430,833	76,430,833 20,593,992	•	97,024,825	97,024,825 1,548,193,796
Total (A + B) at 30 June 2021 7,314,830,819 153,491,967	7,314,830,819	153,491,967	2,989,517	2,989,517 7,465,333,269	ı	2,690,657,260 313,935,696	313,935,696	581,961	581,961 3,004,010,996 4,461,322,273	4,461,322,273

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

Year ended 30 June 2021 282,542,127 31,393,570

313,935,696

-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 PLC South Avenue Tower (6th Floor) 7 Gulshan Avenue, House #50, Road #03 Gulshan-1, Dhaka 1212, Bangladesh



Proxy Form

me/us at the 19th Annual General Meeting of th ough Digital Platform.	
	of Shareholder ered Folio/BO
be submitted at Capita South Avenue Tower, 6t s before the meeting.	
	Matin Spinning
lance Slip	
Meeting of the Company to be held on Thursda	y the 8
Signature	
	e Stamp 20.00 Signature Registe be submitted at Capita South Avenue Tower, 66 s before the meeting. Signature Registe Avenue Tower, 66 Selance Slip Meeting of the Company to be held on Thursda

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

South Avenue Tower (6th Floor)
7 Gulshan Avenue, House #50, Road #03
Gulshan-1, Dhaka 1212, Bangladesh
Phone: +880-2-58817735
Fax: +880-2-58817736
Email: info@dbl-group.com

FACTORY & REGISTERED OFFICE

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

www.matinspinning.com