

# ANNUAL REPORT 2022-23

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# SPINNING INNOVATION



MATIN SPINNING MILLS PLC



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### LETTER OF TRANSMITTAL

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

Dear Sir(s),

#### ANNUAL REPORT FOR THE YEAR ENDED 30 JUNE, 2023.

Please find enclosed a copy of the Annual Report together with the Audited Financial Statements including Statement of Financial Position as at 30 June, 2023 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, 2023 along with notes thereon of Matin Spinning Mills PLC for your kind information and record.

Yours sincerely,

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Md. Shah Alam Miah FCS Company Secretary

### NOTICE OF THE 21<sup>st</sup> ANNUAL GENERAL MEETING

Notice is hereby given to all the Shareholders of Matin Spinning Mills PLC (MSMPLC) that the 21<sup>st</sup> ANNUAL GENERAL MEETING of the Company will be held on **Thursday, 30 November 2023 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 agendas:

- 1. To receive and adopt the Audited Financial Statements for the year ended 30 June 2023 together with the Report of the Directors' and the Auditors' thereon.
- 2. To declare dividend for the year ended 30 June 2023.
- 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 2023-2024 and to fix their remuneration.
- 5. To appoint professionals for issuance of certicate on compliance of corporate governance code for the year 2023-2024 and to fix their remuneration.
- 6. To confirm the re-appointment of Independent Director.

By Order of the Board

Dated: Dhaka 2 November 2023 (Md. Shah Alam Miah FCS) Company Secretary

#### Notes:

- 1. The "Record Date" is Tuesday, 7<sup>th</sup> November 2023. 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 21<sup>st</sup> 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 2022-23 will be sent to the Shareholder's respective email address as available to us. The Annual Report 2022-23 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, 30 November 2023. Please contact at 01955538019 for any queries in accessing the virtual meeting.



# COMPANY INFORMATION

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### **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** 88,304 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

The company manufactures and sells all types of Cotton, Viscose, Polyester, Melange and their blend.

#### **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, Alim Sky Castle (2<sup>nd</sup> Floor), Flat-B3, 3/8 Asad Avenue, Block-A, Mohammadpur, Dhaka-1207

#### **PRINCIPAL BANKERS**

Hongkong and Shanghai Banking Corporation Ltd., Dhaka, Bangladesh BRAC Bank PLC., Dhaka, Bangladesh The City Bank PLC., Dhaka, Bangladesh Exim Bank PLC., Dhaka, Bangladesh Jamuna Bank PLC., 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 2355

#### **INSURER**

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

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

#### **COMPANY WEBSITE**

www.matinspinning.com

### We Produce

### **Innovation In Yarn Production**



**Cotton Yarn** 



Creating Innovative Yarns Since 2012



Research on Production



Mélange Yarn



Presence of Dedicated Yarn Development Team



Sample developed as per swatches provided by buyers



Synthetic Yarn



**Recycled Yarn** 



Analyzing special fabrics



Over 300 new samples created every month



Capacity 61,000 kgs/day

### **Uniqueness of These Innovations**

### **RCS & GRS Yarns**



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



Annual saving of 16 billion liters of water from cotton production: 9,180 daily kg production / 2 (saving of cotton) \* 10,000 liters 350 days



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



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



Final product design being addressed from very beginning



#### Circular economy



Value addition to product range



### **RCS Yarns**

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



#### **GRS Yarns**

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

### **KEY MILESTONES**

1<sup>st</sup> OCTOBER Commencement of Commercial Production **5<sup>TH</sup> AUGUST** Conversion of Denomination of Face value of shares

**4<sup>™</sup> NOVEMBER** Converted into Public Limited Company Supima Cotton Textile Products Certificate

**1<sup>ST</sup> FEBRUARY** 

**5<sup>™</sup> JUNE** Organic Exchange Blended Standard Textile Certificate

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**15<sup>™</sup> SEPTEMBER** Incorporation of the Company

**30<sup>™</sup> MAY** Oeko-Tex Standard100 Certificate 1<sup>sT</sup> JANUARY Cotton Council International USA Certificate

22<sup>№</sup> MARCH ISO 9001:2008 Certificate

**24<sup>™</sup> MAY** Control Union Certifications Netherlands

**10<sup>™</sup> DECEMBER** BTMA Membership Certificate **27<sup>™</sup> MARCH** Listed with Chittagong Stock Exchange Limited

**2<sup>ND</sup> APRIL** Listed with Dhaka Stock Exchange Limited

8<sup>TH</sup> APRIL Trading of Shares at Dhaka and Chittagong Stock Exchanges

**27<sup>™</sup> APRIL** Foundation Laying Ceremony of Mélange Unit



#### 20<sup>TH</sup> JANUARY

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

#### 31<sup>st</sup> JANUARY

Japan-Bangladesh Chamber of Commerce and Industry (JBCCI) Business Excellence Award 2014 **7<sup>TH</sup> FEBRUARY** Start of Commercial Operation of Synthetic Yarn Unit

#### 8<sup>TH</sup> DECEMBER

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

#### 21<sup>st</sup> DECEMBER

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

#### 1<sup>st</sup> AUGUST

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

#### **1**<sup>ST</sup> **DECEMBER**

Achieved ICMAB Best Corporate Award 2021

#### 17<sup>™</sup> DECEMBER

Achieved Corporate Governance Excellence Award in Silver category at 9<sup>th</sup> National Award 2020 of The Institute of Chartered Secretaries of Bangladesh

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**28<sup>™</sup> MARCH** Start of Commercial Operation of Mélange Unit

#### 24<sup>TH</sup> DECEMBER

Achieved Corporate Governance Excellence Award in Gold category at 3<sup>rd</sup> National Award 2015 of The Institute of Chartered Secretaries of Bangladesh 10<sup>TH</sup> NOVEMBER

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

#### 6TH FEBRUARY

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

#### 12<sup>TH</sup> DECEMBER

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



**17<sup>TH</sup> JUNE** Achieved 2<sup>nd</sup> Position of the National Productivity & Quality Excellence Award 2021

### **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 61 tons per day including Mélange unit and Synthetic unit with a capacity of 10 tons and 16 tons respectively.

Matin Spinning Mills PLC

### **MISSION & VISION**



### MISSION

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



## VISION

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

### **CORE VALUES**

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.



#### 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.





#### 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.

### **STRATEGIC OBJECTIVES**

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





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



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

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





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



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



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

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## PRODUCTS







Multi Neppy Yarn



Fancy Injected Yarn



Metalic Yarn



Metalic Yarn



Metalic Yarn





Metalic Yarn



Injected Yarn



Injected Yarn





Injected Yarn





Injected Yarn



Siro Yarn



Siro Yarn



Siro Yarn



Air Covered Yarn



Fancy Twisted Yarn



Fancy Twisted Yarn



Fancy Twisted Yarn



Fancy Twisted Yarn



Twisted Yarn



Twisted Yarn



Twisted Yarn

## **CREDIT RATING**



Valid From	Valid Till	Rating Action	Long Term Rating	Short Term Rating	Outlook
December 20, 2022	December 19, 2023	Surveillance	AA	ST-2	Stable
December 21, 2021	December 20, 2022	Surveillance	AA	ST-3	Stable
December 21, 2020	December 20, 2021	Surveillance	AA-	ST-3	Stable
December 24, 2019	December 23, 2020	Surveillance	AA-	ST-3	Stable
December 26, 2018	December 25, 2019	Surveillance	AA-	ST-3	Stable





### CERTIFICATIONS



Matin Spinning Mills PLC



Annual Report 2022-23

### **AWARDS & ACCOLADES**



Matin Spinning Mills PLC Achieved the ICMAB Best Corporate Award 2021



Matin Spinning Mills PLC Achieved Gold at the 8th ICSB National Award 2020



Matin Spinning Mills PLC Achieved Gold at the 6th ICSB National Award 2018



National Productivity and Quality Excellence Award 2021



QC CIRCLES 2020 PLATINUM AWARD



Matin Spinning Mills PLC Achieved ICMAB Best Corporate Award 2018





**ICSB** National Award 2015



International Textile Firm of the Year 2016



Matin Spinning Mills PLC Achieved the 5th ICSB National Award 2017



Matin Spinning Mills PLC Achieved the ICMAB Best Corporate Award 2015



Matin Spinning Mills PLC Achieved the JBCCI Business Excellence Award 2014



Matin Spinning Mills PLC Achieved the ICMAB Best Corporate Award 2014

### **EVENT HIGHLIGHTS**



Matin Spinning Mills PLC, achieved 2<sup>nd</sup> position of the National Productivity and Quality Excellence Award 2021 in the Textile & Spinning subcategory; under the "Large Industry" category on 17 June 2023. Mr. Abdul Wahed, Chairman of the Company received the awards and certificates from Mr. Nurul Majid Mahmud Humayun MP, Honorable Minister, Ministry of Industries, People's Republic of Bangladesh.



Mr. M. A. Jabbar, Managing Director, Matin Spinning Mills PLC has been recognized as the 2023 Global Compact Network Bangladesh (GCNB) SDG Pioneer during the SDG Pioneers Night ceremony organized by GCNB on 14<sup>th</sup> August 2023.



Matin Spinning Mills PLC Achieved Silver at the 9<sup>th</sup> ICSB National Award 2021 for Corporate Governance Excellence on 17<sup>th</sup> December 2022. Mr. M. A. Rahim, Vice Chairman, of the Company received the award from Mr. Salman Fazlur Rahman, MP, Adviser to the Honorable Prime Minister, Government of the People's Republic of Bangladesh.



Matin Spinning Mills PLC became Joint Champion of Sustainability Leadership (TSL) Award in the category of Environmental Excellence: Recycling of textile waste materials organized by GIZ and BGMEA on 17<sup>th</sup> November 2022. Mr. M. A. Quader, Director of the Company received the awards.



A delegation from The Cotton Board and Cotton Incorporated USA visited Matin Spinning Mills PLC's Corporate Office on 29 May 2023 for a meeting to discuss on the cotton business scenario. Mr. M. A. Jabbar, Managing Director of the Company hosted the guests during the visit.



H.E. Alexandra Bergvon Linde, Ambassador, Embassy of Sweden in Bangladesh visited Matin Spinning Mills PLC on 7<sup>th</sup> September 2022. Mr. M. A. Quader, Director of the company accompanied the delegates during the visit.



Matin Spinning Mills PLC celebrated International Women's Day on 9 March 2023. Female employees of different departments from the corporate office were thanked at the event for their continuous effort in the improvement of the Company in presence of Mr. M. A. Rahim, Vice Chairman of the company.



The 20<sup>th</sup> Annual General Meeting (AGM) of Matin Spinning Mills PLC was held on 08 December 2022 at 11.30 A.M through Digital (Virtual) Platform. Mr. Abdul Wahed Chairman, Mr. M. A. Rahim, Vice Chairman, Mr. M. A. Jabbar, Managing Director, Mr. M. A. Quader, Director, Mrs. Tanzeen Khurshid, Director, Mrs. Taslima Begum, Director, Mr. Md. Abdus Salam FCA, FCS Independent Director, Barrister Samsul Hasan, Independent Director, Mr. A. K. M. Fazlul Haque FCA, Partner Hussain Farhad & Co. (Statutory Auditor), Harunur Rashid & Associates, Scrutinizer, Mr. Mohammmad Emarot Hossain FCA, FCS, Chief Financial Officer and Mr. Md Shah Alam Mia, FCS, Company Secretary were present in the meeting. BRIEF PROFILE OF THE DIRECTORS

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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 ows 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. Jabbar has aligned the sustainability activities of DBL with the UN SDGs.

Mr. M. A. Jabbar is Sr. Vice Chairman of Bangladesh Economic Zone Investors Association (BEZIA) and advisor 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.

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 20<sup>th</sup> DHL-Daily Star Bangladesh Business Awards. He also has been recognised as the 2023 global compact network Bangladesh SDG pioneer.



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 PERVEEN DIRECTOR

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

# **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

### 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

### **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

### HEAD OF INTERNAL AUDIT AND COMPLIANCE

### Mr. Mohammad Monirul Hasan

# ORGANOGRAM



# **GROUP LEVEL CONTROL**



Group Level Reporting
Direct Reporting



# STATEMENTS ON CORPORATE GOVERNANCE

# **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 a airs 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.

### **MEMBERS 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 de ned 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 upcoming 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 upcoming 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 a airs 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

"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 and Exchange Commission (Commission). The Policy is intended to govern the distribution policy of dividend of the Company. The Board shall time to time update the Policy in accordance with updated notifications issued by the Commission. The Policy shall be disclosed in Company's annual report as well as official website.

### 2. DIVIDEND DISTRIBUTION

### 2.1. Cash Dividend Distribution:

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

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

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

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

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

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

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

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

- 2.1.8. Provided further that any unpaid or unclaimed cash dividend including accrued interest (after adjustment of bank charge, if any) thereon, if remains, shall be transferred to a separate bank account of the company as maintained for this purpose, within 1 (one) year from the date of declaration or approval or record date, as the case may be;
- 2.1.9. If any cash dividend remains unpaid or unclaimed or unsettled including accrued interest (after adjustment of bank charge, if any) thereon for a period of 3 (three) years from the date of declaration or approval or record date, as the case may be, shall be transferred by the Company to the Fund as directed or prescribed by the Commission;

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

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

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

### 2.2. Stock Dividend Distribution:

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

- 2.2.1. The Company shall credit stock dividend directly to the BO account or issue the bonus share certificate of the entitled shareholder, as applicable, within 30 (thirty) days of declaration or approval or record date, as the case may be, subject to clearance of the stock exchange(s) and the Central Depository Bangladesh Limited (CDBL);
- 2.2.2. The Company, shall follow the provisions of প্রবিধান ৪৬ of the ডিপজিটরি (ব্যবহারিক) প্রবিধানমালা, ২০০৩ for issuance of bonus shares:

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

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

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

- c) The Company shall, upon receiving application from the allottee and after proper verification of identity and his entitlement, credit the bonus shares lying with the Suspense BO Account to the BO account of the allottee, or issue bonus shares to the allottee, as applicable, within 15 (fifteen) days of receiving application with an intimation to the Commission and the stock exchange(s);
- d) Any voting rights on such undistributed or unclaimed stock dividend or bonus shares shall remain suspended till the rightful ownership claim of the shareholder is established.
- 2.2.3. If any stock dividend or bonus shares remains unclaimed or unsettled including corporate benefit in terms of bonus shares thereon for a period of 3 (three) years from the date of declaration or approval or record date, as the case may be, shall be transferred in dematerialized form to the BO Account of the Fund;

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

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

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

### 2.3. Dividend Distribution Time Frame

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

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

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

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

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

### 3. SHAREHOLDERS INFORMATION MAINTENANCE

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

Provided that the Company shall keep confidentiality of information.

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

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





	Picial manual material provident	•	
	UNIDERING VISION VI VISION VISION VIS	/03 dated: 14/01/2021	
-	Name of the Issuer/Securities/Mutual Fund		
2	Particulars of Issuer DP		
m	Type of Dividend (Annual /Interim)		
	(Put tick mark ( ⊡ ) on the recommended option)		
4	Whether audited or not for interim Dividend	E	
	(Put tick mark ( $oxdots )$ ) on the recommended option)		
ß	Date of recommendation of Dividend by the Board of Directors/Trustee:(Enclose copy of PSI)		
9	Whether Dividend recommended other than directors or sponsors or any other classes	C	
	(Put tick mark ( $\Box$ ) on the recommended option)		
4	Record date for entitlement		
∞	Rate of Dividend recommended by the Board of Directors/Trustee		
6	Dividend recommended -Type	a) Cash 🔲 b) Stock	
	(Put tick mark ( ${\ensuremath{\square}}$ ) on the recommended option)		
10	Securities/mutual fund traded under which categories		
	(Put tick mark ( ${oxdot}$ ) on the recommended option)		
1-	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 🗌	Isfer 🗆 c) MFS 🔲
	(Put tick mark ( $oxdots$ ) on the recommended option)	d) Dividend Warrant	e) Any other mode 🛛
16	Date of completion of disbursement of Cash Dividend and Stock Dividend [Enclose Bank		
	statements and Corporate Action Processing Report (DP 70)]		
17	Paid-up-capital of the issuer- before corporate action/entitlement	TK- 0	
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)	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:
26	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
00	More than 4 years; balance
07	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:	Note: Issuer shall maintain BO wise detailed information for all transfers/credit lo suspended Accounts
With I	With reasons and submit along with bank statements and other supporting documents. The issuer shall fill up all the applicable fields.

# MESSAGE FROM

In spite of having huge challenges in textile sector in the reporting period, the Board of Directors has shown a stable & strong commitment to its valued shareholders and proposed a commendable 40% cash dividend.....

### Dear Shareholders Ladies and Gentlemen Assalamu Alaikum,

It is our pleasure to welcome you at the 21<sup>st</sup> 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 2023.

We are very pleased to inform you that we achieved EPS BDT 4.38 during the year 2022-2023 considering the contemporary textile markets huge volatility & reduction of yarn sales price comparing to the previous year. In addition to reduction of sales price we have faces huge challenges in increase of cost of goods sold at 22.63% due to increase in power & fuel cost, raw material cost, finance cost, foreign currency exchange loss as well as other cost over the last year. In spite of having huge challenges in textile sector in the reporting period, the Board of Directors has shown a stable & strong commitment to its valued shareholders and proposed a commendable 40% cash dividend.

We 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



.....in the reporting period the company achieved net profit of Tk. 427 million with the contribution of company's valuable and dedicated human resources for their tireless efforts during the adverse situation....

### 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 21<sup>st</sup> Annual General Meeting of Matin Spinning Mills PLC and present before you, the Annual Report for the year 2022-2023 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 2022-23 the company's sales revenue was Tk.7,343 million and net profit was Tk. 427 million and EPS was BDT 4.38 despite deteriorating yarn prices and increased overall cost of goods sold due to increase in fuel & power cost, raw material cost, finance cost, foreign exchange loss and other cost.

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 less than 50% demand of the Group. We believe that the Company will not have any significant issues on production capacity utilization in the foreseeable future.

In continuation of the Russia-Ukraine conflict, along with an extraordinary surge in global cotton prices & unprecedented increases in freight charges along with fuel & power cost, finance cost, foreign exchange loss besides fallen yarn prices and contemporary challenges in textile sector the company unable to achieve net profit like previous year. In spite of having huge challenges in textile sector in the reporting period the company achieved net profit of Tk. 427 million with the contribution of company's valuable and dedicated human resources for their tireless efforts during the adverse situation.

#### **PRODUCTION CAPACITY**

The Company's 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.

M. A. Jabbar Managing Director

# **Financial Performance Review**

### **Financial Performance Highlights 2022-23**





### **Five Years' Key Performance Indicators**

# **Five Years' Highlights** Current Year With Preceding five Years' highlights

Particulars	2022-2023	2021-2022	2020-2021	2019-2020	2018-2019	
				(figures	in '000 BDT)	
Statement of Profit or Loss and Other Com	Statement of Profit or Loss and Other Comprehensive Income					
Turnover	7,343,961	6,002,688	5,021,072	3,904,153	4,324,532	
Gross Profit	928,908	1,611,938	1,097,111	539,604	375,345	
Operating Profit before Interest and Taxes	709,656	1,350,952	927,036	353,850	227,381	
Profit after Finance Cost	538,304	1,307,072	884,887	266,099	127,993	
Profit before Tax	512,671	1,244,830	842,749	253,427	121,898	
Net Profit after Tax	427,118	1,051,761	615,399	210,211	94,348	
Earnings before Interest, Tax, Depreciation & Amortization (EBITDA)	1,105,411	1,664,740	1,140,273	629,352	449,996	

### Particulars

### 2022-2023 2021-2022 2020-2021 2019-2020 2018-2019

(Turnover, Gross Profit and Net Profit figures in '000 BDT)

Business Growth on Financial Performance					
Total Turnover Growth	1,341,272	981,616	1,116,919	(420,378)	273,617
Total Turnover Growth in %	22%	20%	29%	-10%	7%
Gross Profit Growth	(683,030)	514,827	557,506	164,259	(233,627)
Gross Profit Growth in %	-42%	47%	103%	44%	-38%
Net Profit after Tax Growth	(624,643)	436,362	405,188	115,864	(208,258)
Net Profit after Tax Growth in %	-59%	71%	193%	123%	-69%

### Particulars

### 2022-2023 2021-2022 2020-2021 2019-2020 2018-2019

(figures in '000 BDT)

Statement of Financial Position					
Authorized Capital	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000
Paid up Capital	974,900	974,900	974,900	974,900	974,900
Number of Ordinary Shares Outstanding	97,490	97,490	97,490	97,490	97,490
Retained Earnings	2,494,277	2,533,891	1,850,457	1,389,083	1,364,588
Revaluation Reserves	1,463,078	1,481,094	1,500,232	1,520,826	922,470
Total Shareholders' Equity or Fund	5,852,955	5,910,585	5,246,289	4,805,509	4,182,658
Total Non-current Liabilities	1,315,092	257,598	263,357	381,890	572,654
Total Current Liabilities	3,820,741	4,222,906	2,773,057	1,911,217	1,813,727
Total Non-current Assets	5,978,653	5,902,556	4,838,690	4,762,330	4,235,454
Property, Plant & Equipment	5,625,737	4,371,812	4,461,322	4,624,174	3,996,190
Total Current Assets	5,010,134	4,488,533	3,444,013	2,336,286	2,333,585
Total Assets	10,988,788	10,391,089	8,282,703	7,098,617	6,569,040
Net Current Assets/(Liabilities)	1,189,393	265,627	670,956	425,070	519,858

Particulars

### 2022-2023 2021-2022 2020-2021 2019-2020 2018-2019

(Total Shareholders' Equity Growth and Total Assets Growth figures in '000 BDT)

Business Growth on Shareholders' Equity or Fund and Total Assets						
Total Shareholders' Equity Growth	(57,630)	664,295	440,780	622,851	89,306	
Total Shareholders' Equity Growth in %	-1%	13%	9%	15%	2%	
Total Assets Growth	597,699	2,108,386	1,184,086	529,577	(507,688)	
Total Assets Growth in %	6%	25%	17%	8%	-7%	

Particulars

### 2022-2023 2021-2022 2020-2021 2019-2020 2018-2019

Financial Ratios					
Gross Profit Ratio (%)	13%	27%	22%	14%	9%
Operating Profit Ratio (%)	10%	23%	18%	9%	5%
Net Profit Ratio	6%	18%	12%	5%	2%
EBITDA Margin to Net Sales Revenue (%)	15%	28%	23%	16%	10%
Return on Capital Employed (ROCE) (%)	10%	22%	17%	7%	5%
Return on Average Shareholders' Equity or Fund (%)	7%	19%	12%	5%	2%
Return on Average Total Assets (%)	4%	11%	8%	3%	1%
Current Ratio (Times)	1.3	1.1	1.2	1.2	1.3
Quick Ratio (Times)	0.8	0.5	0.8	0.8	1.0
Debt to Equity Ratio (Times)	0.7	0.6	0.4	0.4	0.5
Interest Cover Ratio (Times)	4	31	22	4	2
Asset Turnover Ratio (Times)	0.7	1	1	1	1
Inventory Turnover Ratio (Times)	3.2	2.6	4.3	5.4	5.4

Particulars

### 2022-2023 2021-2022 2020-2021 2019-2020 2018-2019

(Market Capitalization, Number of Share Holders & Contribution to National Exchequer figures in '000 BDT)

Ordinary Share Information							
Face Value	10	10	10	10	10		
Market Value Per Share at 30 June (BDT) (at DSE)	77.6	68.0	53.3	32.8	38.0		
Market Capitalization at 30 June (BDT) (at DSE)	7,565,224	6,629,320	5,196,217	3,421,899	3,704,620		
Market Value Per Share at 30 June (BDT) (at CSE)	77.6	67.7	52.4	33.8	37.3		
Earnings Per Share (EPS) (BDT)	4.38	10.79	6.31	2.16	0.97		
Number of Shareholders	97,490	97,490	97,490	97,490	97,490		
Cash Dividend (%) - General Shareholders	40%	50%	40%	18%	15%		
Net Asset Value (NAV) Per Share with Revaluation Reserve (BDT)	60.04	60.63	53.81	49.29	42.90		
Net Asset Value (NAV) per share without Revaluation Reserve (BDT)	45	45	38	34	33		
Net Operating Cash Flow Per Share (NOCFPS) (BDT)	4.97	6.17	0.4	5.47	4.75		
Contribution to National Exchequer	156,295	220,640	89,690	31,750	27,180		
Dividend Per Share	4.00	5.00	4.00	1.80	1.50		

## **Horizontal and Vertical Analysis**

Horizontal Analysis	2022-2023	2021-2022	2020-2021	2019-2020	2018-2019				
Statement of Profit or Loss and Other Comprehensive Income									
Turnover, Net	23%	20%	29%	-10%	7%				
Gross Profit	42%	-47%	-103%	-44%	38%				
Operating Profit before Financial Expenses	47%	-46%	-162%	-56%	51%				
Profit after Net of Finance Cost	59%	-48%	-233%	-108%	66%				
Profit before Tax	59%	-48%	-233%	-108%	66%				
Net profit after Tax	59%	-71%	-193%	-123%	69%				
Earnings before interest, tax,	33%	-46%	-81%	-39%	42%				
depreciation & Amortization (EBITDA)									
Authorized capital	0%	0%	0%	0%	0%				
Paid up Capital	0%	0%	0%	0%	0%				
Retained Earnings	2%	-37%			-				
Revaluation Reserves	10/ 1		-33%	-2%	0%				
	1%	1%	1%	-65%	0% 6%				
Total Shareholders' Equity	1%	-13%	1% -9%	-65% -15%	0% 6% -2%				
Total Non-current Liabilities		-13% 2%	1%	-65%	0% 6% -2%				
	1%	-13%	1% -9%	-65% -15%	0% 6% -2% 21%				
Total Non-current Liabilities	<mark>1%</mark> -411%	-13% 2%	1% -9% 31%	-65% -15% 33%	0% 6% -2% 21% 20%				
Total Non-current Liabilities Total Current Liabilities	1% -411% 10%	-13% 2% -52%	1% -9% 31% -45%	-65% -15% 33% -5%	0% 6% -2% 21% 20% 11%				
Total Non-current Liabilities Total Current Liabilities Total Non-current Assets	1% -411% 10% -12%	-13% 2% -52% -30%	1% -9% 31% -45% -47%	-65% -15% 33% -5% -0%	0% 6% -2% 21% 20% 11% 8%				
Total Non-current Liabilities Total Current Liabilities Total Non-current Assets Property, Plant & Equipment	1% -411% 10% -12% -29%	-13% 2% -52% -30% 2%	1% -9% 31% -45% -47% 4%	-65% -15% 33% -5% -0% -16%	0% 6%				

|--|

### Statement of Profit or Loss and Other Comprehensive Income

Turnover Net	100%	100%	100%	100%	100%
Gross Profit	12%	27%	22%	14%	9%
Operating Profit before Financial Expenses	9%	23%	18%	9%	5%
Profit after Net of Finance Cost	7%	22%	18%	7%	3%
Profit before Tax	7%	21%	17%	6%	3%
Net profit after Tax	6%	18%	12%	5%	2%
Earnings before interest, tax,	15%	27%	24%	17%	12%
depreciation & Amortization (EBITDA)					

### **Statement of Financial Position**

A suble entire all equateral	1 40/	1 40/	100/	210/	220/
Authorized capital	14%	14%	18%	21%	23%
Paid up Capital	9%	9%	12%	14%	15%
Retained Earnings	23%	24%	22%	20%	21%
Revaluation Reserves	13%	14%	18%	21%	14%
Total Shareholders' Equity	53%	57%	63%	68%	64%
Total Non-current Liabilities	12%	2%	3%	5%	9%
Total Current Liabilities	35%	41%	33%	27%	28%
Total Non-current Assets	54%	57%	58%	67%	64%
Property, Plant & Equipment	51%	42%	54%	65%	61%
Total Current Assets	46%	43%	42%	33%	36%
Total Assets	100%	100%	100%	100%	100%
Net Current Assets / (Liabilities)	11%	3%	8%	6%	8%

# 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 2023 in the following paragraphs:

### **A] Company Operations**

### 1] Capacity/Production

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

Parti	culars	2022-2023	2021-2022	2020-2021	2019-2020	2018-2019
[1.1]	Spindles					
	a) No. of Spindles installed	88,304	73,184	73,184	73,184	73,184
	b) No. of Spindles in operation	77,761	69,248	65,900	66,394	69,484
[1.2]	Production Capacity ('000 Kg):					
	At Equivalent 28s Count (Ring Yarn)	21,919	18,185	18,257	17,225	18,286
[1.3]	Actual Production ('000 Kg):					
	At Equivalent 28s Count (Ring Yarn)	16,377	14,772	14,799	13,697	15,111
[1.4]	Capacity Utilization (%)	74.72%	81.24%	81.06%	79.52%	82.64%

### 2] Cost of Production

The cost of production increased significantly comparing to the previous years due to dollar exchange rate, fuel price, raw material price, packing material cost, and spare parts consumption. 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:

Part	iculars	2022-2023	2021-2022	2020-2021	2019-2020	2018-2019
(a)	Output of Yarn ('000 Kg)	17,421	15,956	16,049	14,589	15,229
(b)	Cost of Major items ('000Tk):					
	Raw Materials	4,719,538	3,509,106	2,977,226	2,471,115	2,920,514
	Packing Materials	56,282	39,406	35,533	28,473	29,735
	Fuel/Power	663,304	468,237	343,440	284,210	392,118
	Spare Parts	63,369	54,448	82,945	69,810	54,298
	Other Overhead	727,096	581,756	562,484	510,005	508,537
Tota	l Cost	6,229,588	4,652,953	4,001,627	3,363,613	3,905,203

Unit Cost/Kg (TK)	2022-2023	2021-2022	2020-2021	2019-2020	2018-2019
Raw Materials	270.91	219.92	185.51	169.38	191.77
Packing Materials	3.23	2.47	2.21	1.95	1.95
Fuel/Power	38.07	29.34	21.40	19.48	25.75
Spare Parts	3.64	3.41	5.17	4.79	3.57
Other Overhead	41.74	36.46	35.05	34.96	33.39
Unit Cost	357.59	291.60	249.35	230.55	256.43
Raw Material Cost as % of Total	75.76%	75.42%	74.40%	73.47%	74.79%



The above chart reveals that overall unit cost increased by 23% in 2022-2023 over 2021-2022. Raw Material, Packing Materials, Fuel/ Power, Spare Parts and other over head cost increased by 23%, 31, 30%, 7% and 14% 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	2022-2023	2021-2022	2020-2021	2019-2020	2018-2019
(a) Sales Volume ('000 Kg)	18,318	15,063	15,805	14,617	15,353
(b) Sales Revenue ('000 Tk)	7,343,961	6,002,688	5,021,072	3,904,153	4,324,532



The above figures shows that both sales volume and revenue has been increased in 2022-2023 by 21.61% and 22.34% compared to prior year 2021-2022. Sales Volume increased due to production capacity increased by 10 MT per day through new special yarn unit compare to prior year.

### 2] Selling Prices

Particulars	2022-2023	2021-2022	2020-2021	2019-2020	2018-2019
Average Selling Prices (USD/Kg)	\$3.75	\$4.27	\$3.74	\$3.14	\$3.34
% Change - compare to prior year	-12% down	14% up	19% up	-6% down	2% up

It indicates that average selling price remain almost similar to the prior year though cost of production has been increased significantly. Moreover last few months of reporting period sales price was below the cost price due to significantly falling the yarn price.

### **C] Development Activities**

During the year 2022-23, 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	2022-2023	2021-2022	2020-2021	2019-2020	2018-2019			
Land	-	12,546	-	-	7,922			
Civil construction								
Cotton Unit	60,121	39,955	40,206	27,395	7,261			
Mélange Project								
Synthetic Project								
Special Yarn Project	17,614	82,022	84,292					
Plant and Machinery								
Cotton Unit	238,327	114,319	49,603	179,028	272,839			
Mélange Project	19,600	4,818	4,818					
Synthetic Project	40,946	17,898	17,898	31,701	37,125			
Special Yarn Project	51,159	979,566	120,958					
Other Fixed Assets	5,108	4,676	4,676	99,489	4,161			
Total	432,875	1,255,799	322,451	337,614	329,307			

### **E]** Contribution

### 1] Contribution to National Exchequer

The Company contributed Tk. 156.28 million during 2022-2023 to the National Exchequer. Last five years comparative data are as follows (figures in million Taka):

Particulars	2022-2023	2021-2022	2020-2021	2019-2020	2018-2019
Corporate Tax	146.19	216.75	85.48	26.49	25.09
Excise/VAT/Import Duties etc.	5.13	1.26	1.23	1.20	0.89
Duties/License Fees	4.96	2.63	2.98	4.06	1.20
Total	156.28	220.64	89.69	31.75	27.18

### **Contribution to National Exchequer**

Figures in Million



### 2] Foreign Exchange Earned/Saved

The Company contributed Tk.2,970 million to the Foreign Exchange Reserve of the country during the FY 2022-2023 through its export marketing operation. Last five years data are shown below (figures in million taka):

Particulars	2022-2023	2021-2022	2020-2021	2019-2020	2018-2019
Total Export Earnings	7,344	6,003	5,021	3,904	4,325
Less: Import Expenses					
Raw Cotton/Staple Fiber	(4,276)	(4,420)	(3,266)	(2,686)	(2,591)
Spare Parts	(97)	(78)	(51)	(62)	(61)
Net Foreign Exchange Earned	2,970	1,505	1,704	1,156	1,673

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

Particulars	2022-2023	2021-2022
Source of Funds		
Net Turnover	7,343,961	6,002,688
Less: Purchased Materials and Services	(5,917,164)	(3,976,782)
Add: Other Income	(19,956)	(14,169)
Value Added	1,406,841	2,011,737

Applied in the following ways					
Employees	488,201	466,031			
Salaries, Wages, Provident Fund & Other Benefits	462,568	403,790			
Contribution to Workers' Profit Participation & Welfare Fund	25,634	62,242			
Government	75,790	194,327			
Corporate Tax	73,512	193,069			
Other Government Dues	2,278	1,258			
Provider of Capital	389,960	487,450			
Dividend	389,960	487,450			
Retained by the company	452,890	863,929			
Depreciation	415,711	299,618			
Retained Earnings	37,178	564,311			
Total Applied	1,406,841	2,011,737			





### **F] Appropriation**

The net profit after tax of BDT 42,71,17,641 earned during the year 2022-2023 has been apportioned in the following manner:

Cash dividend is recommended by the Board of Directors at 40% (Tk. 4 per share for 2022-23, total BDT 38,99,60,000)

### **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 appreciate 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. It is expected that employees and 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 express their gratitude and acknowledge with keen interest the 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 the Corporate Governance Code 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 61 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 2023.

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. Reference to the IFRS 8, we are operating a single business and geographic segment as such no segment reporting is required. However, yarn type and export sales has been provided in Note 26.

### (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 insufficient 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 22.63% mainly because of Raw Material, Packing Materials, Fuel/ Power, Spare Parts and other over head cost increased by 23%, 31%, 30%, 7% and 14% respectively compared to last year. The selling price of yarn was almost remain same compare to the last year and last few months of the closing year yarn price was below cost. Both increased cost of goods sold, increased financial cost and less market price of yarn has effect the company's Gross Profit from 26.85% to 12.65% & Net profit margin 17.5% to 5.80% over the last year.

### (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 2023:

### Issue-1: Significant Increase in Revenue

It is reported that our total sales revenue has increased by 22.34% during the reporting period compared to last year due to started production from the newly opened special yarn unit from 01 August 2022. The capacity of the newly opened special yarn unit is 10 MT per day which has helped to significant increase of sales revenue over last year

### Issue-2: Significant Decrease in EPS

EPS has been decreased significantly from BDT 10.79 to BDT 4.38 mainly increase in cost of goods sold @22.63% due to significant increase in raw material cost, power & fuel cost, finance cost as well as other cost and decrease in sales price 12.09% per kg over the last year. There was no other significant Extraordinary Transactions during this year.

### Issue-3: Decrease in Operating Cash flows

MSMPLC sales proceeds collection has been increased over the reporting period against both site and deferred LC compared to the last year due to additional sales units from our newly opened special yarn unit. But paid to suppliers, employees and interest payment has been increased. In addition to the cash payment our receivable has been increased over the last year. Above are the major cases to remain our cash flow per share 4.97.

### Issue-4: Net Asset Value per Share

Net Asset Value per share has been decreased from BDT 60.63 to BDT 60.04 due to decrease of profit margin explained above.

### (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 in net profit after tax to Tk. 427.14 million during 2022-23 from Tk. 1,051 million for the year 2021-22 are mainly due to reducing of profit margin by 59% over the last year.

### (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 & 16 are in '000 taka.

SL	Particulars	2022-2023	2021-2022	2020-2021	2019-2020	2018-2019
1	Revenue	7,343,961	6,002,688	5,021,072	3,904,153	4,324,532
2	Cost of sales	(6,415,052)	(4,390,750)	(3,923,962)	(3,364,549)	(3,949,186)
3	Gross Profit	928,908	1,611,938	1,097,111	539,604	375,345
4	Operating Expenses	(239,209)	(246,816)	(269,232)	(228,524)	(227,902)
5	Finance Cost	(171,351)	(43,881)	(41,261)	(87,751)	(99,388)
6	Operating Income	518,348	1,321,241	786,617	223,329	48,055
7	Other Income	19,956	(14,169)	98,291	42,769	79,938
8	Net Profit before WPPF	538,304	1,307,072	884,909	266,099	127,993
9	Workers' profit participation	(25,634)	(62,242)	(42,139)	(12,671)	(6,095)
10	Net Profit before Tax	512,671	1,244,830	842,770	253,427	121,898
11	Income Tax	(65,914)	(192,832)	(222,197)	(44,925)	(17,788)
12	Deferred Tax	(19,618)	(237)	(5,094)	1,709	(9,762)
13	Net profit (loss) after tax	427,118	1,051,761	615,479	210,211	94,348
14	Gross Margin (%)	12.6%	26.9%	21.9%	13.8%	8.7%
15	Net Margin after tax (%)	5.8%	17.5%	12.3%	5.4%	2.2%
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	4.38	10.79	6.31	2.16	0.97
19	Return on Equity (ROE)	7.50	17.79	12.24	4.68	2.24

### (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 2023:

Name of the shareholders	Status	Shares held	%		
a) Parent/Subsidiary/Associated Companies 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	2.68		
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 Brgum	Director	2,130,000	2.18
Md. Hassan Imam	Director	2,130,000	2.18

### c) Managing Director, Chief Financial Officer, Company Secretary, Head of Internal Audit & Compliance and their Spouses and Minor 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
Mohammad Monirul Hasan	Head of Internal Audit & Compliance	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	Addl. GM-Admin	Nil	Nil
ASM Iftekher Nur	DGM- Human Resource	Nil	Nil

### e) Shareholders Holding 10% or more voting interest in the Company

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

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

Mr. Md. Abdus Salam, FCA, FCS, Independent Directors completed his first terms of three years from 29th April 2020 to 28th April 2023. The Board of Directors re-appointed him for the second term of three years subject to approval by the shareholders in the 21st Annual General Meeting. A brief resume of the Independent directors has been provided in the "Brief Profile of Directors" section.

SL	Entity	Abdul Wahed	M.A.Quader	Tanzeen Khurshid
1	Dulal Brothers Limited	√	$\checkmark$	-
2	Color City Limited	√	$\checkmark$	-
3	DBL Ceramic Ltd	√	$\checkmark$	-
4	DB Tex Ltd	√	$\checkmark$	-
5	Flamingo Fashions Ltd	√	$\checkmark$	-
6	Jinnat Fashions Ltd	$\checkmark$	$\checkmark$	-
7	Jinnat Apparels Ltd	$\checkmark$	$\checkmark$	-
8	Jinnat Knitwears Ltd	$\checkmark$	$\checkmark$	-
9	Hamza Textiles Ltd	√	$\checkmark$	-
10	Mymun Textiles Ltd	$\checkmark$	$\checkmark$	-
11	Parkway Packaging & Printing PLC	√	$\checkmark$	$\checkmark$
12	Mawna Fashions Ltd	$\checkmark$	$\checkmark$	-
13	Textile Testing Services Ltd	$\checkmark$	$\checkmark$	-
14	DBL Telecom Ltd	$\checkmark$	$\checkmark$	-
15	DBL Pharmaceutical Ltd	√	$\checkmark$	-
16	DBL Dredging Ltd	√	$\checkmark$	-
17	DBL Healthcare Ltd	√	$\checkmark$	-
18	DBL Distributions Ltd	$\checkmark$	$\checkmark$	-
19	DBL Lifestyle Ltd	√	$\checkmark$	-
20	DBL Industrial Park Ltd.	√	$\checkmark$	-
21	Jinnat Textiles Mills Ltd.	√	$\checkmark$	-
22	Audit Committee, MSMPLC	-	$\checkmark$	-
23	Nomination and Remuneration Committee, MSMPLC	-	$\checkmark$	-

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

### (xxv) Management Discussion and Analysis

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

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

Declaration by the Managing Director and CFO has been given on page 74.

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

MSMPLC adheres to appropriate good Corporate Governance practices, as described on pages 76 to 88 [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 75 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: 8 OCTOBER, 2023

### 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, 2023

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 2023 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 2023 and that to the best of our knowledge and belief;
  - (a) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - (b) these statements collectively present true and fair view of the Company's affairs and are in compliance with existing accounting standards and applicable laws.
- (ii) There are, to the best of knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or in violation of the code of conduct for the company's Board of Directors or its members.

Sincerely yours,

M. A. Jabbar Managing Director

**ANNEXURE-A** 

Mohammad Emarot Hossain, FCA, FCS 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 2023. 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 18, 2023



For Suraiya Parveen & Associates Chartered Secretaries

Suraiya Parveen, FCS

Suraiya Parveen, FCS Chief Executive Officer

Alim Sky Castle (2nd floor), Flat-B3, 3/8 Asad Avenue, Block-A, Mohammadpur, Dhaka-1207. Phone : 02 41023157 (Off), Mob : 01911 421998, 01713 110408 Email : suraiyaparveenfcs@gmail.com, musfiquefcs@gmail.com

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

### **ANNEXURE-C**

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

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

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

Condition No.	Title	Compliance Status (Put √ in appropriate column)		Remarks
NO.		Complied	Not Complied	(if any)
1.	BOARD OF DIRECTORS:			
1(1)	<b>Board's Size:</b> The number of the board members of the Company shall not be less than 5 (five) and more than 20 (Twenty).	$\checkmark$		
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);	$\checkmark$		
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;	$\checkmark$		
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;	$\checkmark$		
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;	$\checkmark$		
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;	$\checkmark$		
1(2)(b) (viii)	who is not independent director in more than 5 (five) listed companies;			

Condition No.	Title	Compliance Status (Put √ in appropriate column)		Remarks
NO.		Complied	Not Complied	(if any)
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	$\checkmark$		
1(2)(b) (x)	who has not been convicted for a criminal offence involving moral turpitude;	$\checkmark$		
1(2)(c)	The independent director(s) shall be appointed by the Board and approved by the shareholders in the Annual General Meeting (AGM);	$\checkmark$		
1(2)(d)	The post of independent director(s) cannot remain vacant for more than 90 (ninety) days; and	$\checkmark$		
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.	$\checkmark$		
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;			
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;	$\checkmark$		
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;	$\checkmark$		
1(3)(b)(iv)	University Teacher who has educational background in Economics or Commerce or Business Studies or Law;	$\checkmark$		
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;	$\checkmark$		

Condition No.	Title	Compliance Status (Put√in appropriate column)		Remarks (if any)
		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);	$\checkmark$		
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 Managing Di	rector or Chi	ef Executive	Officer.
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;	$\checkmark$		
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;	$\checkmark$		
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.	$\checkmark$		
1(5)	The Directors' Report to Shareholders:			
1(5)(i)	Industry outlook and possible future developments in the industry;			
1(5)(ii)	Segment wise or product wise performance;	$\checkmark$		
1(5)(iii)	Risk and concerns;	$\checkmark$		
1(5)(iv)	A Discussion on Cost of Goods Sold, Gross Profit Margin & Net Profit Margin;	$\checkmark$		
1(5)(v)	Discussion on continuity of any Extra ordinary gain or loss			Not Applicabl
1(5)(vi)	Basis for related party transactions: A statement of all related party transactions should be disclosed in the annual report;	$\checkmark$		
1(5)(vii)	Utilization of proceeds from public issues, rights issues and/ or through any other instruments;	$\checkmark$		
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 Applicabl
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;	$\checkmark$		
1(5)(x)	Remuneration to directors including Independent Directors;			

Condition	Title	Compliance Status (Put√in appropriate column)		(Put √ in appropriate	Remarks (if any)
No.		Complied	Not Complied	(if any)	
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	$\checkmark$			
1(5)(xiii)	Appropriate accounting policies have been consistently applied in preparation of the nancial statements and that the accounting estimates are based on reasonable and prudent judgment;	$\checkmark$			
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;	$\checkmark$			
1(5)(xv)	The system of internal control is sound in design and has been effectively implemented and monitored;	$\checkmark$			
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;	$\checkmark$			
1(5)(xx)	If the issuer company has not declared divident (cash or stock) for the year, the reasons thereof shall be given			Not Applicable	
1(5)(xxi)	Board statement to the effect that no bonus share or stock dividend has been declared as interim dividend	$\checkmark$			
1(5)(xxii)	The total number of Board meetings held during the year and attendance by each director;	$\checkmark$			
1(5)(xxiii)	A report on the pattern of shareholding disclosing the ag with name-wise details where stated below) held by:-	gregate nu	mber of sha	ares (along	
1(5)(xxiii)(a)	Parent/subsidiary/Associated Companies and other related parties (name wise details);	$\checkmark$			
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);	$\checkmark$			

Condition No.	Title	Compliance Status (Put √ in appropriate column)		Remarks
NO.		Complied	Not	(if any)
1(5)(xxiv)	In case of the appointment or reappointment of a direct information to the shareholders:-	or, a disclo	sure on the	e following
1(5)(xxiv)(a)	A brief Resume of the Director;	$\checkmark$		
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;	$\checkmark$		
1(5)(xxv)	A Management's Discussion and Analysis signed by CEO o 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;	$\checkmark$		
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;	$\checkmark$		
1(5)(xxv)(e)	briefly explain the financial and economic scenario of the country and the globe;	$\checkmark$		
1(5)(xxv)(f)	risks and concerns issues related to the financial statements, explaining such risk and concerns mitigation plan of the company;	$\checkmark$		
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;	$\checkmark$		
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;	$\checkmark$		
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.	$\checkmark$		
1(6)	<b>Meetings of the Board of Directors</b> The company shall conduct its Board meetings and record the minutes of the meetings as well as keep required books and records in line with the provisions of the relevant Bangladesh Secretarial Standards (BSS) as adopted by the Institute of Chartered Secretaries of Bangladesh (ICSB) in so far as those standards are not Inconsistent with any condition of this Code.	$\checkmark$		

Condition No.	Title	Compliance Status (Put √ in appropriate column)		Remarks
NO.		Complied	Not Complied	(if any)
1(7)	Code of Conduct for the Chairperson, other Board membe	rs and Chie	f 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;	$\checkmark$		
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;	$\checkmark$		
2.	<b>GOVERNANCE OF BOARD OF DIRECTORS OF SUBSIDIARY</b>	COMPANY		
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 a airs 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 (C (CFO) HEAD OF INTERNAL AUDIT AND COMPLIANCE (HIAC) A			
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);	$\checkmark$		
3(1)(b)	The positions of the Managing Director (MD) or Chief Executive Officer (CEO), Company Secretary (CS), Chief Financial Officer (CFO) and Head of Internal Audit and Compliance (HIAC) shall be filled by different individuals;			
3(1)(c)	The MD or CEO, CS, CFO and HIAC of a listed company shall not hold any executive position in any other company at the same time;			
3(1)(d)	The Board shall clearly define respective roles, responsibilities and duties of the CFO, the HIAC and the CS;	$\checkmark$		

Condition No.	Title	Compliance Status (Put √ in appropriate column)		Remarks (if any)
		Complied	Not Complied	(11 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' MeetingsThe MD or CEO, CS, CFO and HIAC of the company shall attendthe meetings of the Board:Provided that the CS, CFO and/or the HIAC shall not attend suchpart of a meeting of the Board which involves consideration ofan agenda item relating to their personal matters.	$\checkmark$		
3(3)	Duties of Managing Director (MD) or Chief Executive Officer (CE	O) and Chief	Financial Of	ficer (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:	$\checkmark$		
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 a airs 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;	$\checkmark$		
3(3)(c)	The certification of the MD or CEO and CFO shall be disclosed in the Annual Report.	$\checkmark$		
4.	BOARD OF DIRECTOR'S COMMITTEE			
4(i)	Audit Committee	$\checkmark$		
4(ii)	Nomination and Remuneration Committee	$\checkmark$		
5.	AUDIT COMMITTEE			
5(1)(a)	The company shall have and Audit Committee as a sub- committee of the Board of Directors.	$\checkmark$		
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.	$\checkmark$		
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.	$\checkmark$		
5(2)	Constitution of the Audit Committee			
5(2)(a)	The Audit Committee shall be composed of at least 3 (three) members;	$\checkmark$		

Condition No.	Title	Compliance Status (Put √ in appropriate column)		Remarks (if any)
NO.		Complied	Not Complied	(II ally)
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;	$\checkmark$		
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;	$\checkmark$		
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 filled 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;	$\checkmark$		
5(2)(f)	The quorum of the Audit Committee meeting shall not constitute without at least 1 (one) independent director.	$\checkmark$		
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;	$\checkmark$		
5(3)(b)	In the absence of the Chairperson of the Audit Committee, the remaining members may elect one of themselves as Chairperson for that particular meeting, in that case there shall be no problem of constituting a quorum as required under condition No. 5(4)(b) and the reason of absence of the regular Chairperson shall be duly recorded in the minutes.			
5(3)(c)	Chairperson of the Audit Committee shall remain present in the Annual General Meeting (AGM).	$\checkmark$		
5(4)	Meeting of the Audit Committee			
5(4)(a)	Audit Committee shall conduct at least its four meetings in a financial year;	$\checkmark$		
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;			
5(5)	Role of Audit Committee The Audit Committee shall:-			
5(5)(a)	oversee the financial reporting process;	$\checkmark$		
5(5)(b)	monitor choice of accounting policies and principles;	$\checkmark$		

Condition	Title	Compliance Status (Put √ in appropriate column)		Remarks
No.		Complied	Not Complied	(if any)
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;	$\checkmark$		
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;	$\checkmark$		
5(5)(g)	review along with the management, the quarterly and half yearly financial statements before submission to the Board for approval;	$\checkmark$		
5(5)(h)	review the adequacy of internal audit function;	$\checkmark$		
5(5)(i)	review the Management's Discussion and Analysis before disclosing in the Annual Report;	$\checkmark$		
5(5)(j)	review statement of all related party transactions submitted by the management;	$\checkmark$		
5(5)(k)	review Management Letters or Letter of Internal Control weakness issued by statutory auditors;	$\checkmark$		
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;	$\checkmark$		
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.	$\checkmark$		
5(6)(a)(ii)	The audit Committee shall immediately report to the Board on	the followin	g findings, if	any:-
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;	$\checkmark$		

Condition	Title	Compliance Status (Put √ in appropriate column)		Remarks	
No.		Complied	Not Complied	(if any)	
5(6)(b)	<b>Report to the Authorities</b> Reporting to the Authorities If the Audit Committee has reported to the Board about anything which has material impact on the financial condition and results of operation and has discussed with the Board and the management that any rectification is necessary and if the Audit Committee finds that such rectification has been unreasonably ignored, the Audit Committee shall report such finding to the Commission, upon reporting of such matters to the Board for three times or completion of a period of 6 (six) months from the date of first reporting to the Board, whichever is earlier.			Not Applicable	
5(7)	<b>Reporting to the Shareholders and General Investors</b> Report on activities carried out by the Audit Committee, including any report made to the Board under condition No. 5(6) (a)(ii) above during the year, shall be signed by the Chairperson of the Audit Committee and disclosed in the annual report of the issuer company.	$\checkmark$			
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 criteria or policy for determining qualifications, positive attributes, experiences and independence of directors and top-level executive as well as a policy for formal process of considering remuneration of directors, top level executive;	$\checkmark$			
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		1	n	
6(2)(a)	The Committee shall comprise of at least three members including an independent director;	$\checkmark$			
6(2)(b)	All members of the Committee shall be non-executive directors;	$\checkmark$			
6(2)(c)	Members of the Committee shall be nominated and appointed by the Board;	$\checkmark$			
6(2)(d)	The Board shall have authority to remove and appoint any member of the Committee;	$\checkmark$			
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;				

Condition No.	Title	Compliance Status (Put √ in appropriate column)		Remarks	
		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;	$\checkmark$			
6(2)(g)	The company secretary shall act as the secretary of the Committee;	$\checkmark$			
6(2)(h)	The quorum of the NRC meeting shall not constitute without attendance of at least an independent director;	$\checkmark$			
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;	$\checkmark$			
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.	$\checkmark$			
6(4)	Meeting of the NRC				
6(4)(a)	The NRC shall conduct at least one meeting in a financial year;	$\checkmark$			
6(4)(b)	The Chairperson of the NRC may convene any emergency meeting upon request by any member of the NRC;	$\checkmark$			
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);	$\checkmark$			
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.	$\checkmark$			
6(5)	Role of the NRC		1		
6(5)(a)	NRC shall be independent and responsible or accountable to the Board and to the shareholders;	$\checkmark$			
6(5)(b)	NRC shall oversee, among others, the following matters and make report with recommendation to the Board:				
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;	$\checkmark$			

Condition No.	Title	Compliance Status (Put √ in appropriate column)		Remarks
		Complied	Not Complied	(if any)
6(5)(b)(i)(b)	the relationship of remuneration to performance is clear and meets appropriate performance benchmarks;	$\checkmark$		
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;	$\checkmark$		
6(5)(b)(ii)	devising a policy on Board's diversity taking into consideration age, gender, experience, ethnicity, educational background and nationality;	$\checkmark$		
6(5)(b)(iii)	identifying persons who are qualified to become directors and who may be appointed in top level executive position in accordance with the criteria laid down, and recommend their appointment and removal to the Board;			
6(5)(b)(iv)	formulating the criteria for evaluation of performance of independent directors and the Board;	$\checkmark$		
6(5)(b)(v)	identifying the company's needs for employees at different levels and determine their selection, transfer or replacement and promotion criteria;	$\checkmark$		
6(5)(b)(vi)	developing, recommending and reviewing annually the company's human resources and training policies;	$\checkmark$		
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.	$\checkmark$		
7.	EXTERNAL OR STATUTORY AUDITORS		1	
7(1)(i)	Non-engagement of external/statutory auditors in appraisal or valuation services or fairness opinions;			Not Applicabl
7(1)(ii)	Non-engagement of external/statutory auditors in financial system design and implementation;			Not Applicabl
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 acturial service			Not Applicable
7(1)(vi)	Non-engagement of external/statutory auditors in internal audit services;			Not Applicable
7(1)(vii)	Non-engagement of external/statutory auditors in any other service that the Audit Committee determines;			Not Applicable
7(1)(viii)	audit or certification services on compliance of corporate governance as required under condition No. 9(1);			Not Applicabl
7(1)(ix)	Any other service that creates conflict of interest.			Not Applicable

Condition No.	Title	Compliance Status (Put √ in appropriate column)		Remarks
NO.		Complied	Not Complied	(if any)
7(2)	No partner or employees of the external audi 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;	$\checkmark$		
8(2)	The company shall keep the website functional from the date of listing;	$\checkmark$		
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 GOVERNA	NCE		
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;	$\checkmark$		
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;	$\checkmark$		
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.	$\checkmark$		

# **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 Parveen	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.
- (I) 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 2022-23, the Committee held total 5 (Five) 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	5	5	100%
Mr. M.A. Rahim	Member	5	5	100%
Mr. M.A. Quader	Member	5	5	100%
Ms. Selina Perveen	Member	5	5	100%
Mr. Md. Hasam Imam	Member	5	5	100%
Mr. Md. Shah Alam Miah, FCS	Secretary	5	5	100%

The Managing Director, Executive Directors, Group Finance, Chief Financial Officer, Chief Production Officer 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, 2022-2023.
- The Committee reviewed the Budget for the year, 2023-2024.
- The Committee reviewed the performance of the external auditor and recommended their appointment. The Committee reviewed related party transactions.
- The Committee reviewed related party transaction.
- The Committee reviewed the Internal Audit Manual.
- 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 the report.

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Md. Abdus Salam FCA, FCS Chairman, Audit Committee

Md. Shah Alam Miah, FCS Secretary, 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 Con dentiality.

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;
- 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;
- v. Increments (if any) to the existing structure of remuneration are determined by the NRC based on the Company's HR policies and guidelines, which are ratified by the Board as and when required;
- vi. The NRC will recommend the Board meeting attendance fees, honorarium, including incidental expenses if any; and

vii. No member of the NRC receives, either directly or indirectly, any remuneration for any advisory or consultancy role or otherwise, other than Director's fees or honorarium from the Company.

### 2. Evaluation Criteria

### a) Executive Directors

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

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

The evaluation of 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:

- i) 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 (yearend). 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 2022-23, the Committee held 2 (Two) meeting. The Managing Director, Executive Directors Group Finance, Chief Financial Officer 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:

- i. The NRC reviews the background of the Independent Directors, the level of their independence as well as the performance atributes of Non-Executive Directors.
- ii. Evaluated the Performance of the Chairperson, other Board members, and Managing Director of the Company, and prepare recommendations for the Board.
- iii. Evaluated the Performance of the top-level executive of the Company and prepare recommendations for the Board.
- iv. Recommended the re-appointment of the Independent Director.

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Md. Shah Alam Miah, FCS Secretary, Nomination and Remuneration Committee

Shamsul Hasan, Barrister-at-Law Chairman, Nomination and Remuneration Committee

### INTEGRATED REPORTS

### **BASIS OF INTEGRATED REPORT, ETHICS & COMPLIANCE**

2022-23 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 wellbeing 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 2023 with relevant comparative information. The financial statements consistently complying with the requirements of:



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

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

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

The scope of our Annual Report comprises of activities that have been carried out within the geographical boundaries of Bangladesh, as Matin Spinning Mills 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 2022.

### **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 2021-22 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.

### **ETHICS AND COMPLIANCES**

Matin Spinning Mills PLC is profoundly assuring its stakeholders on all types of compliance issues. It maintains full compliance with all the relevant laws,rules, regulations and standards applicable to our company including but not limited to the areas mentioned under this statement rather than adopting all applicable compliance issues as and when applicable.

### Compliance with Ethical Standards:

The ethics and compliance function of the company has an independent voice to contribute to its strategic discission and daily operations. Proposals for new initiatives are measured by alignment with the company's values and code of conduct. In other words, ethics and compliances don't exist only when a crisis related to an ethical lapse arises. Reports on compliance performance or audit results are regularly shared with company's management and operational leaders.

### 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

### RISK MANAGEMENT AND CONTROL ENVIRONMENT

The Risk Management Standard adopted by Matin Spinning Mills PLC (MSMPLC) places a strong emphasis on understanding the impact of uncertainty on organizational objectives, using a structured approach that considers both the likelihood and consequence of risks.

Within the framework of MSMPLC, risk management is defined as a comprehensive process characterized by its logical and systematic nature. It encompasses the methodical identification, thorough evaluation, effective treatment, continuous monitoring, and transparent communication of risks associated with any activity, function, or process undertaken by the organization. This robust approach to risk management ensures that MSMPLC is well-prepared to proactively address and navigate potential challenges while aligning its strategies with its overarching goals.

### 1. RISK MANAGEMENT FRAMEWORK OF MSMPLC

### 1.1 THREE LINES OF DEFENSE:



### First Line: Operational Management (Business Units)

In the first line of defense, the operational management or business units are at the forefront of risk management within MSMPLC. This is where the identification, assessment, and management of risks occur in the course of daily operations. Here's a more detailed breakdown:

**Risk Identification:** Business units are responsible for recognizing and identifying risks that are inherent in their operations. This includes financial risks, compliance risks, operational risks, and any other potential threats to the achievement of their objectives.

**Risk Assessment:** Once risks are identified, business units assess these risks in terms of their potential impact and likelihood of occurrence. This assessment helps in understanding the significance of each risk.

**Risk Management:** After assessing risks, the first line of defense is tasked with managing them. This includes developing and implementing risk mitigation strategies and controls to reduce the likelihood and impact of identified risks.

### Second Line: Risk Management Function

The second line of defense serves as a critical intermediary layer, providing oversight and support to the operational management. Its role is to ensure that risks are managed effectively and in compliance with established policies and standards. Here's a deeper look:

**Risk Oversight:** The risk management function monitors and supervises the risk management activities of business units. This oversight ensures that risks are being addressed comprehensively and that emerging risks are promptly identified.

**Compliance Management:** This layer ensures that the organization complies with relevant regulations, internal policies, and industry standards.

**Control Implementation:** The risk management function supports business units in implementing controls and risk mitigation measures. It provides guidance on best practices and ensures that controls are consistently applied throughout the organization.

### Third Line: Internal Audit

The third line of defense consists of the internal audit function, which operates independently of the first and second lines. Its primary role is to provide objective assurance to the organization's senior management and Board of Directors that risk management and internal controls are effective. Here's a closer look:

**Risk Management Evaluation:** Internal audit independently evaluates the effectiveness of the risk management framework. This evaluation includes assessing whether risks are being identified, assessed, and managed appropriately at the first line.

**Compliance Audit:** Internal audit conducts compliance audits to ensure that the organization adheres to legal requirements, regulations, and internal policies, particularly focusing on non-financial risks such as labor and environmental compliance.

**Control Testing:** Internal auditors test the adequacy and effectiveness of internal controls and risk mitigation measures to ascertain their reliability.

By dividing the risk management process into these three lines of defense, MSMPLC establishes a robust and structured approach to identifying, assessing, and managing risks. This separation of duties and independent evaluation ensures that risks are addressed comprehensively, and the organization is better equipped to achieve its objectives while maintaining accountability and transparency.

### **1.2 RISK RESPONSE AND IMITIGATION STRATEGIES**

Risk response and mitigation strategies are critical components of any comprehensive risk management framework, helping organizations like MSMPLC navigate the complex and often volatile business environment. In the highly regulated textile industry, where financial, operational, and supply chain risks are omnipresent, MSMPLC employs a range of effective strategies to mitigate these challenges. These methodologies are designed to reduce the likelihood and impact of potential risks, enhancing the organization's resilience and ability to achieve its strategic objectives.



### **RISK ACCEPTANCE:**

Risk acceptance is one approach where the MSMPLC acknowledges certain inherent risks and decides to tolerate them within predefined limits. By doing so, the company might accept that some market fluctuations or economic downturns (as an example) are beyond its control and focus on managing the impact rather than trying to eliminate them entirely.

### **RISK AVOIDANCE:**

Risk avoidance, on the other hand, involves proactive measures to steer clear of potential threats. MSMPLC may avoid certain high-risk business ventures or markets where the probability of loss outweighs the potential gain. This strategy minimizes exposure to known risks but may also limit growth opportunities.

### **RISK TRANSFER:**

Risk transfer is another strategy that MSMPLC employs, such as through insurance or contractual arrangements. By transferring some of the risks to external parties, the company can reduce its financial liability in case of adverse events. For example, liability insurance can help protect the company from legal claims.

### **RISK REDUCTION:**

Risk reduction involves implementing measures to mitigate identified risks. MSMPLC may invest in technology, diversify its portfolio, or enhance its internal controls to reduce operational, financial, or cybersecurity risks. This strategy aims to minimize the likelihood and impact of risks while allowing the company to continue pursuing its objectives.

In summary, MSMPLC employs a combination of risk acceptance, avoidance, transfer, and reduction strategies to manage various risks it faces. These strategies help balance risk and reward, ensuring the company's sustainability and value to its shareholders.

### **1.3 RISK TYPES AND IMITIGATION STRATEGIES BY MSMPLC**

Risk Types	Description of Risks	Mitigation Strategies
Raw Material Price Fluctuations Risks	<ul> <li>The volatility in cotton prices:</li> <li>Highly dependent on global market</li> <li>dynamics, cotton price fluctuations can</li> <li>have a direct impact on production costs.</li> <li>Price instability in other raw materials:</li> <li>Variations in prices of dyes, chemicals,</li> <li>and other inputs affect profit margins and</li> <li>sourcing decisions.</li> </ul>	<ul> <li>Cultivate relationships with multiple raw material suppliers.</li> <li>Negotiate long-term contracts for price stability.</li> <li>Maintain strategic stockpiles of critical raw materials.</li> <li>Use futures contracts to lock in raw material prices.</li> </ul>
Compliance and Regulatory Risks	Law compliance challenges:Adherence to various laws, including labor,working conditions, VAT, TAX, etc., posesregulatory risks.Environmental regulations:Meeting stringent environmentalstandards concerning waste managementand emissions is vital to avoid legalconsequences.	<ul> <li>Conduct regular internal audits on compliance.</li> <li>Provide comprehensive training to employees on various laws</li> <li>Invest in sustainable practices and technologies.</li> <li>Regularly assess environmental risks and develop contingency plans.</li> </ul>
Reputation Risks	Ethical lapses: Instances of unethical practices or environmental negligence can lead to a damaged reputation and consumer backlash.Supply chain transparency: The importance of maintaining a transparent supply chain to build and maintain trust among consumers.	<ul> <li>Provide ongoing training to employees on ethical practices.</li> <li>Implement whistleblower programs to encourage reporting of unethical behavior.</li> <li>Conduct regular audits of suppliers for transparency.</li> <li>Engage with stakeholders, including consumers, to build trust and share information.</li> </ul>
Market Competition (Business Risks)	Industry rivalry:Competition from local and internationalspinning companies requires constantinnovation in design, quality, andproduction processes.Market entry barriers:Challenges and costs associated withentering new markets to expand thecustomer base.	<ul> <li>Emphasize continuous innovation in design and product quality.</li> <li>Invest in advanced production processes to stay competitive.</li> <li>Conduct comprehensive market research to assess entry challenges.</li> <li>Develop contingency plans to address unexpected challenges.</li> </ul>
Customer Demand Fluctuations (Business Risks)	<ul> <li>Shifting consumer preferences: Changes in consumer tastes and adapting product offerings accordingly.</li> <li>Economic conditions: Economic trends to anticipate fluctuations in customer demand and adjust production planning accordingly.</li> </ul>	<ul> <li>Regularly analyze consumer trends and adjust products/ services accordingly.</li> <li>Continuously monitor economic indicators to foresee demand changes.</li> <li>Avoid over-reliance on specific markets or industries.</li> <li>Diversify and strengthen supply chain sources.</li> </ul>

Supply Chain Disruptions (Operational Risks)	Natural disasters: The impact of natural disasters on the supply chain, such as floods or earthquakes.	<ul> <li>Diversify suppliers geographically to reduce vulnerability.</li> <li>Invest in business interruption insurance for supply chain disruptions.</li> </ul>	
	<b>Geopolitical tensions:</b> Risks associated with operating in regions prone to political instability and potential supply chain disruptions.	<ul> <li>Maintain alternative sourcing options outside high-risk regions.</li> <li>Stay informed about political developments in operating regions.</li> </ul>	
A	Machinery Breakdowns: The risk of unexpected machinery failures	<ul> <li>Implement scheduled maintenance routines.</li> <li>Maintain adequate spare parts inventory and employ real-time equipment monitoring systems.</li> <li>Implement real-time quality control checks.</li> <li>Incorporate customer feedback for improvements.</li> </ul>	
Manufacturing Challenges (Operational Risks)	<b>Quality Control:</b> The risk of failure to maintain product consistency and meet customer expectations.		
E Soreign Exchange Risks	<b>Transaction Risk:</b> Impact on individual transactions due to currency rate fluctuations.	<ul> <li>Use forward contracts or hedging instruments.</li> <li>Diversify currency exposure, stay</li> </ul>	
	<b>Economic Risk:</b> Impact on overall business value due to macroeconomic factors.	informed on global economic trends.	
٦	Funding Risk: Inability to secure necessary funding to meet short-term obligations and default by customers or counterparties leading to delayed payments.	<ul> <li>Maintain adequate cash reserves, establish credit facilities.</li> <li>Assess creditworthiness, establish credit policies.</li> <li>Create cash flow projections,</li> </ul>	
Liquidity Risks	<b>Cash Flow Mismatches:</b> Mismatch between incoming and outgoing cash flows.	manage working capital effectively.	
	Market Interest Rate Risk: Fluctuations in market interest rates affecting borrowing costs.	<ul><li>Use interest rate derivatives, fix or diversify debt structures.</li><li>Plan debt maturities strategically.</li></ul>	
Interest Rate Risks	<b>Refinancing Risk:</b> Risk of higher interest rates when refinancing debt.	<ul> <li>Diversify investment portfolio, evaluate risk-return trade-offs.</li> </ul>	
	<b>Counterparty Risk:</b> Risk of default by customers, suppliers, or business partners.	<ul> <li>Assess creditworthiness, establish credit policies, and use contracts and guarantees.</li> <li>Diversify customer base, monitor exposure limits.</li> <li>Stay informed about market trends, assess impact on credit portfolio.</li> </ul>	
Credit Risks	<b>Credit Concentration Risk:</b> Overexposure to a single customer, industry, or geographic area.		

## **HUMAN CAPITAL**

Human capital refers to the collective knowledge, skills, experience, and abilities possessed by the employees. It encompasses the intellectual and personal attributes of the workforce that contribute to the organization's overall productivity, performance, and competitive advantage. Human capital is a critical asset for organizations, and effectively managing and developing it is essential for achieving success and sustainable growth. Therefore, the employees who serve in MSMPLC are united in their common endeavor to contribute to the strength and growth of the business.

### Process to maintain effective talent acquisition process:



### **MTO Program**

Management Trainee Officer (MTO) is entry level Management Executive recruited and nurtured to grow as a future potential leader for the company. The recruitment process is deliberately made rigorous to find out the best fit fresh graduates. Recruited MTOs are given exposure to a wide variety of works (inter/intra departmental) in order to broaden their experience and learn to endure different conditions throughout their career journey. They can experience faster career growth upon satisfactory performance.



### **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 wellbeing. 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.

### Manpower Strength

Category	2021-2022	2022-2023
Management Employee	112	114
Staff	417	337
Worker	1789	1904
Total	2318	2355





### Male & Female Ratio

Gender	Manpower	Percentage
Female	1266	54%
Male	1089	46%
Total	2355	100%



### **Employee Attrition Analysis**



### 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.

### Training & Development



### **Training Information 2022-2023**



### **Employee Engagement & Wellbeing Activities**

Our employee engagement and wellbeing initiation are as follows -

- 1. University collaboration for employee upskilling.
- 2. Ensure medical services with discounted price.
- 3. Arrange regular periodic health campaign.
- 4. Webinar on health awareness.
- 5. MOU with Super Chain Stores.
- 6. MOU with External Training Purpose.
- 7. MOU with Amusement Facilities.
- 8. Facilitate Mini Fire Brigade.
- 9. Bandhan fair price shop.
- 10. Provide sanitary napkin (nominal price).
- 11. Workers' participation in company's profit (WPPF).
- 12. Advance salary provided if needed for any employee.
- 13. Subsidized meals facility in office canteen.
- 14. 1 (one) times free snacks.
- 15. Mobile bill for official and personal communication.
- 16. Full treatment cost for work related injury.
- 17. Leave with pay for work related injury.
- 18. Partial treatment cost for personal disease for employees and his family members.
- 19. Employee can take short leave.
- 20. Additional leave beyond BLA: Paternity leave (3 day), Compassionate leave (2 days), special leave etc. for employees beyond other law specific leaves.
- 21. Free safety equipment for all.
- 22. In-house day care center with trained professionals.
- 23. 24/7 ambulance service.
- 24. In-house medical center with a wide range of tests and even providing outpatient medical.
- 25. Telemedicine service facility with consultation on nominal cost.
- 26. Long Term compensation benefit.
- 27. Group Life insurance and disability & invalidity coverage as per Bangladesh Labor Law and Group.
- 28. Retirement provisions.
- 29. Contributory Provident Fund for management employees.
- 30. In-house pharmacy providing medicines at fair price for employees and their family members.
- 31. Transport facilities.

#### 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 and chemical safety.

#### **Human Resources Accounting**

Human Resources Accounting (HRA) is the method of identifying and reporting investments made in the human resources by the company that remains unaccounted-for in the conventional accounting practice. It is an extension of standard accounting principles. Measuring the value of the human resources can assist us in understanding HR value proposition and proper utilization.

Year	2023	2022
FEMALE EMPLOYEES	1,266	1,264
MALE EMPLOYEES	1,089	1,054
Value of Human Resources*	475,163,490	456,988,755
Net Revenue	7,343,960,563	6,002,688,295
Operating Income	518,347,844	1,321,241,035
Operating Cost	239,209,214	246,816,297
Profit Before Tax	512,670,625	1,244,830,141
Profit After Tax	427,138,377	1,051,760,850
Ratio of:		
Net Revenue / Employee	3,118,455	2,589,598
Value of Human Resources/ Employee	201,768	197,148
Operating Income/Employees	220,105	569,992
Operating Cost/Employees	101,575	106,478
Profit Before Tax/Employees	217,695	537,028
Profit After Tax/Employees	181,375	453,736

#### \* Value of Human Resources

Year	2023	2022
Salaries & other benefits	375,534,376	333,063,230
Motivation and other allowances	45,375,465	39,650,508
Festival bonus	27,133,427	20,299,781
Workers profit participation fund	28,157,875	64,617,867
Total	476,201,142	457,631,386







Matin Spinning Mills PLC



## 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**



**17,881,870** Kg raw materials used in 2022-23



287,295 Cubic meters water used in 2022-23



### 4,710,914

kg non-hazardous waste in 2022-23

### 15

Kg hazardous waste in 2022-23

### **ENERGY CONSUMPTION**



PROCESS:

### 2,351,717

Liters from Diesel in 2022-23

**3,982,251** Cubic meters from natural gas in 2022-23



TRANSPORTATION:

**53,214** Cubic meters from natural gas in 2022-23

**13,188** Liters from diesel in 2022-23

### 5,059

Liters from octane 2022-23

### **GHG EMISSIONS**



**14,719** Tons from processes in 2022-23



**139** Tons from transportation 2022-23

## SOCIAL

**DIVERSITY BY GENDER** 





### **DIVERSITY BY AGE GROUP**





### **DIVERSITY BY RELIGION**



### **OTHER SOCIAL ISSUES**



Annual Report 2022-23

## SUSTAINABILITY PROGRAMS

### People\_



#### **BANDHAN FAIR PRICE SHOP**

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

#### 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 Taka 10: thus, not only limiting to teaching women but providing opportunities for safe health as well. As a result, women workers now have improved health condition and there is reduced absenteeism.





#### 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.



#### 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.

### Process



#### **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.



#### 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).

### Product



#### **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 38.47% 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. 57.68% of the total yarn production is from BCI cotton.





#### **COTTON MADE IN AFRICA (CmiA)**

A globally recognized standard for ethically produced cotton from Africa is called "cotton made in Africa" (CmiA). Matin Spinning Mills PLC has launched the CmiA to promote the international standards for sustainable cotton. We import CMiA cotton from Côte d'Ivoire, 1.29% CmiA are sourced this year.



#### 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.

## Community



#### **MINI FIRE STATION**

The Mini Fire Station (MFS) is a collaboration between DBL Group, GIZ, and Bangladesh Fire Service and Civil Defence (BFSCD). MFS aims to prevent fire and building collapse in the industrial area of Kashimpur, Gazipur. The MFS has staff available 24/7 and can respond quickly to emergencies within 10-15 minutes. The MFS is actively saving lives, reducing injuries, and reducing damage to properties and goods. Since the starting of operation in August 2017, MFS responded to 369 incidents including in factories, warehouses, residential houses, shops, and other places in the community.

#### 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.





#### **COMMUNITY HEALTH PROGRAMS**

DBL inaugurated a Community Health Development Program on 30 May 2016. A total of six programs has been held where free treatments were provided to the children, women, men, and the elderly; more than 150 people received free consultations by our own doctors.

#### COMMUNITY KNOWLEDGE EXCHANGE PROGRAMS

DBL holds Community Knowledge Exchange Programs in the different communities with DBL's operations. We aspire to develop our community where we can grow and thrive in a healthy and successful manner. we conduct different programs/workshops, like; personal hygiene for women, financial literacy, SRHR, women empowerment, maternity protection and breastfeeding, fire safety, and environmental awareness.



### Environment



#### **TREE PLANTATION PROGRAM**

Tree plantation benefits the environment, boosts wildlife, strengthens communities, grows the economy, and protects the future. A method of offsetting carbon emissions is by planting trees. Trees absorb and store carbon dioxide emissions that are contributing to global warming. DBL has already planted over 10,500 trees as part of the Tree Plantation Program till 2022-23. DBL aims to continue planting trees in diffe rent 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.





#### **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.

#### **RENEWABLE ENERGY**

Matin Spinning is committed to environmental sustainability and has installed a solar power system to reduce its dependence on grid electricity and fossil fuels. The solar power system has an overall capacity of 712.55 kW.





#### EGBs

Matin Spinning uses 4 exhaust gas boilers (EGB) to recover waste heat from the flue gas of their gas engines. The EGBs produce steam that can be used for various purposes, such as power generation, heating, or dyeing. The EGBs helps us to save energy, reduce greenhouse gas emissions, and lower operating costs.



## ENVIRONMENT, HEALTH AND SAFETY MANAGEMENT SYSTEM (EHS)

#### General

Matin Spinning Mills is a Public Limited Company. It is an export oriented company which produces combed and carded yarn from raw cotton. It has state-of-the-art machineries mostly imported from USA, Germany, Japan and Switzerland. Since its inception, Matin Spinning Mills PLC had a glorious journey adding a great value to the business of DBL Group.

Visionary Leaders of DBL Group has not only focused on yarn manufacturing of MSMPLC but also has demonstrated great acumen to develop its people and process. Wellbeing of the people being a major concern, the company has taken all possible steps to ensure safe work environment for the people.

#### Objective

We work to achieve following objectives:

- 1. All of our workers, staffs, officers, managers, suppliers and visitors are safe from all kind of Health hazards in factory premises.
- 2. Fire safety to ensure protection of people, process and asset.
- 3. Protecting environment through green building and recycling process.

#### **Risk Assessment**

A detail analysis of Risk has been made to formulate Risk Assessment associated with machines and processes. Thereafter, Risk Assessment has been documented and Risk Management Plan has been developed to enhance Health, Safety and Environment Management. The same has also been circulated and it is communicated to all stakeholders through regular refresher training.

#### EHS Management System

We consider Health, Safety and Environment are as top priority among all activities that we carry out in our factory. We are committed to developing and maintaining high quality technologies, best practices and programs to enhance workplace safety.

#### What We Do?

MSMPLC is a rapidly expanding company as such, we have a robust and adaptive EHS management system. This effort has focused on continuous improvement through continuous monitoring, reviews and revisions of processes, procedures and policies. A Plan – Do – Check – Act (PDCA) cycle has been followed to improve EHS management system. Some of the actions are listed here that we do to enhance EHS:

- 1. Train new joiners on very first day of their joining on EHS of the factory.
- 2. Arrange refresher training of all workers, staffs, officers, manager, suppliers, third party service providers and visitors on safety protocols.
- 3. Increase awareness on road safety through regular training of drivers, install road signs, speed limit, convex mirror, signage posting, etc.
- 4. Different types of safety sensors have been installed in machineries such as ARGUS, GRECON, etc.
- 5. Construct safety guards with the machines and approach routes to prevent accidents.
- 6. Conduct periodical inspection and cleaning of machines, tools and equipment.
- 7. Conduct training and mock drill on firefighting, rescue, first aid, etc.
- 8. Factory Safety Coordination Committee has been formulated who sit for meetings in every quarter of the year.
- 9. Enforce use of Personal Protective Equipment (PPE) by all as applicable.
- 10. Health check-up and emergency treatment facility is provided through Medical Center with the collaboration of the local hospital for all employees. Besides, special medical camps are also arranged in case of pandemic situation.
- 11. Provide discounted medicine facilities to all to make life easy.
- 12. Conduct refresher training for security guards and firemen on firefighting.
- 13. We had provided free COVID-19 vaccination to 1559 workers and staffs in 2022-23.

#### Initiative Taken by MSMPLC to Ensure EHS



#### We train our people well

We conduct EHS training to our workers, staffs and officers. We have conducted EHS training to 100% workers in 2022-23. We had also conducted refresher training to 2280 workers and staffs.



#### We also train third party service providers We have also provided EHS training to 619 third party service providers in 2022-23 while working at MSMPLC.



## We train our people on occupational health safety

We provide regular awareness training on occupational health safety to our people. We had provided occupational health safety training to 857 persons in 2022-23.



#### We train our drivers on road safety

To ensure road safety and safety inside factory premises, we provide Safe Driving Training to the drivers both of DBL owned vehicles and third-party vehicles.



#### We conduct hands on training

We conduct Hands on training to the workers and staffs in production floors daily. This enables them to touch each fire equipment by their own hands, learn and practice use of fire equipment. This has proven to be useful in capacity building of workers and staffs in response to a fire incident.



#### We carry out on the spot training

We visit every area in the factory regularly to identify safety hazards in the premises. Then, on the spot we organize an awareness training of concern persons and eliminate those hazards right then.



#### We practice fire and evacuation drill We carry out fire drills, both day and night, in factory premises once in every month. We also practice fire drill in front of Fire Service and Civil Defense in every quarter.



#### We practice mock drills and first aid training

We also carry out mock drill on emergency situation and first aid training to increase preparedness of our people in the factory.



## We use different bins for different kind of wastage

We use different bins for different kind of wastage in the factory premises. For example: organic wastage, paper wastage, glass wastage, plastic wastage, etc.



#### We care about the environment

We care about the environment. We have Effluent Treatment Plant (ETP) and Sewerage Treatment Plant (STP) in factory premises of MSMPLC.



#### We provide free treatment

We provide free treatment and free medicine for workers if getting sick during work. We also provide medicines for all employees on discount. We have health insurance policy for all our employees. We also have agreement with renowned local hospital in close vicinity for discounted treatment.

## **FINANCIAL CAPITAL**

#### Managing our finance prudently

Matin Spinning Mills PLC. ensures prudent use of the financial capital and it strives to maximize returns to the providers of financial capital. We use our capital in a much-planned way to maximize surplus funds from both business operations and monetization of assets and investments as relevant. We also continue to optimally raise finance based on prevailing market conditions at the best possible cost and flexible terms given to the cyclical nature of the Spinning industry.



#### Sources of Our Financial Capital

Financial capital is generated annually from surplus of business operations and through financing activities, including raising debt and equity aligned with market conditions and internal strategic planning, as well as optimal asset monetization. The main sources are like-

- Equity financing;
- Debt financing; and
- Surplus from business operation.

#### How Do We Manage Our Financial Capital?

We use our financial capital very carefully to get maximum investment return. We ensure that the regular operations are at an optimum level. Our operational KPIs are compared with internal and external benchmarks to achieve the best production, higher productivity and yields. We do the followings:



• Continuous cross-functional improvement programs under Total Quality Management (TQM); Maintenance process improvements, operational efficiency, product mix optimization;

· Waste reduction and recycling, energy efficiency and procurement optimization leading to cost optimization;

• Innovative marketing initiatives and various ongoing digital programs provide better customer connect and reach, and higher realizations;

· Operational efficiency enables us to generate positive cash flows from operations;

• Robust financial planning process that assesses the requirement of funds for sustainable business operations as well as for investments towards present and future business sustainability and growth opportunities;

• The fund requirement over business surplus and retained earnings are met by raising funds as per market conditions to reduce finance cost and have flexible terms in line with the cyclical nature of the Spinning industry; and

· We do plan on foreign exchange rate movement to mitigate the risks and get maximum benefits etc.

#### **Managing Capital Inputs**

During the financial year 2022-23, no further capital has been issued or further capital injected. Besides, ourlongterm loan (both non-current and current) and short-term loan were BDT 149 Crore and BDT 262 Crore respectively. We utilized the financial capital for our business purpose solely.

**Our Strategic Focus** 

- Growth without increasing leverage;

- Enhance external sales and productivity;

Income Statement (Extracted) BDT.

× ,					BDT 000" Taka
Particulars	2022-2023	2021-2022	2020-2021	2019-2020	2018-2019
Revenue	7,343,961	6,002,688	5,021,072	3,904,153	4,324,532
Gross Profit	928,908	1,611,938	1,097,111	539,604	375,345
Profit before Tax	512,671	1,244,830	842,749	253,427	121,898
Net Profit after Tax	427,118	1,051,761	615,399	210,211	94,348









#### **Financial Position (Extracted)**

Particulars	2022-2023	2021-2022	2020-2021	2019-2020	2018-2019
Non-current Assets	5,978,653	5,902,556	4,838,690	4,762,330	4,235,454
Current Assets	5,010,134	4,488,533	3,444,013	2,336,286	2,333,585
Non-Current Liabilities	1,315,092	257,598	263,357	381,890	572,654
Current Liabilities	3,820,741	4,222,906	2,773,057	1,911,217	1,813,727
Paid Up Capital	974,900	974,900	974,900	974,900	974,900

#### **Operating Cash Flows**

Particulars	2022-2023	2021-2022	2020-2021	2019-2020	2018-2019
Net Cash Flows from operating activities	4.97	6.17	0.40	5.47	4.75

#### Dividend

The Board of Directors has recommended 40% cash dividend for General Shareholders for the year ended 30 June 2023 in its 139<sup>th</sup> Board Meeting held as on 15 October, 2023. The dividend is subject to final approval by shareholders at the Company's 21<sup>st</sup> Annual General Meeting





## **MANUFACTURING CAPITAL**

#### Sophisticated spinning mill

Matin Spinning Mills PLC is a sophisticated spinning mill with modern manufacturing facility designed for the production of yarn from various types of fibers, such as cotton, viscose, recycled cotton & polyester, synthetic, and different types of sustainable fibre. We have advanced machinery and technology to efficiently and precisely process raw fibers into high-quality yarn, catering to the demands of textile and apparel industries.

#### Product variety with sustainable yarn production

The key secret behind the success of Matin Spinning Mills PLC lays on its wide variety of product & capacity and customized orientation of new products as per the demand of customers.

Sustainable spinning refers to the practice of producing yarn while minimizing the environmental and social impact of the spinning process. It involves various strategies and technologies aimed at reducing energy consumption, conserving resources, promoting ethical labor practices, and minimizing waste. Here are some key aspects of sustainable spinning.

- Eco-friendly Fiber Sourcing (Recycled cotton & Recycled Polyester)
- 2. Transparency and Traceability
- 3. Energy-Efficient Machinery and Processes
- 4. Sustainable spinning aims to minimize waste generation
- 5. Worker Welfare
- 6. Quality Control
- 7. Using renewable energy sources, such as solar
- 8. Product Certification
- 9. Research and Innovation

Sustainable fibre use at Matin Spinning Mills PLC

- Recycled Cotton
- Recycled Cotton from Recover™
- Recycled Polyester
- Organic Cotton
- Regenerative Cotton
- In-conversion/transitional Cotton
- BCI Cotton
- CMIA Cotton
- FSC Certified Ciscose
- Ecovero Viscose
- Refibra Tencel
- Livaeco Viscose

#### Constituents of our manufacturing capital

- Our manufacturing practices;
- Our architecture and infrastructure facilities;
- Machineries and manufacturing facilities;
- Production capacity;
- Technology we use;
- Our distribution channels
- Other facilities that contribute to our production.

#### Intensive capital investment

In Bangladesh, Matin Spinning Mills PLC is a very capitalintensive company with advanced machineries and other intensive capital investment. No other local market participants are comparable in terms of its manufactured capital. It has incorporated automated production process

#### Sustainable manufacturing practices

- 1. Oracle based ERP system for transparent order management & production process
- 2. Sustainable QMS practice with ISO 9001:2015
- 3. ISO 14001:2015 standard for environment
- 4. Social & Labor Convergence Program (SLCP)
- 5. Participation Committee
- 6. HIGG FEM (Facility Environmental Module)
- 7. OCS, GOTS, GRS, & RCS Standard Confirms Product Traceability
- 8. Matin Spinning Mills PLC also equipped with highly efficient fire fighting equipment

#### Annual production capacity

Product (yarn)	Capacity (mt)
Cotton yarn	8,925
Melange yarn	3,570
Synthetic yarn	2,410
Open end yarn	2,320
Vortex/airjet yarn	1,250
Special yarn	3,570

#### Manufacturing technology

- Blow Room for Fibre Opening, Cleaning, Contamination Separation
- Carding for Sliver Formation

- Drawing for Fibre Uniform Sliver Preparation
- Lap Forming & Combing for High Quality Yarn Production By Short Fibre Removing
- Simplex for Roving Preparation
- Ring, Rotor & Vortex for Spinning
- Autoconing with Usterized Yarn Clearing.
- Heat Setting for Yarn Stabilizing Packing

Sustainable energy /green practices at Matin Spinning Mills PLC

- Solar Energy Utilization
- Co-Generation System (Utilization of Exhaust Flue Gases & Hot Water of Generator)
- Rain Water Harvesting System
- VFD Used in the Compressors
- Energy Efficient Machine Used in Production Process
- Use of Energy Efficient Lights on Production Floor
- Utilization of STP
- Use of Air Trigger Nozzle at Compressor Line
- Inverter Drive Motor for Air Conditioning System.

#### **Power generation**

Titas gas transmission & distribution company limited supplies required gas as per our demand against an approved load. Therefore, if the gas supply fails the company uses diesel generator, reb & united power (rental power) for the generation of electricity

The company has capacity to generates around 30 mw electricity.

- Natural gas- 17 mw (11 nos gas generator from caterpillar, USA)
- Diesel-6.30 Mw (5 nos diesel generator from caterpillar, USA)
- Reb-5.0 Mw
- United power (rental)-1.0 Mw
- Solar-0.7 Mw (more 2 mw in process)

#### Environment, health and safety issues

Ensuring the quality of environment, health and safety at Matin Spinning Mills PLC is of utmost importance to ensure the well-being of workers and the smooth operation of the facility. Spinning mills involve various processes and machinery that can pose risks if not managed properly. Here are some key aspects of health and safety

- Machinery Safety
- Dust and Fiber Control
- Fire Safety
- Training
- Hygiene and Sanitation
- First aid and Medical Facilities
- Safety Committees



## **INFORMATION TO THE SHAREHOLDER**

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

#### FINANCIAL CALENDAR

Events for the year	2022-2023	2021-2022
Publication of unaudited 1st Quarter Financial Statements	14 Nov-22	11 Nov-21
Publication of unaudited Half year/ 2nd Quarter Financial Statements	30 Jan-23	29 Jan-22
Publication of unaudited 3rd Quarter Financial Statements	17 April-23	23 April-22
Annual Financial Statements approved by the Board	15 Oct-23	20 Oct-22
Record Date	7 Nov-23	13 Nov-22
Dispatching notice for the Annual General Meeting	2 Nov-23	15 Nov-22
Dispatching of Annual Report	9 Nov-23	15 Nov-22
Holding of Annual General Meeting	30 Nov-23	08 Dec-22
Transfer/Payment of Dividend	17 Dec-23	20 Dec-22

#### STOCK DETAILS

Particulars	DSE	CSE
Stock Symbol	MATINSPINN	MATINSPINN
Listing Year	2014	2014
Market Category	A	A
Face Value (Taka)	10	10
Paid –up- Capital	974,900,000	974,900,000
Market Lot	1	1
Total Number of Securities	97,490,000	97,490,000
Sector	Textile	TEXTILES & CLOTHING
Scrip Code	17460	12048
Stock Listing Date	08-April-2014	08-April-2014
First Trading Date	09-April-2014	09-April-2014
Electronic Share	Yes	Yes

#### COMPARATIVE SHAREHOLDING STRUCTURE

Tuno of Charoboldor	30 June-2	.023	30 June 2022			
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	39,836,912	40.87	41,451,375	42.53		
Non-residential Bangladeshi	148,752	0.16	130,157	0.13		
General Public	25,587,336	26.25	23,991,468	24.62		
Total Shares Held	97,490,000	100.00	97,490,000	100.00		

#### **Shareholding Structure**

**30-Jun-22 30-Jun-23** 



#### Stock Market Performance

Particulars	30-Jun-23	30-Jun-22
Market capitalization – DSE (BDT million)	7,565,224,000	6,600,073,000
Market capitalization – CSE (BDT million)	7,565,224,000	6,600,073,000
EPS (BDT)	4.38	10.79
Payout ratio (%)	91.32%	46.35%
Share price – DSE (BDT)	77.6	67.7
Share price – CSE (BDT)	77.6	67.7
Weighted average number of shares outstanding	97,490,000	97,490,000

#### **Share Performance**

Month	Jul-22	Aug-22	Sep-22	Oct-22	Nov-22	Dec-22	Jan-23	Feb-23	Mar-23	Apr-23	May-23	Jun-23
DSE	83.9	79.3	79.4	77.6	77.6	77.6	77.6	77.6	77.6	77.6	77.6	77.6
CSE	83.9	79.1	77.6	77.6	77.6	77.6	77.6	77.6	77.6	77.6	77.6	77.6

#### MONTH END SHARE PRICE (DSE) FROM JULY 2022 TO JUNE 2023



MONTH END SHARE PRICE (CSE) FROM JULY 2022 TO JUNE 2023



#### Price Trend in DSE

Period	2022-23	2021-2022	2020-2021
Year-End Closing (Taka)	77.60	68.00	53.30
Year High (Taka)	86.30	80.20	54.50
Year Low (Taka)	66.90	52.70	32.80
Total number of Trade	83601	159,303	18,394



#### Share Price

#### SHARE INFORMATION

Particulars	30 June-2023	30 June 2022	30 June 2021
Number of shares	97,490,000	97,490,000	97,490,000
Net Asset Value per share (Taka)	60.04	60.63	53.81
Earnings per share	4.38	10.79	6.31
Dividend (Cash) %	40	50	40

Shares held by directors/executives and relatives of directors /executives (Pattern of Shareholding as on 30 June 2023 provided on page No 71

#### SUMMARY OF UNCLAIMED DIVIDEND

Years	Dividend amount in DBT _ As on Jun 30, 2023	Number of Shareholder	Remarks
2019-2020	3,35,062.35	727	After Distribution of Dividend for the financial year
2020-2021	11,14,397.40	590	2022-2023, unclaimed Dividend for the financial
2021-2022	14,88,116.00	734	year 2019-2020 will be transferred to Capital Market Stabilization Fund (CMSF) as BSEC guideline.
Total	2,937,575.75		

#### Total Share Traded

#### **REDRESSAL OF INVESTORS 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.

#### Other Information:

Investors' Relation Department

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

Mobile: +8801955538019

Email: secretary@msml.dbl-group.com



# AUDITOR'S REPORT AND FINANCIAL STATEMENTS



Corporate Office: ♥ : 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

### 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, 2023, 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 of the financial position of the Company as at June 30, 2023, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

#### **Basis for Opinion**

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

#### **Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in 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 amounts to Taka 5,625,737,394 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 have not been recognized.	<ul> <li>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.</li> <li>The followings are our audit procedures on the carrying value and impairment risk of PPE:</li> <li>Reviewing basis of recognition, measurement, and valuation of assets;</li> <li>Observing procedures of assets acquisition, depreciation, and disposal;</li> <li>Checking ownership of the major assets;</li> <li>Checking the Capital-Work-In-Progress (CWIP) and its transfer</li> </ul>		
	<ul> <li>to PPE.</li> <li>Performing due physical assets verification at the year-end;</li> <li>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</li> <li>Finally assessed the appropriateness and presentation of disclosures against relevant accounting standards.</li> <li>Our testing did not identify any issues with regard to the carrying value of PPE or any indicators that would trigger impairment.</li> </ul>		

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







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Key Audit Matter	Our response to the risk
Revenue Recognition	
For the year-end, the Company reported total revenue of Taka 7,343,960,563 in Note 26. Approximately 87% of the Company's cost of goods sold.	We have tested the design and operating effectiveness of key control sures against relevant accounting standards.
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.	
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 January 01, 2019 which replaces the existing standard IAS 17.	We reviewed the appropriateness of management's application of IFRS 16 and assessment of the impact on the financial statements.
The Company applied IFRS 16 leases to its leases using a modified retrospective approach by initially applying with the cumulative effect of this	Our audit procedure included testing the classification, recognition and measurement of right-of-use assets and lease liabilities in accordance with IFRS 16.
standard as an adjustment to the opening balance of retained earnings. The Company reported the right-of-use (ROU)	<ul> <li>We checked the present value calculation for the lease;</li> <li>We reviewed lease agreements and made calculations to ascertain the appropriateness of the incremental borrowing rate used; and</li> </ul>
asset for Taka 2,211,785 and lease liability for Taka 2,800,978 at the year ended June 30, 2023.	<ul> <li>borrowing rate used; and</li> <li>We also examined the accuracy and appropriateness of accounting records in the financial statements arising as</li> </ul>
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.	well as verified the sufficiency and appropriateness of disclosures in the financial statements.
See notes no. 05, 3.08 to the financial statements	
Deferred tax Liabilities	







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Key Audit Matter	Our response to the risk
The company reported net deferred tax liabilities Taka 272,118,305 as at June 30, 2023. 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.	<ul> <li>We carried out the following substantive testing to address the related risk:</li> <li>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;</li> <li>We also assessed the completeness and accuracy of the data used for the estimates of future taxable income.</li> <li>We tested the mathematical accuracy in the calculation of deferred tax;</li> <li>We assessed key assumptions, controls, recognition, and measurement of Deferred Tax;</li> <li>We assessed the adequacy of the Company's disclosures setting out the basis of deferred tax balances and the level of estimation involved;</li> <li>We also assisted in evaluating the tax implications, the reasonableness of estimations, and calculations determined by management; and</li> <li>Finally assessed the appropriateness of presentation of deferred tax liabilities in the financial statements.</li> </ul>
See notes no 20 & 34 to the financial statements.	

Valuation and Existence of Inventories	
The Company had inventories of Taka 1,717,012,364 at June 30, 2023 held in the factory.	With regard to the appropriate valuation of inventories, we adopted the following audit procedures:
Inventories are carried at a lower of cost and ne realizable value in compliance with the requirements 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 ris of misstatement in the valuation of inventory items	within inventory items to ensure that they are in
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 abnorma	whether closing inventories were valued appropriately in
losses is recognized as expenses.	We tested on a sample basis, the net realizable value by comparing costs to recent selling prices;
Since the value of inventory is significant to the financial statements and there is significan measurement uncertainty involved in this valuation	within inventories and analyzed whether they meet the definition of inventories; and
the valuation of inventory was significant to our audit.	• We read the disclosure made by the Company for compliance with disclosure requirements.

See notes no 8 & 3.13 to the financial statements







#### **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.

When we read the remaining components of the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

## 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, 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. Corporate Office:

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## 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 ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with 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







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Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

• Evaluate the overall presentation, structure, and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

In accordance with the Companies Act 1994 and the Securities and Exchange Rules, 2020, we also report the following:

a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit and made verification there of;

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 statement of financial position and statement of profit or loss and other comprehensive income dealt with by the report are in agreement with the books of accounts and returns; and

d) the expenditure incurred was for the purposes of the Company's business.

Firm Name: Hussain Farhad & Co., Chartered Accountants Registration no: 4/452/ICAB-84

Signature of the auditor:

Name of the auditor: **A.K.M Fazlul Haque FCA,** Partner/Enrollment No: 1090 DVC No: 2310181090AS960375 Place: Dhaka Date: 15/10/2023







### Matin Spinning Mills PLC

## **Statement of Financial Position**

As at 30 June 2023

ASSETS         30 june 2023         30 june 2023           ASSETS         Property, plant and equipment Right-of-use assets (ROU) Investment         04         5,625,737,394         4,371,812,348           Capital work-in-process         05         52,971,536         54,819,850           Capital work-in-process         07         297,732,685         54,819,850           Current assets         07         297,732,685         1,471,058,264           Investories         08         1,717,012,364         2,278,906,219           Advances, deposits and prepayments         00         634,087,524         431,042,406           Materials in transit         11         867,138,196         62,615,810           Cash and bank balances         12         5,002,410,168         4,488,532,714           Total current assets         10         634,087,524         431,042,406           EQUITY AND LIABILITIES         5,010,134,213         4,488,532,714           Total earner capital         14         7,724,045         -2,978,983           Share capital         14         10,988,787,614         10,391,089,103           Share capital         14         10,988,787,614         10,391,089,103           Deferred tax liabilities         1,415,097,525         2,395,879         <				Amounts in Taka
ASSETS       Non - current assets       04       5,625,737,394       4,371,812,348         Right-of-use assets (ROU)       05       2,211,785       4,865,928         Investment       06       5,2971,536       54,819,850         Capital work-in-process       07       297,732,685       1,471,058,264         Total non - current assets       07       297,732,685       1,471,058,264         Current assets       10       634,087,524       2,278,906,219       1,262,026,807         Accounts receivable       09       1,442,150,592       1,262,026,807       431,042,406         Advarces, deposits and prepayments       11       867,138,196       62,615,810       438,532,714         Asset held for sale       13       7,7224,045       -       -         Total assets       10       974,900,000       974,900,000       920,700,000         Share capital       14       974,900,000       920,700,000       920,700,000       920,700,000         Share capital       14       10,938,787,614       10,939,083       1,481,093,655         Share capital       14       144,63,07,7552       5,910,584,658       1,463,077,552       2,395,879         Total equity       19       14,63,077,552       5,910,584,658		Notes	30 June 2023	30 June 2022
Property, plant and equipment Right-of-use assets (ROU)       04       5,625,737,394       4,371,812,348         Right-of-use assets (ROU)       05       2,271,785       54,819,850         Capital work-in-process       07       297,732,685       1,471,058,264         Total non - current assets       07       5,978,653,401       5,902,556,389         Current assets       07       4,42,150,592       1,22,026,807         Accounts receivable       09       1,471,012,364       2,278,906,219         Accounts receivable       09       1,442,150,592       1,262,026,807         Advances, deposits and prepayments       10       867,138,196       62,615,810         Cash and bank balances       12       242,021,491       453,047,44         Asset held for sale       13       7,724,045       -         Total current assets       10       974,900,000       974,900,000         Share premium       15       5,910,584,658       -         Share capital       14       974,900,000       920,700,000         Share premium       15       2,94,297,898       2,533,891,008         Revaluation reserve       17       1,463,077,552       2,395,879         Deferred tax liability       19       272,118,305	ASSETS			
Right-of-use assets (ROU)       05       2,211,785       4,865,928         Investment       06       52,971,536       54,819,850         Capital work-in-process       07       297,732,685       1,471,058,264         Total non - current assets       5,978,653,401       5,902,556,389         Current assets       09       1,442,150,592       431,042,406         Materials in transit       10       634,087,524       431,042,406         Cash and bank balances       12       342,021,491       453,941,471         Asset held for sale       13       7,724,045       -         Total current assets       10       634,087,524       4,488,532,714         Total assets       12       342,021,491       4,488,532,714         Asset held for sale       13       7,724,045       -         Four assets       10       920,700,000       974,900,000         Share capital       14       974,900,000       920,700,000         Share capital       14       974,900,000	Non - current assets			
Right-of-use assets (RÓU)       05       2.211,785       4.865.928         Investment       06       52,971,536       54,819,850         Capital work-in-process       07       297,732,685       1.471,058,264         Total non - current assets       5,978,653,401       5,902,556,389         Current assets       09       1,442,150,592       2,278,906,219         Accounts receivable       09       1,442,150,592       431,042,406         Materials in transit       11       634,087,524       431,042,406         Cash and bank balances       12       342,021,491       453,941,471         Asset held for sale       13       7,724,045       -         Total current assets       5,010,134,213       4,488,532,714         Total current liabilities       5,010,134,213       1,039,000         Share capital       14	Property, plant and equipment	04	5,625,737,394	4,371,812,348
Investment Capital work-in-process         06 2297,732,685         54,819,850 297,853,401           Total non - current assets         07         297,732,685         1,471,058,264           Inventories         08         1,717,012,364         5,902,556,389           Accounts receivable         09         1,442,150,592         1,262,026,807           Advances, deposits and prepayments         10         634,087,524         431,042,406           Materials in transit         11         867,138,196         62,615,810           Cash and bank balances         12         5,002,410,168         443,8532,714           Asset held for sale         13         7,724,045         -           Total aurrent assets         5,010,134,213         4,488,532,714         10,391,089,103           EQUITY AND LIABILITIES         14         974,900,000         974,900,000         920,700,000           Share capital         14         974,900,000         920,700,000         2,33,891,008         1,481,093,650           Total equity         5,852,975,450         5,910,584,658         5,910,584,658         5,910,584,658           Non-current liabilities         10         1,443,093,650         5,910,584,658         5,910,584,658           Long term bank loan         18         1,042,973,525<		05		
Capital work-in-process       07       297,732,685       1,471,058,264         Total non - current assets       5,978,653,401       5,902,556,389         Current assets       08       1,717,012,364       2,278,906,219         Accounts receivable       09       1,442,150,592       1,262,026,807         Advances, deposits and prepayments       10       634,087,524       431,042,406         Materials in transit       11       867,138,196       62,615,810         Cash and bank balances       12       5,002,410,168       4,488,532,714         Asset held for sale       13       7,724,045       -         Total current assets       10,988,787,614       10,391,089,103         EQUITY AND LIABILITIES       5,010,134,213       4,488,532,714         Share capital       14       974,900,000       974,900,000         Share capital       14       1974,900,000       920,700,000         Sket peremium       15       5,852,975,450       5,910,584,658         Non-current liabilities       1,042,973,525       2,33,891,008         Long term bank loan       18       1,042,973,525       2,395,879         Lease liability       20       2,239,871       2,52,02,443         Total non-current liabilities				
Total non - current assets         5,978,653,401         5,902,556,389           Current assets         08         1,717,012,364         2,278,906,219           Accounts receivable         09         1,442,150,592         431,042,406           Materials in transit         10         634,087,524         431,042,406           Cash and bank balances         12         342,021,491         453,941,471           Asset held for sale         13         7,724,045         -           Total current assets         5,010,134,213         4,488,532,714           Total assets         10,988,787,614         10,391,089,103           EQUITY AND LIABILITIES         5,010,134,213         4,488,532,714           Share capital         14         974,900,000         974,900,000           Share capital         14         974,900,000         920,700,000           Share capital         14         974,900,000         920,700,000           Share capital         14         974,900,000         974,900,000           Share capital         14         974,900,000         920,700,000           Share capital         14         1,463,077,552         5,910,584,658           Non-current liabilities         1,463,077,552         5,910,584,658				
Current assets         08         1,717,012,364         2,278,906,219           Accounts receivable         09         1,442,150,592         1,262,026,807           Advances, deposits and prepayments         10         634,087,524         431,042,406           Materials in transit         11         867,138,196         62,615,810           Cash and bank balances         12         342,021,491         453,941,471           Asset held for sale         13         7,724,045         -           Total current assets         5,010,134,213         4,488,532,714           Total assets         5,010,134,213         4,488,532,714           Formium         15         920,700,000         974,900,000           Share capital         14         974,900,000         974,900,000           Share premium         15         920,700,000         974,900,000           Revaluation reserve         17         1,463,077,552         5,910,584,658           Non-current liabilities         1         1,412,973,525         2,532,891,028           Lease liability         19         1,242,657,378         2,80,978,231           Deferred tax liabilities         1,315,091,829         255,202,443           Total non-current liabilities         246,657,378		•		
Inventories       08       1,717,012,364       2,278,906,219         Accounts receivable       09       1,442,150,592       1,262,026,807         Advances, deposits and prepayments       10       867,138,196       62,615,810         Materials in transit       11       867,138,196       62,615,810         Cash and bank balances       12       342,021,491       4,33,941,471         Asset held for sale       13       7,724,045       -         Total current assets       5,010,134,213       4,488,532,714       10,381,089,103         EQUITY AND LIABILITIES       5,010,134,213       4,488,532,714       10,381,089,103         Share capital       14       974,900,000       974,900,000       920,700,000         Share capital       14       974,900,000       920,700,000       2,53,891,008         Revaluation reserve       17       1,463,077,552       5,910,584,658         Non-current liabilities       10       1,402,973,525       2,395,879         Deferred tax liability       19       2,52,202,443       1,315,091,829         Current liabilities       1,315,091,829       257,598,321         Accounts payable       21       2,624,206,012       4,487,03,581         Accounts payable       21				
Accounts receivable       09       1,442,150,592       1,262,026,807         Advances, deposits and prepayments       10       634,087,524       431,042,406         Materials in transit       11       867,138,196       62,615,810         Cash and bank balances       12       342,021,491       453,941,471         Asset held for sale       13       5,002,410,168       4,488,532,714         Total current assets       5,010,134,213       4,488,532,714         Total assets       5,002,410,168       4,488,532,714         EQUITY AND LIABILITIES       5,002,410,018       4,488,532,714         Share capital       14       974,900,000       974,900,000         Share capital       14       974,900,000       920,700,000         Share capital       14       974,900,000       920,700,000         Revaluation reserve       17       1,463,077,552       5,910,584,658         Non-current liabilities       5,852,975,450       5,910,584,658         Non-current liabilities       13       1,042,973,525       2,395,879         Deferred tax liability       19       272,118,305       25,520,2,443         Total equity       19       225,202,443       25,598,321         Current liabilities       1,315,0		08	1.717.012.364	2.278.906.219
Advances, deposits and prepayments       10       634,087,524       431,042,406         Materials in transit       11       867,138,196       62,615,810         Cash and bank balances       12       342,021,491       453,941,471         Asset held for sale       13       7,724,045       4,488,532,714         Total current assets       5,010,134,213       4,488,532,714       10,988,787,614       10,998,787,614         FQUITY AND LIABILITIES       14       974,900,000       920,700,000       920,700,000         Share capital       14       974,900,000       920,700,000       920,700,000         Share capital       14       974,900,000       920,700,000       920,700,000         Revaluation reserve       17       1,463,077,552       5,910,584,658         Non-current liabilities       5,852,975,450       5,910,584,658         Non-current liabilities       10       1,042,973,525       2,395,879         Deferred tax liability       19       272,118,305       257,598,321         Current liabilities       1,315,091,829       257,598,321       2,487,03,581         Accounts payable       21       2,624,206,102       2,487,03,581       1,054,404,943         Current portion of long term loan       23       2,606				
Materials in transit       11       867,138,196       62,615,810         Cash and bank balances       12       342,021,491       453,941,471         Asset held for sale       13       7,724,045       -         Total current assets       5,010,134,213       4,488,532,714         Total assets       10,988,787,614       10,391,089,103         EQUITY AND LIABILITIES       974,900,000       974,900,000         Share capital       14       974,900,000       920,700,000         Share capital       14       974,900,000       920,700,000         Revaluation reserve       17       1,463,077,552       2,533,891,008         Non-current liabilities       1,042,973,525       2,395,879       2,395,879         Deferred tax liability       19       272,118,305       257,598,321         Total non-current liabilities       1,315,091,829       257,598,321         Current portion of long term loan       22       2,624,206,102       2,487,003,581         Current portion of Lease liability       2       2,624,206,102       3,501,376         Unclaimed dividend       24       2,937,576       2,035,937         Unclaimed dividend       24       2,937,576       2,035,937         1,054,404,943       3,50				
Cash and bank balances       12       342,021,491       453,941,471         Asset held for sale       13       7,724,045       -         Total current assets       5,010,134,213       4,488,532,714         Total assets       10,988,787,614       10,391,089,103         EQUITY AND LIABILITIES       974,900,000       974,900,000         Share capital       14       974,900,000       920,700,000         Share premium       15       920,700,000       2,533,891,008         Revaluation reserve       17       1,463,077,552       5,910,584,658         Non-current liabilities       1,042,973,525       2,395,879         Long term bank loan       18       1,042,973,525       2,395,879         Lease liability       20       272,118,305       257,598,321         Current liabilities       1,315,091,829       255,202,443         Current portion of long term loan       23       2,624,206,102       2,487,003,581         Accounts payable       21       246,657,378       1,054,404,943         Current portion of long term loan       23       456,018,916       2,495,903,861         Current portion of long term loan       23       456,018,916       2,035,937         Quotaimed dividend       24 <t< th=""><th></th><td></td><td></td><td></td></t<>				
Asset held for sale       13       5,002,410,168       4,488,532,714         Total current assets       5,010,134,213       4,488,532,714       -         Total assets       5,010,134,213       4,488,532,714       -         EQUITY AND LIABILITIES       5,010,134,213       4,488,532,714       -         Share capital       14       974,900,000       974,900,000       920,700,000         Revaluation reserve       16       2,494,297,898       2,533,891,008         Total equity       1,463,077,552       2,491,093,650         Non-current liabilities       5,852,975,450       5,910,584,658         Non-current liabilities       10,42,973,525       2,395,879         Lease liability       19       272,118,305       255,202,443         Total non-current liabilities       1,315,091,829       255,202,443         Current liabilities       1,315,091,829       257,598,321         Current portion of long term loan       21       246,657,378       180,051,991         Current portion of long term loan       23       456,018,916       1,054,404,943         Current portion of long term loan       23       456,018,916       1,054,404,943         Current portion of long term loan       24       2,937,576       2,035,937 <th></th> <td></td> <td></td> <td></td>				
Asset held for sale       13       7,724,045         Total current assets       5,010,134,213       4,488,532,714         Total assets       10,988,787,614       10,391,089,103         EQUITY AND LIABILITIES       974,900,000       974,900,000         Share capital       14       974,900,000       920,700,000         Share premium       15       920,700,000       2,533,891,008         Revaluation reserve       17       1,463,077,552       1,481,093,650         Total equity       5,852,975,450       5,910,584,658         Non-current liabilities       1,042,973,525       2,395,879         Lease liability       19       272,118,305       2,53,291         Deferred tax liability       19       272,118,305       255,202,443         Total non-current liabilities       1,042,973,525       2,395,879       255,202,443         Current portion of long term loan       22       2,624,206,102       2,487,003,581         Current portion of long term loan       23       2,664,206,102       2,487,003,581         Current portion of Lease liability       24       2,800,978       3,501,376         Unclaimed dividend       24       2,937,576       2,035,937         Provision & accruals       24       3,820	cash and bank balances	12		4 488 532 714
Total current assets       5,010,134,213       4,488,532,714         Total assets       10,988,787,614       10,391,089,103         EQUITY AND LIABILITIES       14       974,900,000       974,900,000         Share capital       14       974,900,000       920,700,000         Share premium       15       920,700,000       2,494,297,898         Revaluation reserve       17       1,463,077,552       1,481,093,650         Total equity       5,852,975,450       5,910,584,658         Non-current liabilities       19       272,118,305       2,395,879         Lease liability       19       272,118,305       2,395,879         Deferred tax liabilities       1,315,091,829       257,598,321         Current liabilities       1,315,091,829       257,598,321         Current portion of long term loan       23       46,657,378       180,051,991         Current portion of long term loan       23       456,018,916       1,054,404,943         Current portion of long term loan       24       2,937,576       2,035,937         Unclaimed dividend       24       2,937,576       2,035,937         Provision & accruals       25       488,099,386       495,908,294	Asset held for sale	13		-
Total assets       10,988,787,614       10,391,089,103         EQUITY AND LIABILITIES       14       974,900,000       974,900,000         Share capital       14       974,900,000       920,700,000         Share premium       15       920,700,000       920,700,000         Revaluation reserve       16       2,494,297,898       2,533,891,008         Total equity       17       1,463,077,552       5,910,584,658         Non-current liabilities       5,852,975,450       5,910,584,658         Long term bank loan       18       1,042,973,525       2,395,879         Lease liability       19       2       2,395,879         Deferred tax liabilities       20       272,118,305       255,202,443         Total non-current liabilities       1,315,091,829       255,202,443         Current portion of long term loan       21       246,657,378       28,075,98,321         Current portion of long term loan       23       456,018,916       1,054,404,943         Current portion of lease liability       2,800,78       3,501,376       2,035,937         Unclaimed dividend       24       2,937,576       2,035,937       495,098,234         Total current liabilities       25       488,099,386       4,222,906,123		15		4 488 532 714
EQUITY AND LIABILITIES       14       974,900,000       974,900,000         Share capital       14       974,900,000       920,700,000         Share premium       15       920,700,000       2,533,891,008         Revaluation reserve       17       1,463,077,552       1,481,093,650         Total equity       5,852,975,450       5,910,584,658         Non-current liabilities       5       5,910,584,658         Long term bank loan       18       1,042,973,525       2,395,879         Lease liability       19       272,118,305       255,202,443         Total non-current liabilities       1,315,091,829       255,202,443         Current portion of long term loan       23       2,624,206,102       2,487,003,581         Current portion of long term loan       23       456,018,916       1,054,404,943         Current portion of long term loan       24       2,937,576       2,035,937         Provision & accruals       25       488,099,386       495,908,294         Total current liabilities       24       2,937,576       2,035,937				
Share capital       14       974,900,000       974,900,000         Share premium       15       920,700,000       920,700,000         Retained earnings       16       2,494,297,898       1,463,077,552       5,910,584,658         Total equity       5,852,975,450       5,910,584,658       5,910,584,658         Non-current liabilities       1,042,973,525       5,910,584,658         Long term bank loan       18       1,042,973,525       2,395,879         Deferred tax liability       20       272,118,305       255,202,443         Total non-current liabilities       1,315,091,829       255,202,443         Current liabilities       1,315,091,829       255,202,443         Current portion of long term loan       23       456,018,916       2,487,003,581         Current portion of long term loan       23       456,018,916       2,035,937         Unclaimed dividend       24       2,937,576       2,035,937         Provision & accruals       25       488,099,386       4,222,906,123			10,500,707,011	10,001,000,100
Share premium       15       920,700,000       920,700,000         Retained earnings       16       2,494,297,898       2,533,891,008         Revaluation reserve       17       1,463,077,552       1,481,093,650         Total equity       5,852,975,450       5,910,584,658         Non-current liabilities       5,852,975,450       5,910,584,658         Long term bank loan       18       1,042,973,525       2,395,879         Lease liability       19       272,118,305       2,55,202,443         Deferred tax liabilities       1,315,091,829       255,202,443         Current liabilities       1,315,091,829       257,598,321         Current portion of long term loan       22       246,657,378       180,051,991         Current portion of long term loan       23       456,018,916       1,054,404,943         Current portion of long term loan       23       2,800,978       3,501,376         Unclaimed dividend       24       2,937,576       2,035,937         Provision & accruals       25       488,099,386       4,222,906,123		14	974 900 000	974 900 000
Retained earnings       16       2,494,297,898       2,533,891,008         Revaluation reserve       17       1,463,077,552       1,481,093,650         Total equity       5,852,975,450       5,910,584,658         Non-current liabilities       18       1,042,973,525       2,395,879         Lease liability       19       272,118,305       2,55,202,443         Total non-current liabilities       1,315,091,829       255,202,443         Current liabilities       1,315,091,829       257,598,321         Current payable       21       246,657,378       180,051,991         Short term bank loan       23       456,018,916       2,487,003,581         Current portion of long term loan       23       456,018,916       2,500,978         Current portion of Lease liability       24       2,937,576       2,035,937         Provision & accruals       25       488,099,386       495,908,294				
Revaluation reserve       17       1,463,077,552       1,481,093,650         Total equity       5,852,975,450       5,910,584,658         Non-current liabilities       18       1,042,973,525       2,395,879         Lease liability       19       272,118,305       255,202,443         Deferred tax liabilities       1,315,091,829       255,202,443         Total non-current liabilities       1,315,091,829       255,202,443         Current liabilities       1,315,091,829       257,598,321         Current payable       21       246,657,378       180,051,991         Short term bank loan       22       2,624,206,102       2,487,003,581         Current portion of long term loan       23       456,018,916       1,054,404,943         Current portion of Lease liability       2,800,978       3,501,376         Unclaimed dividend       24       2,937,576       2,035,937         Provision & accruals       25       488,099,386       495,908,294				
Total equity       5,852,975,450       5,910,584,658         Non-current liabilities       1,042,973,525       -         Lease liability       19       20       272,118,305       2,395,879         Deferred tax liabilities       20       272,118,305       255,202,443         Total non-current liabilities       1,315,091,829       255,202,443         Current liabilities       1,315,091,829       257,598,321         Current payable       21       246,657,378       180,051,991         Short term bank loan       22       2,624,206,102       2,487,003,581         Current portion of long term loan       23       456,018,916       1,054,404,943         Current portion of Lease liability       2,800,978       3,501,376         Unclaimed dividend       24       2,937,576       2,035,937         Provision & accruals       25       488,099,386       495,908,294         Total current liabilities       3,820,720,336       4,222,906,123				
Non-current liabilities         18         1,042,973,525         2,395,879           Lease liability         19         272,118,305         255,202,443           Deferred tax liabilities         1,315,091,829         257,598,321           Current liabilities         1,315,091,829         257,598,321           Current liabilities         1,315,091,829         2,487,003,581           Accounts payable         21         246,657,378         180,051,991           Short term bank loan         22         2,624,206,102         2,487,003,581           Current portion of long term loan         23         456,018,916         1,054,404,943           Current portion of Lease liability         2,800,978         3,501,376         2,035,937           Unclaimed dividend         24         2,937,576         2,035,937           Provision & accruals         25         488,099,386         495,908,294		17		
Long term bank loan       18       1,042,973,525       2,395,879         Lease liability       19       20       272,118,305       255,202,443         Total non-current liabilities       1,315,091,829       255,202,443       255,202,443         Current liabilities       1,315,091,829       257,598,321         Current portion of long term loan       22       2,624,206,102       2,487,003,581         Current portion of long term loan       23       456,018,916       1,054,404,943         Current portion of Lease liability       2,800,978       3,501,376         Unclaimed dividend       24       2,937,576       2,035,937         Provision & accruals       25       488,099,386       495,908,294         Total current liabilities       3,820,720,336       4,222,906,123			3,032,573,430	3,510,504,050
Lease liability       19       272,118,305       2,395,879         Deferred tax liability       20       272,118,305       255,202,443         Total non-current liabilities       1,315,091,829       257,598,321         Current liabilities       21       246,657,378       180,051,991         Short term bank loan       22       2,624,206,102       2,487,003,581         Current portion of long term loan       23       456,018,916       1,054,404,943         Current portion of Lease liability       2,800,978       3,501,376         Unclaimed dividend       24       2,937,576       2,035,937         Provision & accruals       25       488,099,386       495,908,294         Total current liabilities       3,820,720,336       4,222,906,123		18	1 042 973 525	_
Deferred tax liability       20       272,118,305       255,202,443         Total non-current liabilities       1,315,091,829       257,598,321         Current liabilities       1,315,091,829       257,598,321         Accounts payable       21       246,657,378       180,051,991         Short term bank loan       22       2,624,206,102       2,487,003,581         Current portion of long term loan       23       456,018,916       1,054,404,943         Current portion of Lease liability       2,800,978       3,501,376         Unclaimed dividend       24       2,937,576       2,035,937         Provision & accruals       25       488,099,386       495,908,294         Total current liabilities       3,820,720,336       4,222,906,123			-	2 395 879
Total non-current liabilities       1,315,091,829       257,598,321         Current liabilities       21       246,657,378       180,051,991         Accounts payable       21       246,657,378       2,487,003,581         Short term bank loan       23       456,018,916       1,054,404,943         Current portion of long term loan       23       456,018,916       1,054,404,943         Current portion of Lease liability       2,800,978       3,501,376         Unclaimed dividend       24       2,937,576       2,035,937         Provision & accruals       25       488,099,386       495,908,294         Total current liabilities       3,820,720,336       4,222,906,123			272 118 305	
Current liabilities         21         246,657,378         180,051,991           Short term bank loan         22         2,624,206,102         2,487,003,581           Current portion of long term loan         23         456,018,916         1,054,404,943           Current portion of Lease liability         2,800,978         3,501,376           Unclaimed dividend         24         2,937,576         2,035,937           Provision & accruals         25         488,099,386         495,908,294           Total current liabilities         3,820,720,336         4,222,906,123		20		
Accounts payable       21       246,657,378       180,051,991         Short term bank loan       22       2,624,206,102       2,487,003,581         Current portion of long term loan       23       456,018,916       1,054,404,943         Current portion of Lease liability       2,800,978       3,501,376         Unclaimed dividend       24       2,937,576       2,035,937         Provision & accruals       25       488,099,386       495,908,294         Total current liabilities       3,820,720,336       4,222,906,123			.,,	
Short term bank loan       22       2,624,206,102       2,487,003,581         Current portion of long term loan       23       456,018,916       1,054,404,943         Current portion of Lease liability       2,800,978       3,501,376         Unclaimed dividend       24       2,937,576       2,035,937         Provision & accruals       25       488,099,386       495,908,294         Total current liabilities       3,820,720,336       4,222,906,123		21	246.657.378	180.051.991
Current portion of long term loan23456,018,9161,054,404,943Current portion of Lease liability2,800,9783,501,376Unclaimed dividend242,937,5762,035,937Provision & accruals25488,099,386495,908,294Total current liabilities3,820,720,3364,222,906,123		22		
Current portion of Lease liability       2,800,978       3,501,376         Unclaimed dividend       24       2,937,576       2,035,937         Provision & accruals       25       488,099,386       495,908,294         Total current liabilities       3,820,720,336       4,222,906,123	Current portion of long term loan			
Unclaimed dividend     24     2,937,576     2,035,937       Provision & accruals     25     488,099,386     495,908,294       Total current liabilities     3,820,720,336     4,222,906,123				
Provision & accruals         25         488,099,386         495,908,294           Total current liabilities         3,820,720,336         4,222,906,123		24		
Total current liabilities 3,820,720,336 4,222,906,123				
	Total equity and liabilities			
NAV Per Share (With Revaluation reserves)3660.0460.63	NAV Per Share (With Revaluation reserves)	36	60.04	60.63

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

As per our report of same date

Abdul Wahed Chairman

TOD

A.K.M Fazlul Haque FCA Partner Hussain Farhad & Co Chartered Accountants Enrolment Number: 1090 DVC: 2310181090AS960375

Date: 15/10/2023

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 Profit or Loss**

For the year ended 30 June 2023

			Amounts in Taka
	Notes	2022-23	2021-22
Revenue	26	7,343,960,563	6,002,688,295
Cost of goods sold	27	(6,415,052,123)	(4,390,750,261)
Gross profit		928,908,441	1,611,938,034
Other income	28	19,956,312	(14,169,388)
		948,864,753	1,597,768,646
Administrative expenses	29	(228,601,193)	(238,266,862)
Distribution expenses	30	(10,608,021)	(8,549,435)
Net profit before finance cost		709,655,538	1,350,952,349
Finance cost	31	(171,351,382)	(43,880,702)
Net profit before workers' profit participation funds & tax		538,304,156	1,307,071,647
Contribution to workers' profit participation funds	32	(25,633,531)	(62,241,507)
Net profit before taxation		512,670,624	1,244,830,140
Income tax	33	(65,913,970)	(192,832,161)
Deferred tax	34	(19,618,277)	(237,129)
Net profit after tax		427,138,377	1,051,760,851
Earnings Per Share (EPS)	35	4.38	10.79

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

As per our report of same date

Abdul Wahed Chairman

Tool

A.K.M Fazlul Haque FCA Partner Hussain Farhad & Co Chartered Accountants Enrolment Number: 1090 DVC: 2310181090AS960375

Date: 15/10/2023

Mila M. A. Jabbar

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Managing Director

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Md. Shah Alam Miah FCS Company Secretary

Mohammad Emarot Hossain FCA,FCS Chief Financial Officer
#### Matin Spinning Mills PLC

# Statement of Other Comprehensive Income For the year ended 30 June 2023

			Amounts in Taka
	Notes	2022-23	2021-22
Net profit after tax for the year		427,138,377	1,051,760,851
Revaluation reserve of land and building		-	-
Deferred tax on other comprehensive income	34.02	2,702,415	2,494,414
Total comprehensive income for the year		429,840,792	1,054,255,264

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

As per our report of same date

Abdul Wahed Chairman

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A.K.M Fazlul Haque FCA Partner Hussain Farhad & Co **Chartered Accountants** Enrolment Number: 1090 DVC: 2310181090AS960375

Date: 15/10/2023

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 2023

				Ar	mounts in Taka
	Share Capital	Share Premium	Retained Earnings	Revaluation Reserves	Total
2022-23					
Balance at 01 July 2022	974,900,000	920,700,000	2,533,891,008	1,481,093,650	5,910,584,658
Net profit for the year	-	-	427,138,377	-	427,138,377
Dividend Paid	-	-	(487,450,000)	-	(487,450,000)
Adjustment for Depreciation on Revalued Assets			18,016,098	(18,016,098)	-
Deferred tax on other comprehensive income	-	-	2,702,415	-	2,702,415
Balance at 30 June 2023	974,900,000	920,700,000	2,494,297,898	1,463,077,552	5,852,975,450
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)
Adjustment for 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

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 2023

For l	he year ended 30 June 2023			Amounts in Taka
		Notes	2022-23	2021-22
Α.	Cash flows from operating activities			
	Collection from customers		7,211,383,322	6,118,314,456
	Other Income	28	53,878,302	164,534,400
	Cash generated from operations		7,265,261,624	6,282,848,856
	Cash paid to employees		(462,567,610)	(403,789,879)
	Cash paid to suppliers		(5,956,379,085)	(4,994,320,983)
	Interest paid on loans		(153,206,771)	(24,011,942)
	Income tax paid	10.03	(146,193,514)	(216,752,932)
	Payment made to workers' profit- participation funds	25.02	(62,241,507)	(42,138,503)
	Net cash flows from operating activities		484,673,137	601,834,617
В.	Cash flow from investing activities			
	Acquisition of property, plant and equipment	4	(584,162,149)	(210,772,799)
	Capital work-in-process	7	(151,848,642)	(1,095,126,919)
	Dividend Income	28	2,585,575	1,716,757
	Purchase of marketable securities	5	(7,208,476)	(145,964,911)
	Proceeds from Sale of Marketable Securities	5	7,205,298	145,973,226
	Interest on FDR and Bank Accounts	28	2,300,395	301,783
	Net cash used in investing activities		(731,127,999)	(1,303,872,864)
C.	Cash flows from financing activities			
	Long term loan received	18	1,612,065,829	980,495,149
	Long term loan (repaid)	18	(1,167,478,332)	(131,231,873)
	Short term loan received from bank	22	5,196,389,631	4,250,738,687
	Short term loan repaid to bank	22	(5,082,084,152)	(3,901,767,936)
	Share application money refunded		-	(4,553,160)
	Dividend Paid	24	(486,839,494)	(392,295,095)
	Net cash from/(used in) financing activities		72,053,483	801,385,772
_			(174,404,200)	00 0 47 505
D.	Net increase/(decrease) in cash and cash equivalents (A+B+C)		(174,401,380)	99,347,525
E.	Opening cash and cash equivalents		453,941,471	331,267,118
F. G.	Effects of currency translation on cash and cash equivalents Closing cash and cash equivalents (D+E+F)		62,481,401 <b>342,021,492</b>	23,326,828 453,941,472
Э.			0.12,021,492	
	Net Operating Cash Flow Per Share	37	4.97	6.17

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

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### Matin Spinning Mills PLC Notes to the financial statements

For the year ended 30 June 2023

#### 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. Subsequently the company has changed its name "Matin Spinning Mills PLC" as per section 11(Ka) of Schedule 1 of Companies Act 1994 (Ammended 2020). 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, Melange and their blend.

#### 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 as amended 2020, 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 15/10/2023.

#### 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 2022 to 30 June 2023.

#### 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 20 Deferred Tax Liability
- Note 21 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, 1987. 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.

Item wise 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 recongnised 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, Medical & Day Care Center 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.

Physical inventory has been taken at year end by the management which are valued at cost or net realizable value whichever is lower.Net realisable value is the estimated selling price in the ordinary course of business, less the estimated cost of completion and selling expenses.

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

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

#### 3.14 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 -14.

#### 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 and STD Bank Accounts over the financial year.

#### 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 as amended

#### 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

Refernce to the IFRS 8, we are operating a single business and geographic segment as such no segment reporting is required.

#### 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 9 Financial Instruments
- IFRS 15 Revenue from Contract with Customers
- IFRS 16 Lease

				Amounts in Taka
4	Property, plant and equipment	Notes	30 June 2023	30 June 2022
4	roperty, plant and equipment			
Α	NON REVALUED ASSETS: Cost			
	Opening balance (at cost)		6,030,122,447	5,820,114,648
	Add: Additions		1,684,686,724	210,772,799
			7,714,809,172	6,030,887,447
	Less: Disposal/Adjustment		(72,882,944)	(765,000)
	Closing balance (a)		7,641,926,228	6,030,122,447
	Accumulated Depreciation		0.407065.040	0.000000000
	Opening balance		3,187,365,312	2,906,986,171
	Add: Charges for the year		397,695,202 3,585,060,515	280,479,312 3,187,465,484
	Less: Disposal/Adjustment		(57,832,567)	(100,171)
	Closing balance (b)		3,527,227,948	3,187,365,312
	Written Down Value (a-b)		4,114,698,280	2,842,757,135
В	REVALUED ASSETS :			
	Revalued amount:			
	Opening balance (at revalued cost)		1,645,218,621	1,645,218,621
	Add : Additions		-	- 1,645,218,621
	Less: Disposal/Adjustment		1,645,218,621	1,043,210,021
	Closing balance (a)		1,645,218,621	1,645,218,621
	Accumulated Depreciation			
	Opening balance		116,163,408	97,024,825
	Add : Charges for the year		18,016,098	19,138,584
			134,179,507	116,163,408
	Less: Disposal/Adjustment <b>Closing balance (b)</b>		134,179,507	116,163,408
	Written Down Value of Revaluation Assets (a-b)		1,511,039,114	1,529,055,213
	Total Written Down Value (A+B)		5,625,737,394	4,371,812,348
	Policy notes is mentioned in note 3.07 E			
5	Right-of-use 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
			13,270,712	13,270,712
	Accumulated Depreciation			
	Opening balance		8,404,784	5,750,642
	Add : Charges for the year		2,654,142	2,654,142
	Less: Disposal/Adjustment		-	-
	Closing balance (b)		11,058,926	8,404,784
	Written Down Value (a-b)		2,211,785	4,865,928
			2,211,705	- <del>1</del> ,003,920

				Amounts in Taka
		Notes	30 June 2023	30 June 2022
6	Investment			
	Investment in marketable securities	6.1	52,971,536	54,819,850
			52,971,536	54,819,850
	6.01 Investment in marketable securities			
	Opening balance		54,819,850	53,556,600
	Add: Addition during the year		-	-
			54,819,850	53,556,600
	Realized gain /(loss)		447,976	12,830,775
	Unrealized gain /(loss) for fair value adjustment			(11,567,525)
	Closing balance		(13,863,815)	
	Opening balance		11,567,525	
			(2,296,290)	
	Closing balance		52,971,536	54,819,850

C	losing	ba	lance	

Name of securities	No. of Share	Rate	Cost Value	Market rate per share as on 30 June 2023	Market value as on  30 June 2023
Mercantile Bank	219,300	13.73	3,010,989	13.30	2,916,690
BSRM	10,000	104.06	1,040,600	90.00	900,000
South East Bank	374,400	13.87	5,192,928	13.30	4,979,520
Vanguard MF One	25,000	10.74	268,500	7.30	182,500
Shahji Power	74,880	91.49	6,850,771	65.50	4,904,640
I.C.B	8,400	136.48	1,146,432	87.60	735,840
Prime Bank	130,000	22.59	2,936,700	19.80	2,574,000
Beximco Pharma	5,000	223.28	1,116,400	146.20	731,000
Islami Insurance	58,000	57.09	3,311,220	57.60	3,340,800
AB Bank Ltd	315,180	13.63	4,295,903	9.70	3,057,246
FBFIF	220,000	7.00	1,540,000	5.00	1,100,000
GIB	157,500	8.60	1,354,500	8.60	1,354,500
Popular Life 1st MF	160,000	7.15	1,144,000	5.10	816,000
Phoenix Ins.	147,000	55.93	8,221,710	34.00	4,998,000
BATBC	8,500	571.26	4,855,710	518.70	4,408,950
Confidence Cem	15,750	133.40	2,101,050	89.00	1,401,750
Continental Ins	250,000	38.58	9,645,000	32.40	8,100,000
Central Ins	125,000	52.14	6,517,500	36.90	4,612,500
Pioneer Ins	25,800	88.71	2,288,718	72.00	1,857,600
	2,329,710		66,838,632		52,971,536

			Amounts in Taka
7 Capital work-in-process	Notes	30 June 2023	30 June 2022
7 Capital work-in-process			
Special Yarn Godown	7.01	-	6,268,793
Special Yarn Building	7.02	3,023,041	164,511,100
Baro Bigha Cotton Godown-2	7.03	20,645,466	-
Baro Bigha Utility Building	7.04	964,730	37,644,316
Baro Bigha Road Construction	7.05	6,949,283	-
MSML Internal Road Construction	7.06	5,670,137	-
Daycare & Medical Center	7.07	21,539,657	-
Gate House at Baro Bigha	7.08	2,717,345	-
Special Yarn Unit Machineries		-	1,100,524,575
Machineries in Transit		236,223,026	162,109,479
		297,732,685	1,471,058,264
7.01 Special Yarn Godown			
Opening Balance		6,268,793	8,410,110
Add: Addition during the year		-	-
Less: Adjustment during the year		(6,268,793)	(2,141,317)
Closing Balance		-	6,268,793
7.02 Special Yarn Building			
Opening Balance		164,511,100	80,348,104
Add: Addition during the year		17,614,213	84,162,996
Less: Transfer to Fixed Assets		(179,102,273)	-
Closing Balance		3,023,041	164,511,100
7.03 Baro Bigha Cotton Godown-2			
Opening Balance			
Add: Addition during the year		20,645,466	
Less: Transfer to Fixed Assets			-
Closing Balance		20,645,466	-
7.04 Baro Bigha Utility Building			
Opening Balance		37,644,316	6,246,653
Add: Addition during the year		670,501	31,397,662
Less: Transfer to Fixed Assets		(37,350,087)	-
Closing Balance		964,730	37,644,316

	7.05 Baro Bigha Road Construction	Notes	30 June 2023	Amounts in Taka 30 June 2022
	Opening Balance			
	Add: Addition during the year		6,949,283	4,457,581
	Less: Transfer to Fixed Assets		0,949,203	(4,457,581)
	Closing Balance		6,949,283	-
	-			
	7.06 MSML Internal Road Construction			
	Opening Balance		-	
	Add: Addition during the year		7,598,630	-
	Less: Transfer to Fixed Assets		(1,928,493)	-
	Closing Balance		5,670,137	-
	7.07 Daycare & Medical Center			
	Opening Balance		_	
	Add: Addition during the year		21,539,657	-
	Less: Transfer to Fixed Assets		-	-
	Closing Balance		21,539,657	-
	7.08 Gate House at Baro Bigha			
	Opening Balance		-	
	Add: Addition during the year		2,717,345	-
	Less: Transfer to Fixed Assets		-	-
	Closing Balance		2,717,345	-
8	Inventories			
	Manufacturing Inventory	8.01	1,681,613,673	2,259,067,295
	Non Manufacturing Inventory	8.02	35,398,691	19,838,924
			1,717,012,364	2,278,906,219
8.01	Manufacturing Inventory			
	Raw cotton	8.01.01	1,221,975,884	1,665,017,316
	Provision for Obsolete Raw Materials	0.01.01		(8,360,909)
			1,221,975,884	1,656,656,406
	Finished yarn	8.01.02	243,445,597	428,909,621
	Packing materials	8.01.03	5,170,352	3,444,979
	Work-in-process	8.01.04	74,350,938	67,172,889
	Spare parts	8.01.05	136,670,902	102,883,399
			1,681,613,673	2,259,067,295

		Amounts in Taka
	otes 30 June 2023	30 June 2022
8.01.01 Raw cotton Value (TK.)		
Conventional Cotton	926,822,245	637,520,004
Organic Cotton	123,789,749	785,890,463
Synthetic Fiber	153,803,263	225,070,363
Usable Waste Cotton	11,203,138	13,989,744
Waste Cotton	6,357,489	2,546,741
Total	1,221,975,884	1,665,017,316
Quantity (KG)		
Conventional Cotton	3,230,077	3,559,713
Organic Cotton	365,324	2,489,398
Synthetic Fiber	679,130	1,186,353
Usable Waste Cotton	126,297	166,768
Waste Cotton	74,150	110,291
Total	4,474,978	7,512,523
8.01.02 Finished yarn		
Value (TK.)	16.011.062	
Carded	16,811,963	75,607,891
Combed Slub	87,170,127	190,746,114
	15,727,733	8,493,575
Synthetic	41,765,457	46,498,358
Melange Vortex	36,772,007	25,493,393
	10,363,618 31,585,071	42,976,970 37,482,058
Open End Twisted yarn	3,249,621	1,611,262
Total	243,445,597	428,909,621
Quantity (KG)		266.202
Carded	43,406	266,200
Combed	176,886	570,169
Slub	31,938	30,131
Synthetic	117,078	188,036
Melange Vortex	83,728	83,596
Open End	21,680 119,203	161,228 194,466
Twisted yarn	7,347	3,936
Total	601,266	1,497,761
		.,
8.01.03 Packing materials Value (TK.)		
Opening balance	3,444,979	3,094,460
Add: Purchase during the period	58,006,969	39,756,379
Packing materials available for consumption	61,451,947	42,850,839
Less: Consumption during the period	56,281,596	39,405,860
Closing balance	5,170,352	3,444,979

#### 8.01.04 Work-in-process

	Quanti	ty (KG)		
Particulars	June 30, 2023	June 30, 2022		
Blow Room	29,458	69,637	5,752,545	12,321,490
Carding	7,892	5,945	1,870,112	1,221,079
B. Drawing	7,251	4,401	1,706,298	878,021
Combing	5,103	6,489	1,345,976	1,294,801
F. Drawing	8,877	16,104	2,064,812	3,283,955
Simplex	60,680	64,294	14,597,422	13,361,065
Ring Frame	91,892	73,152	28,287,653	18,031,131
Winding	5,638	16,412	1,640,551	4,037,226
Packing	51,190	40,204	15,185,839	10,380,128
Rotor	7,864	10,670	1,140,850	1,525,311
Vortex	3,720	-	758,880	-
Twisting	-	862	-	211,423
Doubling	-	2,565	-	627,259
Total	279,565	310,735	74,350,938	67,172,889

				Amounts in Taka
		Notes	30 June 2023	30 June 2022
8.01.05	Spare parts			
	Opening Balance		102,883,399	82,277,387
	Add: Addition during the year		559,993,655	172,612,725
			662,877,055	254,890,112
	Less: Consumption during the year		63,369,219	54,448,022
	Less: Transfer to other GL		462,836,934	94,887,518
	Closing balance		136,670,902	102,883,399
8.02	Non Manufacturing Inventory			
			2.062.024	2 225 662
	Stock of Bandhan		2,863,921	3,335,662
	Stock of Stamp		17,646	42,228
	Stock of Medicine		88,017	187,454
	Other Production Material		7,500	7,500
	Construction Material		7,513,713	5,572,800
	Store Materials under Inspection		24,907,894	10,693,280
			35,398,691	19,838,924
9	Accounts receivable			
2	Receivable other than related party	9.01	342,222,236	446,601,347
	Receivable from related party	9.02	1,118,613,544	881,657,190
	Bank interest receivable on FDR	J.02	7,162,959	6,113,016
	Claim Receivable		7,102,333	4,350,799
	Provision for Bad and Doubtful Debts		(25,848,146)	(76,695,545)
			1,442,150,592	1,262,026,807

			Amounts in Taka
	Notes	30 June 2023	30 June 2022
9.01	Receivable other than related party		
	Abonti Colour Tex. Ltd	908,965	4,824,202
	Cotton Club(BD) Ltd	17,256,337	13,316,265
	Amber Denim Ltd	174,261,755	114,376,040
	Akh Knitting & Dyeing Ltd	191,311	32,378,629
	Asrotex Ltd.	2,975,713	6,836,134
	Purbani Fabrics Ltd	-	7,010,825
	Executive Greentex Ltd.	-	11,007,500
	Comfit Composite Knit Ltd	36,154,599	66,875,470
	Midland Knitwear Ltd	-	23,368,118
	Essential Clothing Ltd	-	1,459,903
	Fakir Apparels Ltd	2,024,788	5,076,400
	Fakir Fashions Ltd	35,108,484	41,673,050
	Fariha Knitex Ltd	-	2,170,780
	Grameen Fabrics & Fashions Ltd	-	11,993,781
	Fakhruddin Textiles Ltd	34,106,705	-
	Young Socks Ltd	-	2,704,053
	Noman Terry Towel Mills Ltd	-	10,148,175
	Jointex Knit Wears Ltd.	14,105,892	14,105,892
	Lithium Knit Fabrics Ltd	6,908,666	6,908,666
	Rizvi Fashions Ltd.	-	4,245,750
	Cute Dress Industry	1,661,967	5,527,263
	Square Fashions Ltd.	1,048,600	10,235,829
	Epyllion Knitex Ltd.	3,827,811	11,250,970
	Sublime Greentex Ltd	-	8,849,013
	Others	11,680,645	30,258,641
		342,222,236	446,601,347
9.02	Receivable from related party		
	Flamingo Fashions Ltd	128,332,524	254,769
	Jinnat Fashions Ltd	14,277,181	24,220,561
	Mawna Fashions Ltd	101,801,418	3,461,876
	Dulal Brothers Ltd	18,400,495	4,689,705
	Jinnat Apparels Ltd	44,894,742	144,624,982
	Jinnat Knitwears Ltd	644,237,812	646,833,890
	Color City Ltd.	2,303,975	-
	DBL Textile Recycling Ltd.	-	1,008,007
	Hamza Textiles Ltd.	109,269,338	6,460,726
	Parkway Packing and Printing Ltd	-	48,500,038
	DB Trims Ltd	55,096,059	1,602,638
		1,118,613,544	881,657,190

#### Age Analysis of Accounts Receivable:

	1-3 Months	4-6 Months	above 6 Months		
Sale of yarn	1,251,681,736	172,907,522	36,246,521	1,460,835,780	1,328,258,538
Interest receivable on FDR(Vii)	-	-	7,162,959	7,162,959	6,113,016
Claim Receivable	-	-	-	-	4,350,799
Provision for bad debts			(25,848,146)	(25,848,146)	(76,695,545)
	1,251,681,736	172,907,522	17,561,334	1,442,150,592	1,262,026,807

#### 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 2023

#### III. Accounts receivable considered doubtful or bad

Tk. 25,848,146 receivable has been considered doubtful for which full provision has been incorporated in financial statements as per 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 2023

#### V. Accounts receivable from Related Parties

There has been an amount of Tk 1,118,613,544 due as accounts receivable from related parties under common management.

#### VI. Provision for doubtful or bad debts

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

#### VII. Interest receivable on FDR

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

				Amounts in Taka
		Notes	30 June 2023	30 June 2022
10 Advand	ces, deposits and prepayments			
Advan				
Advand	Ses & Allowances		1 602 520	1649000
	l Expenses		1,603,530 9,912,394	1,648,900 8,292,294
	rent Account		7,502,542	1,724,653
Constru		10.01	898,396	1,245,192
Expens		10.01	53,943,163	28,659,979
	e Income Tax	10.02	450,176,304	341,097,692
Advanc		10.05	524,036,329	382,668,711
Deposi	ts		521,000,025	562,666,711
	y deposit for Utilities	10.04	110,051,195	48,373,695
	·		110,051,195	48,373,695
			634,087,524	431,042,406
10.01 Constr	uction			
S.S Ente	erprise		-	593
Aziz & (	Company Ltd		456,200	-
Mia Eng	gineering Bangladesh Limited.		280,000	-
Navana	Limited		-	507,150
Jawad T	rading		87,449	87,449
Trident	Agency		-	650,000
Dhaka (	Concrete		74,747	-
			898,396	1,245,192
10.02 Expens	Ses			
Dangla	Trocked			2 244 000
	Trac Ltd. r Insurance Company Ltd		- 1,660,841	3,244,080
	Components Gmhh		1,000,041	2,298,581
	hler Gmbh & Co. Kg		1,386,227	2,290,301
	eni Techno-Systems Corporation		2,372,882	
	F- Chittagong (New)		871,908	_
	l Steel Buildings		11,602,500	-
	ngineering Limited		17,600,000	-
	ax Colour Cotton Ltd		1,308,977	-
	/ Infrastructures Limited		417,000	540,000
	r International		4,182,425	850,340
Marzoli			-	3,348,636
	Ir. Mohammad Ruhul		50,000	2,245,058
	ndustrial Inc.		398,296	1,065,544
-	- Skolska		-	1,364,430
Murata	Machinery Bangladesh Ltd.		-	944,625
N.S Ent	erprise		1,315,823	-
M.N Dy	eing,Printing & Washing Mills Ltd		554,315	

		Notes	30 June 2023	Amounts in Taka 30 June 2022
	Parikh Patel & Co.		494,520	
	Alam Enterprise(C&F)		-	4,017,430
	Rieter Maschinenfabrik Rieter Ag		-	53,836
	Deputy Commissioner Of Taxes		3,809,417	-
	Bestcooper Co. Ltd.		900,000	
	Millmark Associates		-	649,825
	Brothers Trading		-	975,000
	Mr.Rashid		1,310,170	2,676,197
	Mr. Sunny		250,000	238,286
	Lakshmi Ring Travellers (Coimbatore) Ltd.		739,301	
	Mrs. Jabeen Noman		308,778	
	Bg Filtration Gmbh		137,876	137,876
	Encon		-	87,500
	Mr. Siddik		-	464,970
	Mjl Bangladesh Ltd		561,600	239,040
	Local Purchase		198,246	274,096
	Others		1,512,060	2,944,630
			53,943,163	28,659,979
10.03	Advance Income Tax			
	Income Tax on Export	10.03.1	128,846,619	90,525,868
	Tax on Bank Interest & Others	10.03.2	14,879,616	11,286,012
	Advance income tax paid for tribunal	10.03.3	306,450,069	239,285,813
		1010010	450,176,304	341,097,692
10.03.1	Income Tax on Export			
	Opening Balance		90,525,868	58,707,623
	Add: Addition during the year (Section - 53 BB of ITO 1984)		74,332,197	31,818,245
	Less: Adjustment against provision for previous years AIT		(36,011,447)	51,010,215
	Closing Balance		128,846,619	90,525,868
			120,040,015	50,525,000
10.03.2	Tax on Bank Interest & Others			
	Opening Balance		11,286,012	2,468,639
	Add: Addition during the year (Section - 53 F of ITO 1984)		4,697,061	8,817,372
	Less: Adjustment against provision for previous years AIT		(1,103,457)	0,017,072
	Closing Balance		14,879,616	11,286,012
			.,,	

Advance tax represents tax deducted at source @1.00 % on export proceed under section 53BB of ITO 1984 and @10% on interest received from bank under section 53F of ITO 1984.

Notes	30 June 2023	Amounts in Taka 30 June 2022
10.03.3 Advance Income Tax Paid for Appeal & Tribunal		
Opening Balance	239,285,813	63,168,498
Add: Addition during the year	67,164,256	176,117,315
Less: Adjustment during the year	-	-
Closing Balance	306,450,069	239,285,813
Closing balance details as bellows:		
Income tax paid for the year 2011 -2012	1,682,663	1,682,663
Income tax paid for the year 2016 -2017	1,113,570	1,113,570
Income tax paid for the year 2017 -2018	3,919,277	3,919,277
Income tax paid for the year 2018 -2019	22,407,166	22,407,166
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	103,717,302
Income tax paid for the year 2021 -2022	151,164,256	90,000,000
Income tax paid for the year 2022 -2023	6,000,000	-
	306,450,069	239,285,813
10.04 Security deposit for Utilities		
Margin Against Bank Guarantee (Titas Gas)	104,418,155	42,740,655
Central Depository Bangladesh Ltd (CDBL)	500,000	500,000
Security Deposit for Electricity	5,133,040	5,133,040
	110,051,195	48,373,695

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	-	-	1,603,530
Construction	-	898,396	-
Expenses	-	53,943,163	-

- 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. 1,603,530 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.

			Amounts in Taka
	Notes	30 June 2023	30 June 2022
11	Materials in transit		
	Margin against Cotton	3,232,719	4,129,271
	Margin Against Bank Guarantee	13,940,798	13,127,773
	Materials In Transit	849,964,680	45,358,766
		867,138,196	62,615,810
12	Cash and bank balances		
	Cash in hand	1,562,688	2,334,032
	Balance in BO Account	7,268	10,446
	Term Deposit	21,928,800	11,515,800
	Bank balances with:		
	Islami Bank Bangladesh Ltd		
	Current account	1,234,500	1,208,773
	Marginal deposit Account (Special)	52,531	52,531
	Marginal deposit Account (Normal)	339,699	350,558
	Marginal deposit Under Reserve	144,466	144,466
	Foreign currency account	10,711	9,259
	Exim Bank Ltd, STD account	1,235,020	5,901,840
	Mercantile Bank Ltd		
	STD account	40,978	42,690
	Foreign currency account	90,028	77,828
	HSBC Bank Ltd		
	STD account	24,042,142	7,230,283
	Foreign currency account	197,920,945	353,149,084
	The City Bank Ltd		
	STD account	427,376	2,230,808
	Foreign currency account	5,609,847	67,185
	Prime Bank Ltd		
	STD account	1,289,070	1,292,760
	Foreign currency account	173,848	150,289
	Standard Chartered Bank - STD account	3,685,901	947,180
	Dutch-Bangla Bank Limited - STD account	3,824,523	1,793,937
	BRAC Bank Ltd		
	STD account	5,777,621	18,750,513
	Foreign currency account	56,796,042	44,079,799
	Jamuna Bank Limited		
	STD account	1,391	136,151
	Foreign currency account	12,805,103	592,001
	Mutual Trust Bank Ltd		
	STD account	3,020,992	1,873,257
		342,021,491	453,941,471

				Amounts in Taka
		Notes	30 June 2023	30 June 2022
13	Asset held for sale			
	Contr			
	Cost:		0.660.056	
	Forklift		3,660,856	-
	Generator		58,025,171	-
			61,686,027	-
	Accumulated depreciation:			
	Forklift		1,994,920	-
	Generator		51,967,062	-
			53,961,981	-
	WDV		7,724,045	-
	Fair value less cost to sale		-	-
	Asset held for sale (Lower of WDV and Fair value less cost to sale)		7,724,045	-
14	Share capital			
	Authorised			
	150,000,000 ordinary shares of Taka 10 each		1,500,000,000	1,500,000,000
	Issued and paid-up			
	97,490,000 ordinary shares of Taka 10 each fully paid up		974,900,000	974,900,000

Particulars of Investors	Number of Investors	Number of shares	Percentage of Share Holding (%)
Sponsors/ Directors	8	31,917,000	32.739%
Foreign Investors	121	148,752	0.153%
Local Institutions	93	39,836,912	40.863%
General Public	8,092	25,587,336	26.246%
Total	8,314	97,490,000	100.00%

Distribution schedule of each class of equity setting out the number of holders and percentage as on June 30, 2023:

Range of Holdings	Number of Shareholders	Number of shares	Percentage of Share Holding (%)
Less than 500 shares	4,904	830,071	0.851%
500 to 5,000 shares	2,711	4,397,970	4.511%
5,001 to 10,000 shares	334	2,552,538	2.618%
10,001 to 20,000 shares	187	2,716,143	2.786%
20,001 to 30,000 shares	56	1,401,653	1.438%
30,001 to 40,000 shares	28	984,121	1.009%
40,001 to 50,000 shares	18	845,392	0.867%
50,001 to 100,000 shares	30	2,327,379	2.387%
100,001 to 1,000,000 shares	28	6,706,012	6.879%
Over 1,000,000 shares	18	74,728,721	76.653%
Total	8,314	97,490,000	100.00%

						Amounts in Taka
				Notes	30 June 2023	30 June 2022
15	Share premium					
	-	No. of Shares	Premium Amount			
		34100000.00	Tk. 27		920,700,000	920,700,000
16	Retained earning	S				
	Opening balance				2,533,891,009	1,850,457,160
	Add: Profit made d	0,			427,138,377	1,051,760,851
	Less: Dividend Paic				(487,450,000)	(389,960,000)
	Depreciation on Re				18,016,098	19,138,584
	. ,	d tax on revaluation	reserve	34.02	2,702,415	2,494,414
	Balance at 30 Jun	e 2023			2,494,297,899	2,533,891,009
17	Revaluation reser					
	This balance consis					
	Balance at the beg	0 ,			1,481,093,650	1,500,232,234
	Addition during the	e year			-	-
					1,481,093,650	1,500,232,234
	,	preciation on Revalu	ed Assets		(18,016,098)	(19,138,584)
	Balance at 30 Jun	e 2023			1,463,077,552	1,481,093,650
18	Long term bank lo	ban				
	Off Shore Loan & L	JPAS			1,498,992,440	1,054,404,943
	Less: Current porti	on of long term loan	1		(456,018,916)	(1,054,404,943)
					1,042,973,525	-

Bank	Loan Account	Particulars
DEUTSCHE INVESTITIONS- UND	Off Shore Loan	Nature: Long Term Loan
ENTWICKLUNGSGESELLSCHAFT		Limit: Tk.120 million
MBH (DEG)		Purpose: Import Capital machinery & Equipment with Installment.
		Tenure: 7 Years, including moratorium period of 1.5 year.
		Repayment Clause: Equal quarterly instalments.
		Interest Rate: 3 months CME Term SOFR + 3.51161% p.a.
		Security Agreement:
		i) First ranking registered and exclusive mortgage in the amount of DBT 120 Million
		ii) First ranking and exclusive fixed charge by way of hypothecation over the Project Specific Assets along with a general power of attorney to sell the Project Specific Assets, both in favour and to the satisfaction of DEG;
		iii) Personal Guarantors (on a joint and several basis) in favour and to the satisfaction of DEG.
		iv) First demand payment guarantee of the Corporate Guarantors (on a joint and several basis) in favour and to the satisfaction of DEG.

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Bank	Loan Account	Particulars
The City Bank Limited	ULC/SLC/ Acceptance	<ul> <li>Nature: Project Finance</li> <li>Limit: Tk.180 million</li> <li>Purpose: To import and retire capital machinery and equipment.</li> <li>Tenure: 360 days max or as per BBK/BIDA Approval</li> <li>Repayment Clause: ULC/SLC/Acceptance liability will be adjusted on maturity from term finance facility to be arranged by DEG.</li> <li>Interest Rate: 3 months CME Term SOFR + 3.51161% p.a.</li> <li>Security Agreement:</li> <li>Registered 1st ranking Pari-Passu charge with RJSC on floating assets (stocks, book debt etc.) both present and future by way of hypothecation with NIGPA covering working capital limit.</li> <li>Present ranking charge with RJSC on imported plant and machinery for BDT 110.00 Crore.</li> <li>Lien of shares of MSML covering civil construction Term Loan. Value of shares to be assessed based on last 6 months average share price. Corporate Guarantee from sister concerns Flamingo Fashions Ltd. Jinnat Knitwears Ltd.Mawna Fashions Ltd. And Jinnat Apparels Ltd.</li> </ul>
Bank	Loan Account	Particulars
		<ul> <li>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.</li> <li>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.</li> <li>6. Re-Payment Cheque in Bank's prescribe format for covering total limit.</li> <li>7. Accepted sanction advice, company board resolution, and basic charge documents.</li> </ul>

				Amounts in Taka
	Να	lotes	30 June 2023	30 June 2022
19	Lease liability			
	Opening Balance		5,897,255	8,612,827
	Add: Addition during the year			
	Add: Interest charged for the period		405,099	668,474
	Less: Lease payment during the Year		3,501,376	3,384,046
	Less: Current portion of Lease liability		2,800,978	3,501,376
	Closing Balance		(0)	2,395,879

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.

20	Notes Deferred tax liability	30 June 2023	30 June 202
	Deferred tax assets and liabilities have been recognized and measure	red in accordance wit	the provision
	of IAS-12: Income taxes. Deferred tax assets and liabilities are attributed attributed and the set of the set	utable to the followin	g:
	A. Deferred tax liability on historical cost:		
	Carrying amount other than revaluation reserve	3,939,492,041	2,666,987,73
	Tax base	2,712,766,043	1,571,492,38
	Taxable Temporary difference	1,226,725,999	1,095,495,35
	Applicable tax rate (As per SRO 159 dated 01 June 2022 for Textile Sector)	15%	159
	Deferred tax liability on historical cost	184,008,900	164,324,30
	B. Deferred tax liability against revaluation reserve:		
	i) Deferred tax liability against revaluation reserve other than land		
	Carrying amount other than land Tax base	312,505,780	330,521,87
		312,505,780	330,521,87
	Applicable tax rate (As per SRO 159 dated 01 June 2022 for Textile Sector)	15%	159
		46,875,867	49,578,28
	ii) Deferred tax liability on capital gain against revaluation of land		
	Carrying amount other than building & others. Tax base	1,371,505,300	1,371,505,30
		1,371,505,300	1,371,505,30
	Applicable tax rate (3% As per section 53 H of ITO 1984)	3%	30
		41,145,159	41,145,15
	Deferred tax liability against revaluation reserve B ( i + ii )	88,021,026	90,723,44
	C. Deferred tax liability on Right-of-Used (ROU) Assets:		
	Carrying amount of PV of lease obligation	2,800,978	5,897,25
	Carrying amount Right to Use Assets	2,211,785	4,865,92
	Taxable Temporary difference	589,193	1,031,32
	Applicable tax rate (As per SRO 159 dated 01 June 2022 for Textile Sector)	15%	159
	Deferred tax liability on Lease	88,379	154,69

				Amounts in Taka
		Notes	30 June 2023	30 June 2022
21	Accounts payable			
	Suppliers	21.01	164,717,201	99,637,304
	Expenses	21.02	80,735,274	79,892,132
	Others	21.03	1,204,903	522,555
			246,657,378	180,051,991

#### 21.01 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		
S S Accessories	1,500,000	-
Pioneer Insurance Company Ltd	-	69,255
Mita Engineering Limited	80,750	30,750
Ebrahim & Sons	283,573	477,373
Chandpur Hardware Store	11,886	1,052,044
Shinpower	625,795	625,795
Color City Ltd.	26,448,739	10,819,354
Dbl Ceramics Ltd.	7,587,608	5,930,918
Nde Steel Structures Ltd.	856,458	856,458
Scube Technologies Ltd.	-	8,004,150
Ali Enterprise	568,841	568,841
Nusrat Packaging	358,125	-
Mukul Enterprise	-	577,500
M.B. Steel Corporation	39,833	313,614
Mozumder Transport Agency	72,000	1,750,200
Rising Corporation	83,623	2,576,914
Rbd Fibers Limited	4,030,067	1,634,850
Kati Bangladesh Ltd	2,512,067	2,094,974
Energypac Engineering Ltd.	-	1,600,000
M.M. Paper Product	240,567	121,888
Lafarge Surma Cement Ltd.	291,840	291,840
H.M Transport Agency	-	573,200
Green Power Electric	535,180	118,602
Patwary Trade & Co.	21,229	113,787
Jinnat Fashions Ltd.	250,000	250,000
Dbl Distribution Ltd	46,398,236	24,294,579
United Power Generation & Distribution Company Ltd.	25,755,984	-
Dbl Lifestyle Ltd	452,526	226,263
Kapita Auto Bricks Limited	254,664	254,664
Shamsuddin Engineering Works	1,650,270	2,780,083
S.S Enterprise	1,737,807	-
Encon	46,391	717,391
Ma Enterprise (Ebrahim)	423,203	155,346
Quantam Builders & Engineering Ltd	4,860,000	
Rifa Paper Products	1,592,725	-

				Amounts in Taka
		Notes	30 June 2023	30 June 2022
	Staedtler+Uhl		4,658,067	
	Soronica Paper Products		1,096,875	837,800
	Gph Ispat Ltd.		883,800	946,000
	Independent Enterprise		1,709,450	1,358,380
	Mah Textiles Llp		940,886	
	Rynco Engineering Ltd.		770,000	
	Unique Cement Fibre Industries Ltd.		1,894,050	776,250
	Shah Ali Metal		202,514	381,870
	Sigma Pumps Ltd.		-	530,000
	Aqua Care Trading		1,419,299	831,490
	M.R. Enterprise		33,500	766,727
	Ksrm Steel Plant Ltd.		895,050	-
	Lafarge Holcim Bangladesh Limited		1,250,000	780,000
	Siemens Bangladesh Ltd.		620,000	620,000
	Akij Ready Mix Concrete Ltd.		3,743,139	-
	Tyre & Battery Bazar		126,070	106,615
	Rafin Paper Tube		284,686	284,686
	Others		14,619,828	22,536,854
	Total		164,717,201	99,637,304
21.02	Payable for expenses			
	Salary & allowances		21,472,118	33,394,562
	Audit fees		862,500	833,750
	Gas bill		5,777,540	14,501,149
	Electricity bill		14,664,924	8,173,750
	Welfare Fund		249,072	249,072
	Claim Payable		15,606,706	-
	Provident Fund		549,168	480,472
	Provision for interest on Loan		16,799,017	21,525,107
	Un-Applied Receipts		4,754,229	734,269
			80,735,274	79,892,132

During the year, provision for Bad and Doubtful Debts has been presented under Accounts receivables for better presentation.

21.03	<b>Payable for others</b> Tax deducted at source (Salary)		
	VAT Deducted at source (on Suppliers bill)	103,947	520,331
		1,100,956	2,224
		1,204,903	522,555
22	Short term bank loan		
	UPAS / EDF Loan (Raw Cotton) Working Capital Loan	2,624,206,102	2,473,826,671 13,176,911
		2,624,206,102	2,487,003,581

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 days for
		sight (SGT)
	Export	Rate of interest: @ 4.50%
HSBC	Development Fund	Lender: HSBC
	(EDF)/UPAS	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
HSBC	UPAS	Lender: HSBC
	01703	Nature: UAPS
		Limit: Tk 400 million
		Purpose: One-off line to import machineries and other
		project related items for the ongoing capacity expansion
		program of the borrower on sight and /or deferred basis.
		Tenure: 360 days
		Rate of interest: @ LIBOR + 3.25% per annum.
		Lender: HSBC
		Nature: UPAS
		Limit: Tk 400 million
		Purpose: To import spare parts and machineries on sight
		and/or deferred basis.
		Tenure: 120 days
		Rate of interest: @ LIBOR + 1.91% per annum.
	Bill Discounting	Lender: HSBC
		Nature: Bill Discounting
		Limit: USD 10 million
		Purpose: To discount maximum 90% of export bills against
		local bank acceptance ( acceptable to HSBC) with recourse to the borrower(s).
		Tenure: 120 days
		Rate of interest: Interest will be charged on daily balances
		@1.92% per annum.
1		

	Security Arrangeme	ent:				
		1.Demand promissory note for Tk 4,487,500,000 with letter of continuity & revival.				
	2. Personal guarante	ees executed by Mr. Abdul Wahed, Mr. M.A. Jabbar, Mr. M.A. Quader for Tk 2,225,000,000 each supported by personal net				
	3. Corporate guarant	ees to be executed by Flamingo Fashions Ltd, Jinnat Knitwears Mymun Textiles Ltd for Tk 4,208,600,000 each with supporting				
	and Finished Goods	he borrower's stocks of Raw Materials, Work – in – process and Book Debts / Receivables with The Registrar of Joint Stock s (RJSC) on pari passu basis with other lender(s). HSBC's share				
	5. Power of Attorney	on Hypothecated Goods.				
	with the Registrar of	over the borrower's Plant and Machinery for Tk 1,410,000,000 Joint Stock Companies & Firms (RJSC). In this regard Power of ecated goods obtained.				
	7. Power of Attorney	for Back to Back facility.				
		r Deposits with 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 Limited held for the term loan facilities extended to Matin Spinning Mills Limited. In this regard, Irrevocable General Power of Attorney to be obtained.					
	10.Reister Power of a under crossponding	Attorney in relation of property mortgaged in favour of bank Deed of Mortgaged.				
Bank	Loan Account	Particulars				
BRAC BANK	Export	Lender: BRAC BANK				
	Development Fund	Nature: EDF				
	(EDF)/UPAS	Limit: Tk 1000 million				
		Purpose: Import of Raw Cotton				
		Tenure: 180 days from the date of creation of each				
		contract.				
		Rate of interest: @ 4.50%.				
	Security Arrangement:					
	Registered Hypothecat	ion (Ist charge on Pari Passu basis) over all present & future floating				
	Registered Hypothecat assets including stock a	ion (Ist charge on Pari Passu basis) over all present & future floating and Book debts of the Company with RJSC,along with Notarized IGPA				
	Registered Hypothecat assets including stock a to sell the Hypothecate	ion (Ist charge on Pari Passu basis) over all present & future floating and Book debts of the Company with RJSC,along with Notarized IGPA				

	Support:			
	a) Corporate Guaran	tee to be executed for BDT 1110.00 Million, by the Company twears Ltd in support by Board Resolution of the guarantor		
	Revival, Letter of Arr	ments (I,e. Demand Promissory Note, Letter of Continuity and angement, General Loan Agreement, Letter of Disbursement thority),to be executed for BDT 1110.00 Million, in support of the Borrower.		
		e executed for BDT 200.00 Million, i.e covering the LATR limit description of the Borrower.		
		e to be executed for BDT 50.00 Million,i,e. covering the Bank support of Board Resolution of the Borrower.		
	and all funded facili average stock/ Inven & building of the Bou BBL, keeping BBL As	ge on Fire & RSD Risk covering BTB L/C, Acceptance facilities ties and all funded facilities to be provided on the basis of tory being held at the factory, and also securing machineries rrower company, from any insurance company acceptable to beneficiary. vering the credit facilities under Working Capital Stimulus		
	Package under facility No 1 (c) above, which shall continue: a) Basic Charge Documents (i.e. Demand Promissory Note, Le Revival, Letter of Arrangement, General Loan Agreement, Le & Letter of Debit Authority), executed for BDT 50,000000.0 Board Resolution of the Borrower.			
	b) MICR Cheque obta authority to complete	ained for BDT 50,000000.00 along with Irrevocable Letter of e the Cheque.		
Bank	Loan Account	Particulars		
JAMUNA BANK	Export Development Fund (EDF)	Lender: JAMUNA BANK Nature: EDF Limit: Tk 200 million Purpose: Import of Raw Cotton Tenure: a) Each LTR shall be adjusted within 180 days		
		from the date of creation. B) EDF as per Bangladesh Bank guideline. Rate of interest: @ 4.50%		
	Security Arrangeme	guideline. Rate of interest: @ 4.50%		
	and Mr. M.A. Quader	guideline. Rate of interest: @ 4.50%		
	<ul><li>1.Personal guarantee and Mr. M.A. Quader Group),supported by of Branch.</li><li>2.Corporate Guarant customer) supported</li></ul>	guideline. Rate of interest: @ 4.50% ent: es of Mr. Abdul Wahed, Mr. M.A. Jabbar, Mr. M.A. Rahim (all are Directors of the company and key persons of DBL duly signed Personal Net Worth statements verified by Head ee of Jinnat Apparels Limited ( sister concern of the d by Board Resolution, MoA and AoA.		
	<ol> <li>Personal guarantee and Mr. M.A. Quader Group),supported by of Branch.</li> <li>Corporate Guarant customer) supported</li> <li>Security cheques e persons.</li> </ol>	guideline. Rate of interest: @ 4.50% ent: es of Mr. Abdul Wahed, Mr. M.A. Jabbar, Mr. M.A. Rahim (all are Directors of the company and key persons of DBL duly signed Personal Net Worth statements verified by Head ee of Jinnat Apparels Limited ( sister concern of the d by Board Resolution, MoA and AoA. each limit with letter of approach duly signed by authorized		
	<ol> <li>Personal guarantee and Mr. M.A. Quader Group),supported by of Branch.</li> <li>Corporate Guarant customer) supported</li> <li>Security cheques e persons.</li> </ol>	guideline. Rate of interest: @ 4.50% ent: es of Mr. Abdul Wahed, Mr. M.A. Jabbar, Mr. M.A. Rahim (all are Directors of the company and key persons of DBL duly signed Personal Net Worth statements verified by Head ee of Jinnat Apparels Limited ( sister concern of the by Board Resolution, MoA and AoA. each limit with letter of approach duly signed by authorized n floating assets (present & future value) of the company.		

				Amounts in Taka
		Notes	2022-23	2021-22
23	Current portion of long term loan			
	Off Shore Loan & UPAS		456,018,916	1,054,404,943
			456,018,916	1,054,404,943
24	Unclaimed dividend			
	Opening Balance		2,035,937	4,371,032
	Add: Addition during the year		487,450,000	389,960,000
	Less: Paid during the year		(486,548,362)	(392,295,095)
	Closing Balance		2,937,576	2,035,937
	Year Wise Break Up Given Belows:			
	2019-2020		335,062	-
	2020-2021		1,114,397	_
	2021-2022		1,488,116	-
	Total		2,937,576	-
25	Provision & accruals			
	Provision for Income Tax	25.01	463,057,709	434,258,641
	Provision for workers' profit participation and welfare funds	25.02	25,041,678	61,649,653
			488,099,386	495,908,294
25.01	Provision for Income Tax			
	Opening Balance		434,258,641	241,426,481
	Add: Provision for taxation for the year (Note - 33)		86,352,766	192,832,161
	Less: Adjustment provision for previous years AIT		(37,114,903)	
	Less: Adjustment provision for previous years deposit		-	
	Short/(Excess) provision for taxations after final assessment order as below:			
	Adjustment of excess provision for the year 2018-2019		(20,996,346)	
	Adjustment of short provision for the year 2019-2020		557,551	
			463,057,709	434,258,641
25.02	Provision for workers' profit participation and welfare funds			
	Opening Balance		61,649,653	41,546,649
	Add: Addition during the year		25,633,531	62,241,507
	Less: Paid during the year		(62,241,507)	(42,138,503)
	Closing Balance		25,041,678	61,649,653

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
		Notes	2022-23	2021-22
26	Revenue			
	Carded Yarn		819,176,899	486,578,736
	Combed Yarn		3,395,847,650	1,919,914,064
	Slub Yarn		279,057,203	363,928,840
	Synthetic Yarn		1,104,162,220	1,440,298,690
	Melange Yarn		675,333,581	848,461,065
	Vortex		401,110,651	335,580,239
	Open End		541,381,013	431,827,545
	Twist		124,829,116	174,547,503
	Twisting Services Charges		3,062,230	1,551,612
			7,343,960,563	6,002,688,295

#### Quantitative details of sales (KG)

2022-2023

Product Type	Opening Stock (a)	Production (b)	Closing Stock (c )	Sales during the year (a+b-c)
Carded Yarn	266,200	1,883,491	43,406	2,106,284
Combed Yarn	570,169	7,486,035	176,886	7,879,318
Slub Yarn	30,131	659,550	31,938	657,743
Synthetic Yarn	188,036	2,883,776	117,078	2,954,734
Melange Yarn	83,596	1,302,404	83,728	1,302,272
Vortex	161,228	893,475	21,680	1,033,024
Open End	194,466	2,094,501	119,203	2,169,765
Twisted Yarn	3,936	217,826	7,347	214,415
Total	1,497,761	17,421,059	601,266	18,317,554

#### Turn over in Quantity (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	2,57,320	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	6,04,050	15,956,466	1,497,761	15,062,755
		Amounts in Taka		
---	-----------------	-----------------		
	2022-23	2021-22		
27 Cost of goods sold				
Raw Material consumption (Note-27.01)	4,719,537,783	3,509,105,818		
Packing materials consumption (Note-27.02)	56,281,596	39,405,860		
Fiber Dyeing	25,518,608	21,400,768		
Manufacturing overhead (Note-27.03)	1,435,428,160	1,088,588,860		
Cost of goods manufacturing	6,236,766,147	4,658,501,306		
Opening work-in-process	67,172,889	61,624,815		
Closing work-in-process	(74,350,938)	(67,172,889)		
Cost of production	6,229,588,098	4,652,953,232		
Opening stock of finished yarn	428,909,621	166,706,650		
Closing stock of finished yarn	(243,445,597)	(428,909,621)		
	6,415,052,123	4,390,750,261		
27.01 Raw Material consumption				
Quantity (KG)				
Opening Stock	72,35,464	48,43,492		
Purchase during the year	1,69,99,687	2,06,56,682		
Raw Material available for consumption	2,42,35,151	2,55,00,174		
Closing Stock	42,74,531	72,35,464		
Raw Material Consumed	1,99,60,620	1,82,64,710		
	.,,	.,,		
Value (Taka)				
Opening balance	1,665,017,316	754,617,992		
Purchase during the year	4,276,496,352	4,419,505,141		
Raw Material available for consumption	5,941,513,667	5,174,123,134		
Sale of cotton- local	-	-		
Closing balance	(1,221,975,884)	(1,665,017,316)		
	4,719,537,783	3,509,105,818		
27.02 Packing materials consumption				
Opening balance	3,444,979	3,094,460		
Purchase during the year	58,006,969	39,756,379		
Packing materials available for consumption	61,451,947	42,850,839		
Closing balance	(5,170,352)	(3,444,979)		
	56,281,596	39,405,860		

				Amounts in Taka
			2022-23	2021-22
27.03	Manufacturing overhead			
	Maria and all and a second		240.070.057	275 022 070
	Wages and allowances		310,870,957	275,032,878
	Repair and maintenance		3,697,710	5,951,102
	BTMA certificate charges		536,625	734,875
	Store and spare parts		63,369,219	54,448,022
	Travelling & Conveyance		760,275	453,523
	Crockeries and Canteen Expenses		728,785	696,373
	Fire Fighting Expenses-factory		2,459,215	2,297,042
	Factory stationeries		2,955,078	2,189,545
	Fuel and lubricants		1,290,986	345,812
	Fuel and lubricants- Generator		260,102,991	102,075,688
	Fuel and lubricants- Vehicles		841,239	703,868
	Electricity bill		323,264,674	209,791,093
	Gas bill		79,936,247	156,370,599
	Insurance premium		7,789,150	5,719,203
	Testing fee		22,602	256,950
	Workshop expenses		2,662,237	1,866,180
	Depreciation		374,140,171	269,656,106
			1,435,428,160	1,088,588,860
28	Other income		<u> </u>	<u> </u>
	Foreign currency exchange gain/(loss)		(86,068,014)	(91,427,203)
	Gain /( Loss) on Investment in marketable securities		(1,851,492)	1,263,250
	Bank interest		3,350,338	882,007
	Sales of wastage		96,270,767	69,364,786
	Cash Dividend (received on marketable securities)		2,585,575	1,716,757
	Rental Income	5,500,644		
	Less: Repair and maintenance	(1,650,193)	3,850,451	3,763,310
	Miscellaneous Income		1,818,687	267,705
			19,956,312	(14,169,388)
29	Administrative expenses			
	Salary and allowances		137,172,309	117,980,641
	Salary and allowances Audit fees		137,172,309 862,500	117,980,641 833,750
	Audit fees AGM Expenses		862,500 2,565,467	833,750 2,107,065
	Audit fees AGM Expenses Board Meeting Expenses		862,500 2,565,467 2,585,000	833,750 2,107,065 2,282,500
	Audit fees AGM Expenses Board Meeting Expenses Business promotion expenses		862,500 2,565,467 2,585,000 23,116,140	833,750 2,107,065 2,282,500 22,280,518
	Audit fees AGM Expenses Board Meeting Expenses Business promotion expenses Bank charges and commission		862,500 2,565,467 2,585,000 23,116,140 22,882,207	833,750 2,107,065 2,282,500 22,280,518 10,296,522
	Audit fees AGM Expenses Board Meeting Expenses Business promotion expenses		862,500 2,565,467 2,585,000 23,116,140	833,750 2,107,065 2,282,500 22,280,518

		Amounts in Taka
	2022-23	2021-22
Credit rating expenses	107,500	107,500
Garden Expenses	24,130	19,725
Advertisement	1,748,911	1,886,300
Contribution to Provident Fund	2,524,344	2,376,360
Managing Directors Remuneration (Note -39.2)	12,000,000	8,400,000
Entertainment	5,646,789	1,220,516
Internet charges	46,200	50,400
Legal and professional expenses	1,754,910	157,050
Medicine and medical expenses	135,734	120,774
News paper and periodicals	-	56,528
Office maintenance	339,990	352,689
Photocopy and type expenses	605,323	545,328
Office Stationery	68,008	72,804
Rates and taxes	2,278,083	1,257,517
Depreciation on Right-of-use (ROU) Asset	2,654,142	2,654,142
Registration and renewal	4,967,303	2,632,383
Religious expenses	54,000	65,595
Staff welfare	667,690	68,442
Travelling expenses	578,088	143,579
Software Expenses	356,263	226,263
Miscellaneous expenses	5,108,937	1,832,291
Power and fuel - vehicles	1,818,667	1,780,842
VAT Expenses	2,856,409	1,872,799
Depreciation	41,571,130	29,961,790
Loss on Fixed Assets	7,267,862	664,830
	287,809,501	217,377,293
Obsolete Raw Materials	(8,360,909)	-
Doubtful debts	(50,847,399)	20,889,569
	228,601,193	238,266,862
Distribution expenses		
Carriage outward	10,608,021	8,549,435
5	10,608,021	8,549,435
Finance cost		
Interest expenses		
Bank Interest on term loan	82,087,484	1,472,262
Bank interest on Export Development Fund/Upas Cotton	86,895,396	40,307,503
Interest Expense on Lease Liability	405,099	668,474
Bank Interest on OD loan	1,963,403	1,432,462
	171,351,382	43,880,702

### 32 Contribution to workers' profit participation funds

30

31

Allocation for workers' profit participation funds Tk.25,633,531 (2022: Tk. 62,241,507). 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.

		Amounts in Taka				
			2022-23		2021-22	
33	Computation of Taxable Income & 1	ax Liability there				
	A. Tax Payable on Total Taxable Inco	ome	51,308,477		176,350,170	
	Reconciliation of	2022-	2023	2021	2022	
	effective tax rate	Percentage	BDT Amount	Percentage	BDT Amount	
	Business Income/(loss) for the current	year	342,056,514		1,175,667,806	
	On Business Income	15.00%	51,308,477	15.00%	176,350,170	
	B. Minimum Tax Payable u/s 82C(4)	(a)				
	Cross respirts during this year [Csha		7262016075		6 070 046 110	
	Gross receipts during this year [Schee Tax Rate	Jule-Bj	7,363,916,875 0.60%		6,079,946,110 0.60%	
	Minimum Tax u/s 82C(4)(a)of ITO 19	84	44,183,501		36,479,677	
	C. Minimum Tax Payable u/s 82C(4)(	(a)				
	Tax deducted at Source under section	53 BB	74,332,197		31,818,245	
	Current Taxy Linkility (high an of A. D. an		74,332,197		31,818,245	
	Gross Tax Liability (higher of A, B ar	10 C)	74,332,197		176,350,170	
	(Excess)/Short provision for taxations	after final assessr	nent order as belo	ow:		
	Reconciliation of	2022-		2021-	-2022	
	effective tax rate	Percentage	BDT Amount	Percentage	BDT Amount	
	On Foreign currency exchange gain/(loss)	20.00%	(9,612,321)	20.00%	-	
	On Sales of wastage (balance after setting off business loss)	20.00%	19,254,153	20.00%	13,872,957	
	On Misc. Income	20.00%	363,737	20.00%	53,541	
	On Bank interest received	20.00%	670,068	20.00%	176,401	

On Cash Dividend (received on marketable securities)	20.00%	530,043	20.00%	343,351
On Gain /( Loss) on Investment in marketable securities	10.00%	44,798	10.00%	1,283,078
On Rental Income	20.00%	770,090	20.00%	752,662
Tax on other income		12,020,568		16,481,991
Gross Tax Liability:				
Tax on Business Income (Higher on A, B &	C)	74,332,197		176,350,170
Tax on other incom		12,020,568		16,481,991
	-	86,352,766	_	192,832,161
(Excess)/Short provision for taxations a	fter final ass	essment order as	below:	
Add: Adjustment of excess provision for the year	ar 2018-2019	(20,996,346)		-
Add: Adjustment of short provision for the year	2019-2020	557,551		-
	-	(20,438,795)	_	-
Total Current Tax	_	65,913,970	_	192,832,161

Reference to the Appeal Order no. Co. Kar Adesh-3/2021-22 dated 25/09/22 and ITA No. – 2886 of 2021-22 dated 29/12/21 we have adjusted excess provision of Tk. 2,09,96,346 and short provision of Tk. 5,57,551 with the current tax provision.

			Amounts in Taka
		2022-23	2021-22
34	Deferred tax for statement of Profit or loss and Statement of		
	other comprehensive income		
34.01:	Deferred tax for statement of profit or loss		
54.01.	Defense tax for statement of profit of loss		
	A. Deferred tax on Fixed assets:		
	Carrying amount *	3,939,492,041	2,666,987,734
	Tax base	(2,712,766,043)	(1,571,492,383)
	Taxable Temporary difference	1,226,725,999	1,095,495,351
	Tax rate	15%	15%
	(Tax rate is 15% on Textile sector as per SRO - 159 dated 01 June 2022)		
	Deferred tax liabilities as on 30 June 2023	184,008,900	164,324,303
	Deferred tax liabilities 30 June 2022	(164,324,303)	(164,077,959)
		19,684,597	246,343
	B. Deferred tax on Right-of-Used (ROU) Assets:		
	Carrying amount of PV of lease obligation	2,800,978	5,897,255
	Carrying amount Right to Use Assets	2,211,785	4,865,928
	Taxable Temporary difference	589,193	1,031,328
	Tax rate	15%	15%
	Deferred tax liabilities as on 30 June 2023	88,379	154,699
	Deferred tax liabilities 30 June 2022	(154,699)	(163,914)
		(66,320)	(9,214)
	Total Deferred Tax Expenses (A+B)	19,618,277	237,129
34.02:	Deferred tax for statement of other comprehensive income		
~			
(i)	Deferred tax liability against revaluation reserve other than land		
	Carrying amount other than land	212 505 790	220 521 970
		312,505,780	330,521,879
	Tax base	-	-
	Applicable toy rate (Appart CDO 1E0 dated 01 lung 2022 for Toytile Caster)	312,505,780	330,521,879
	Applicable tax rate (As per SRO 159 dated 01 June 2022 for Textile Sector)	15% 46,875,867	15% 49,578,282
(ii)	Deferred tax liability on capital gain on revaluation of land	40,075,007	49,576,262
(ii)	Deferred tax liability on capital gain on revaluation of land		
	Carrying amount other than building & others	1,371,505,300	1,371,505,300
	Tax base	1,571,505,500	
		1,371,505,300	1,371,505,300
	Applicable tax rate (3% As per section 53 H of ITO 1984)	3%	3%
	$\mathcal{A} \mathcal{P} \mathcal{P} \mathcal{P} \mathcal{P} \mathcal{P} \mathcal{P} \mathcal{P} P$	5%0	70 د

		Amounts in Taka
	2022-23	2021-22
	41,145,159	41,145,159
Deferred tax liability against revaluation reserve ( i + ii )	88,021,026	90,723,441
Deferred tax liabilities 30 June 2022	(90,723,441)	(93,217,854)
Deferred tax for Statement of Other Comprehensive Income	(2,702,415)	(2,494,414)

### Deferred tax has been provided on Taxable Temporary difference.

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

35	Earnings Per Share (EPS)		
	The computation of EPS is given below:		
	Earnings attributable to ordinary shareholders	427,138,377	1,051,760,851
	Weighted average number of ordinary shares outstanding at the year end	97,490,000	97,490,000
	Earnings per share (EPS)	4.38	10.79

### 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.

### 36 NAV Per Share (With Revaluation reserves)

Total assets	10,988,787,614	10,391,089,103
Less: Total current liabilities	(3,820,720,336)	(4,222,906,123)
	7,168,067,278	6,168,182,980
Deduct:		
Long Term & deferred liabilities	(1,315,091,829)	(257,598,321)
	5,852,975,449	5,910,584,658
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	60.04	60.63
Net Operating Cash Flow Per Share		
Cash flows from operating activities as per statement of cash flows	484,673,137	601,834,617
Number of Ordinary Share at statement of financial position date	97,490,000	97,490,000
Net Operating Cash Flow - Per Share	4.97	6.17

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### 38 Board Meetings

During the year from 01.07.2022 to 30.06.2023 six board meetings were held. The attendance status is as follows:

Name of Directors	Position	Meeting Held	Attended	Remarks
Abdul Wahed	Chairman	6	6	
M.A. Jabbar	Managing Director	6	6	
M.A. Rahim	Director	6	6	
M.A. Quader	Director	6	6	
Md. Hassan Imam	Director	6	6	
Selina Parvin	Director	6	6	
Tanzeen Khurshid	Director	6	6	
Taslima Begum	Director	6	6	
Md. Abdus Salam FCA, FCS	Independent Director	6	6	
Shamsul Hasan Barrister-at-law	Independent Director	6	6	

### 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	Workor	Total	Amount in
	Head Office	Factory	Worker	Employee	Taka
2022-23	25	426	1,904	2,355	462,567,610
2021-22	25	504	1,789	2,318	403,789,879

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

	2022-2023			2021-2022		
Particulars	Directors	Managers & Others	Total	Directors	Managers & Others	Total
Basic Salary	7,342,800	75,375,690	82,718,490	5,139,960	64,829,937	69,969,897
House Rent	3,671,400	37,687,845	41,359,245	2,569,980	32,414,969	34,984,949
Conveyance	985,800	10,119,485	11,105,285	690,060	8,703,676	9,393,736
Bonus/ incentives	-	13,989,289	13,989,289	-	12,032,059	12,032,059
Total Salary and allowances	12,000,000	137,172,309	149,172,309	8,400,000	117,980,641	126,380,641

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

\* Directors represent Managing Director only.

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

### 40 Contingent Liabilities:

- **a**. As on 30 June 2023, Contingent Liability of the Company was Tk. 399,998,057 (Tk.861,534,622 as at 30 June 2022) 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 2023.

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

	MSML	Melange	Synthetic	Special	То	tal
	Unit	Unit	Unit	Yarn Unit	2022-2023	2021-2022
Capacity Installed:						
No. of Spindles Installed	39,600	18,240	15,344	15,120	88,304	73,184
Capacity Utilized:						
No. of Spindles Operated	35,336	15,436	12,915	14,074	77,761	69,248
Production Capacity: (In Kg)						
At Equivalent Ave. 28's (Ring) & 16's Count (Rotor)	8,925,000	3,520,000	5,904,448	3,570,000	21,919,448	18,184,534
Actual Production : (In Kg)						
At Equivalent Ave. 28's (Ring) & 16's Count (Rotor)	7,071,385	2,482,873	4,177,183	2,645,831	16,377,272	14,772,265
% of Capacity Utilization	79.23	70.54	70.75	74.11	74.72	81.24

### 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:

Name of the related party	Relationship	Nature of transaction	Value of transactions (Taka)	Closing balance as of June 30, 2023 (Taka)	Status as of June 30, 2023	Closing balance as of June 30, 2022 (Taka)	Status as of June 30, 2022
Flamingo Fashions Ltd	Sister Concern	Sale of yarn	1,838,175,022	128,332,524	Debtor	254,769	Debtor
Jinnat Fashions Ltd	Sister Concern	Sale of yarn	400,376,601	14,277,181	Debtor	24,220,561	Debtor
Jinnat knitwears Ltd	Sister Concern	Sale of yarn	3,098,142,972	644,237,812	Debtor	646,833,890	Debtor
Jinnat Apparels Ltd	Sister Concern	Sale of yarn	296,860,155	44,894,742	Debtor	144,624,982	Debtor
Mawna Fashions Ltd.	Sister Concern	Sale of yarn	502,927,739	101,801,418	Debtor	3,461,876	Debtor
Hamza Textiles Ltd	Sister Concern	Sale of yarn	292,677,922	109,269,338	Debtor	6,460,726	Debtor
Parkway Printing &	Cistor Concorn	Sale of yarn	-	-	Debtor	46,968,866	Debtor
Packaging Ltd.	Sister Concern	Godown Rent & Others	-	-	Debtor	1,531,172	Debtor
DD Trime I to	Cistor Concorn	Sale of yarn	52,429,012	52,960,979	Debtor	60,032	Debtor
DB Trims Ltd	Sister Concern	Godown Rent & Others	21,748,198	2,135,080	Debtor	1,542,606	Debtor
DBL Distribution Ltd	Sister Concern	Fuel & Lubricant	237,530,209	46,398,236	Creditor	24,294,579	Creditor
Color City Ltd	Sister Concern	Fiber Dyeing	15,629,385	26,448,739	Creditors	10,819,354	Creditors
DBL Ceramics Ltd	Sister Concern	Tiles	4,998,708	7,587,608	Creditors	5,930,918	Creditors
Dulal Brothers Ltd	Sister Concern	Sale of yarn	50,433,167	18,400,495	Debtor	4,689,705	Debtor
DBL Life Style Ltd	Sister Concern	Services	226,263	452,526	Creditors	226,263	Creditors
DBL Textile Recycling Ltd.	Sister Concern	Rental Income	1,008,007	-	Debtor	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.

		Amounts in Taka
	2022-2023	2021-2022
Directors' remuneration	12,000,000	8,400,000
Board meeting fees	979,000	649,000
	12,979,000	9,049,000
b) Post employment benefit:	-	-
c) Other long-term benefit:	-	-
d) Termination benefit:	-	-
e) Share- based payment:	-	-
	12,979,000	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:

Particulars	Local Purchase	Import	Total Purchase	Consumed	% of Consumption
Raw Cotton	-	4,276,496,352	4,276,496,352	4,719,537,783	97.53%
Stores and Accessories	-	97,156,722	97,156,722	63,369,219	1.31%
Packing Materials	58,006,969	-	58,006,969	56,281,596	1.16%
Capital Machinery	-	1,219,564,581	1,219,564,581	-	-
Total	58,006,969	5,593,217,654	5,651,224,622	4,839,188,597	100.00%

### FOB Value of export

The FOB value of export is as follows:	202	2-23	202	21-22
Particulars	In foreign currency \$	In Taka	In foreign currency \$	In Taka
Export	68,635,145	7,343,960,563	69,395,240	6,002,688,295

			Amounts in Taka
		2022-23	2021-22
44	Reconciliation of net operating cash flows		
	Net profit after tax	427,138,377	1,051,760,851
	Add: Items not involving movements of cash		
	Depreciation and amortization	415,711,301	299,617,896
	Interest Income	(2,300,395)	(301,783)
	Provision for finance Cost	22,897,041	1,166,280
	Deferred tax expenses	19,618,277	237,129
	Income Tax	65,913,970	192,832,161
	Contribution to workers' profit participation funds	25,633,531	62,241,507
	Dividend Income transfer to investing activities	(2,585,575)	(1,716,757)
	Effects of foreign currency translation gain /(loss)	62,481,401	23,326,828
	Gain /( Loss) on Investment in marketable securities	1,851,492	(1,271,564)
		609,221,042	576,131,696
	A.Cash generated from operations before changes in working capital	1,036,359,419	1,627,892,547
	Changes in working capital		
	Decrease (increase) in inventories	(234,267,622)	(831,471,954)
	Decrease (increase) in trade and other recivables	(180,123,785)	140,824,239
	Decrease (increase) in advances, deposits and prepayments	(93,966,507)	(22,805,549)

Matin Spinning Mills PLC

		Amounts in Taka
	2022-23	2021-22
Decrease (increase) in trade payables	66,605,387	44,782,688
Decrease (increase) in other payables	(2,194,639)	(9,603,827)
Decrease (increase) of Capital expenditure	239,658,472	(64,880,150)
B. Total changes in working capital	(204,288,693)	(743,154,553)
C. Cash generated from operating activities (A+B)	832,070,727	884,737,994
Less: Payments made during the year		
Tax paid	(109,078,611)	(216,752,932)
Interest paid	(176,077,473)	(24,011,942)
Workers' profit participation funds paid	(62,241,507)	(42,138,503)
D.Total Payment	(347,397,591)	(282,903,377)
Net cash inflows from operating activities (C+D)	484,673,136	601,834,617

- **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 Limited, at its 139 meeting held on October 15, 2023 proposed Tk. 4 per share amounting to a total of Tk.389,960,000 as cash dividend for the year ended 30 June 2023, which represents 40% of the paid up Capital. This dividend is subject to final approval by the shareholders at the forthcoming Annual General Meeting of the Company.

### 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.

	Amendments to references to conceptual framework in IFRS standards
Effective for year beginning	Amendments to IFRS 3: Business Combinations of definition of business
1 January 2020	• 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
Effective date deferred indefinitely / available for optional adoption	

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.

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Abdul Wahed Chairman M. A. Jabbar Managing Director Mohammad Emarot Hossain FCA,FCS Chief Financial Officer

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

	property, plant and equipment for the year ended 30 June 2023
Matin Spinning Mills PLC	Details of property, plant and equi

## Annex i nts in Taba

		Cost	st				Depreciation	n		Written down
Name of the assets	At 01 July 2022	Addition during the year	Adjustment/ disposal during the year	Total at 30 June 2023	Rate %	At 01 July 2022	Charge for the year	Adjustment during the year	Total at 30 June 2023	value at 30 June 2023
Land and land development	172,971,966	1	1	172,971,966	%0	1	1		1	172,971,966
Factory building	700,733,723	249,453,250	I	950,186,973	5%	244,395,989	32,955,071	ı	277,351,059	672,835,913
Godown	118,892,748	6,268,793	8,764,676	116,396,865	10%	47,208,412	7,590,076	1,865,345	52,933,142	63,463,722
Plant and machinery	4,154,880,817	1,219,564,581	3,660,856	5,370,784,542	10%	2,367,910,989	279,028,580	1,994,920	2,644,944,649	2,725,839,892
Furniture and fixtures	6,919,042	6,404,938	I	13,323,980	10%	2,833,318	1,106,637	ı	3,939,955	9,384,025
Sub Station (Machinery)	389,122,826	1	I	389,122,826	15%	246,264,530	21,428,744	ı	267,693,275	121,429,551
Gas Generator	327,279,371	155,808,382	58,025,171	425,062,583	15%	174,703,954	41,256,640	51,967,062	163,993,532	261,069,051
Office equipments	91,678,606	47,186,780	2,432,241	136,433,145	15%	46,455,525	12,319,303	2,005,240	56,769,588	79,663,557
Vehicles	67,643,349	1	I	67,643,349	20%	57,592,596	2,010,151	ı	59,602,746	8,040,603
Total at 30 June 2023	6,030,122,447 1,684,686,724	1,684,686,724	72,882,944	7,641,926,228		3,187,365,312	397,695,202	57,832,567	3,527,227,948	4,114,698,280

# B) Revalued Assets (Revaluation Reserve Component)

		Revalu	aluation		-		Depreciation	ų		Written down
Name of the assets	At 01 July 2022	Addition during the year	Adjustment/ disposal during the year	Total at 30 June 2023	Rate %	At 01 July 2022	Charge for the year	Adjustment during the year	Total at 30 June 2023	value at 30 June 2023
Land and land development	1,198,533,334	1	1	1,198,533,334	%0	1	1	1	•	1,198,533,334
Factory building	405,031,744	ı	ı	405,031,744	5%	104,309,955	15,036,089	I	119,346,044	285,685,700
Godown	41,653,543	1	I	41,653,543	10%	11,853,454	2,980,009	I	14,833,463	26,820,081
Total at 30 June 2023	1,645,218,621	•	•	1,645,218,621		116,163,408	18,016,098	•	134,179,507	1,511,039,114
Total (A + B ) at 30 June 2023	7,675,341,068 1,684,686,724	1,684,686,724	72,882,944	72,882,944 9,287,144,849		3,303,528,721	415,711,301	57,832,567	57,832,567 3,661,407,455	5,625,737,394

Allocation of deprecation:	Year ended 30 June 2023
Manufacturing overhead @ 90%	37,41,40,171
Administrative overhead @ 10%	4,15,71,130
	41,57,11,301

-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 2022

Annex ii

Amounts in Taka

A) Non Revalued Assets (Cost Component)

		Cost	st				Depreciation	u		Written down
Name of the assets	At 01 July 2021	Addition during the vear	Adjustment/ disposal during the vear	Total at 30 June 2022	Rate %	At 01 July 2021	Charge for the vear	Adjustment during the vear	Total at 30 June 2022	value at 30 June 2022
Land and land development	160,426,166	12,545,800	1	172,971,966	%0	1	1	1	1	172,971,966
Factory building	694,974,463	5,759,260	I	700,733,723	5%	220,675,620	23,720,369	1	244,395,989	456,337,734
Godown	116,095,164	2,797,584	1	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	I	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	1	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	1	389,122,826	15%	221,327,868	24,936,663	I	246,264,530	142,858,295
Gas Generator	316,407,375	10,871,996	1	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	765,000	6,030,122,447		2,906,986,171	280,479,312	100,171	3,187,365,312	2,842,757,135

# B) Revalued Assets (Revaluation Reserve Component)

		Revali	/aluation				Depreciation	n		Written down
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	value at 30 June 2022
Land and land development	1,198,533,334		•	1,198,533,334	%0	•	1	1	1	1,198,533,334
Factory building	405,031,744			405,031,744	5%	88,482,492	15,827,463	'	104,309,955	300,721,789
Godown	41,653,543		I	41,653,543	10%	8,542,333	3,311,121	I	11,853,454	29,800,089
Total at 30 June 2022	1,645,218,621	•	•	1,645,218,621		97,024,825	19,138,584	•	116,163,408	1,529,055,213
Total (A + B) at 30 June 2022	7,465,333,269	210,772,799	765,000	765,000 7,675,341,068		3,004,010,996	299,617,896	100,171	100,171 3,303,528,721	4,371,812,348

Allocation of deprecation:	Year ended 30 June 2022
Manufacturing overhead @ 90%	26,96,56,106
Administrative overhead @ 10%	2,99,61,790
	29,96,17,896

-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**

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



### **Proxy Form**

I/We.....

of

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

Shares hereby appoint Mr/Ms.....

as my/ our proxy to attend and vote for me/us on behalf of me/us at the 21<sup>st</sup> Annual General Meeting of the Company to be held on Thursday the 30 November, 2023 at 11.30 A.M through Digital Platform.

Signature of Proxy Registered Folio/BO Revenue Stamp Tk. 20.00 Signature of Shareholder Registered Folio/BO

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

## **Matin Spinning Mills PLC**

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

## **Attendance Slip**

I hereby record my attendance at the 21<sup>st</sup> Annual General Meeting of the Company to be held on Thursday the 30 November, 2023.

Name of the Member/Proxy .....

Registered Folio/BO ID .....

Signature .....

Date: .....

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





CORPORATE OFFICE SOUTH AVENUE TOWER (6<sup>TH</sup> 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

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