Prospectus

Matin Spinning Mills Limited

"If you have any query about this document, you may consult Issuer, Issue Manager and Underwriters"

Prospectus

Matin Spinning Mills Limited

BGMEA Complex (12th Floor), 23/1 Panthapath Link Road, Kawran Bazar, Dhaka 1215
Tel: 8140207-12, Fax: 8140214, Website: www.matinspinning.com

Public offer of 34,100,000 (Three Crore Forty One Lacs) ordinary shares of BDT 10 each at an issue price of BDT 37 each including a premium of BDT 27 per share totaling to BDT 1,261,700,000 (Taka One Twenty Six Crore Seventeen Lacs Only)

Subscription For General Public

Opening date for subscription : **January 26, 2014**
Closing date for subscription : **January 30, 2014**

Subscription For Non-Resident Bangladeshi

Opening date for subscription : **January 26, 2014**
Closing date for subscription : **February 8, 2014**

Issue Manager

IDLC Investments Limited

financing happiness

IDLC Investments Limited

Eunoos Trade Center (Level 21), 52-53 Dilkusha C/A, Dhaka 1000
Telephone: 9571170, Fax: 9571171, Website: Website: www.idlc.com

Underwriters

1. **BMSL Investment Limited**
Sadharan Bima Tower (7th Floor), 37/A Dilkusha C/A, Dhaka 1000
Tel: 9567002, 9570624 Fax: 7123820
2. **EC Securities Limited**
Nafi Tower (6th Floor), Plot No. 53, Gulshan South C/A, Gulshan 1, Dhaka 1212
Tel: 8818108-9 Fax: 8818107
3. **Green Delta Insurance Company Limited**
Green Delta AIMS Tower (6th Floor), 51-52 Mohakhali C/A, Dhaka 1212
Tel: 9851902 Fax: 9851124
4. **IDLC Investments Limited**
Eunoos Trade Center (Level 21), 52-53 Dilkusha C/A, Dhaka 1000
Tel: 9571170 Fax: 9571171
5. **Mutual Trust Bank Limited**
Corporate Head Office, MTB Centre, 26 Gulshan Avenue, Gulshan 1, Dhaka 1212
Tel: 8817563 Fax: 8824337
6. **Paramount Insurance Company Limited**
Chaklader Huse (Level 3), House No. 22, Road No. 113/A, Gulshan 2, Dhaka 1212
Tel: 9893239, 9893276, 8829570 Fax: 8829502, 9893270
7. **Prime Finance Capital Management Limited**
63 Dilkusha C/A (3rd Floor), Dhaka 1000
Tel: 9563883 Fax: 9563692
8. **Sonali Investment Limited**
11/A Toyeenbee Circular Road, Sara Tower (11th Floor), Motijheel C/A, Dhaka 1000
Tel: 9568777 Fax: 7170001 (Ext 126)

Credit Rating Status

Particulars	Long Term	Short Term
Entity Rating	AA-	ST-3
Date of Rating	September 30, 2013	September 30, 2013
Validity of Rating	September 29, 2014	March 31, 2014
Rating By	Credit Rating & Information Services Limited	

Date of Publication of Prospectus: **December 30, 2013**

The issue shall be placed in "N" Category

"CONSENT OF THE SECURITIES AND EXCHANGE COMMISSION HAS BEEN OBTAINED TO THE ISSUE/OFFER OF THESE SECURITIES UNDER THE SECURITIES AND EXCHANGE ORDINANCE, 1969, AND THE SECURITIES AND EXCHANGE COMMISSION (PUBLIC ISSUE) RULES, 2006. IT MUST BE DISTINCTLY UNDERSTOOD THAT IN GIVING THIS CONSENT THE COMMISSION DOES NOT TAKE ANY RESPONSIBILITY FOR THE FINANCIAL SOUNDNESS OF THE ISSUER COMPANY, ANY OF ITS PROJECTS OR THE ISSUE PRICE OF ITS SECURITIES OR FOR THE CORRECTNESS OF ANY OF THE STATEMENTS MADE OR OPINION EXPRESSED WITH REGARD TO THEM. SUCH RESPONSIBILITY LIES WITH THE ISSUER, ITS DIRECTORS, CHIEF EXECUTIVE OFFICER/CHIEF FINANCIAL OFFICER, ISSUE MANAGER, UNDERWRITER AND/OR AUDITOR"

Availability of the Prospectus

Prospectus of Matin Spinning Mills Limited may be obtained from following addresses

Company	Contact person	Contact Number
Matin Spinning Mills Limited BGMEA Complex (12th Floor) 23/1 Panthapath Link Road Kawran Bazar, Dhaka 1215	**Mr. Abdul Matin, ACA** Chief Financial Officer	Tel: 8140207-12 Fax: 8140214 Email: matin@ho.dbl-group.com

Manager to the Issue	Contact person	Contact Number
IDLC Investments Limited Eunoos Trade Center (Level 21) 52-53 Dilkusha C/A, Dhaka 1000	**Mr. Md. Moniruzzaman, CFA** Managing Director	Tel: 9571167-70 Fax: 9571171 Email: mzaman@idlc.com

Underwriters	Contact person	Contact Number
1. BMSL Investment Limited Sadharan Bima Tower (7th Floor) 37/A Dilkusha C/A Dhaka 1000	**Mr. Md. Golam Sarwar Bhuiyan** Managing Director	Tel: 9570624, 9567002 Fax: 7123820 Email: gsbhuiyan@gmail.com
2. EC Securities Limited Nafi Tower (6th Floor), Plot No. 53 Gulshan South C/A, Gulshan 1, Dhaka 1212	**Mr. Mohammad Khurshid Alam** Head of Monotoring & Settlement	Tel: 8818108-9 Fax: 8818107 Email: khurshid.a@ecslbd.com
3. Green Delta Insurance Company Limited Green Delta AIMS Tower (6th Floor), 51-52 Mohakhali C/A, Dhaka 1212	**Mr. Syed Moinuddin Ahmed** Company Secretary	Tel: 9851902, Ext. 207 Fax: 9851124 Email: ahmed.moin@yahoo.com
4. IDLC Investments Limited Eunoos Trade Center (Level 21) 52-53 Dilkusha C/A, Dhaka 1000	**Mr. Md. Moniruzzaman, CFA** Managing Director	Tel: 9571167-70 Fax: 9571171 Email: mzaman@idlc.com
5. Mutual Trust Bank Limited Corporate Head Office, MTB Centre 26 Gulshan Avenue Gulshan 1, Dhaka 1212	**Mr. Meer Sajeed-Ul-Bashar** Group Chief Financial Officer	Tel: 8817563, 8826966 ext 2450 Fax: 8824337 Email: sajed@mutualtrustbank.com
6. Paramount Insurance Company Limited Chaklader House (Level 3) House No. 22, Road No. 113/A Gulshan 2, Dhaka 1212	**Mr. Hari Pada Deb** Deputy Managing Director	Tel: 9893239, 9893276, 8829570 Fax: 8829502, 9893270 Email: picl@dhaka.agni.com
7. Prime Finance Capital Management Limited 63 Dilkusha C/A (3rd Floor) Dhaka 1000	**M. Mosharraf Hossain, PhD, FCA** Managing Director & CEO	Tel: 9563883 Fax: 9563692
8. Sonali Investment Limited 11/A Toyeenbee Circular Road, Sara Tower (11th Floor) Motijheel C/A, Dhaka 1000	**Dr. Md. Waliar Rahman** Chief Executive Officer	Tel: 9568777 Fax: 7170001 (Ext 126) sblmbu@yahoo.com

Stock Exchanges	Available at	Contact Number
Dhaka Stock Exchange Limited 9/F Motijheel C/A, Dhaka 1000	DSE Library	9564601, 7175703-11
Chittagong Stock Exchange Limited CSE Building, 1080, Sheikh Mujib Road, Agrabad, Chittagong 4100	CSE Library	031-720871 031-714632-3

Prospectus would also be available on the web site of BSEC (www.secbd.org), DSE (www. dsebd.org), CSE (www.csebd.com), Matin Spinning Mills Limited (www.matinspinning.com) and Issue Manager (www. idlc.com) and Public Reference Room of the Bangladesh Securities and Exchange Commission (BSEC) for reading and studying.

Name and Address of the Auditor

Masih Muhith Haque & Co.
Chartered Accountants
UTC Building (Level 13)
8 Panthopoth, Dhaka 1215, Bangladesh
Tel: 9144357, 9130657; Fax: 8119252

Table of Contents

Glossary

A

Allotment	Allotment of shares

B

BAS	Bangladesh Accounting Standards
BDT	Bangladeshi Taka
BO Account	Benificiary Owner's Account
BOI	Board of Investment
BTMA	Bangladesh Textile Mills Association
BSEC	Bangladesh Securities and Exchange Commisssion

C

C&F	Cost & Freight
CAGR	Compound Annual Growth Rate
CDBL	Central Depository Bangladesh Limited
CFO	Chief Financial Officer
CIB	Credit information Bureau
Companies Act	The Companies Act, 1994
CRISL	Credit Rating Information and Services Limited
CSE	Chittagong Stock exchange

D

DSE	Dhaka Stock Exchange
DBL Group	DBL group is a commonly referred term to indicate companies under similar management of MSML. As of June 30, 2013 DBL group consists of 18 companies including Matin Spinning Mills Limited. It should be noted that, DBL group is only a commonly used term and has no legal existence as per the requirement of BAS.

E

EPB	Export Promotion Bureau
EU	European Union
Exchanges	Stock Exchanges

F

FC Account	Foreign Currency Account
FDR	Fixed Deposit Receipt
FOB	Free on Board
FY	Fiscal Year

G

GBP	Great Britain Pound
GOB	Government of Bangladesh
GSP	Generalized System of Preferance

I

IDLCIL	IDLC Investments Limited
IPO	Initial Public Offering
Issue Manager	IDLC Investments Limited
Issuer	Matin Spinning Mills Limited

L

LC	Letter of Credit

M

MSML	Matin Spinning Mills Limited
MW	Megawatt

N

NAV	Net Asset Value
NBR	National Board of Revenue
NRB	Non Resident Bangladeshi

P

P/NAV	Price to NAV
PE	Price to Earnings
PTS	Primary Textile Sector

R

RJSC	Registrar of Joint Stock Companies and Firms
RMG	Ready Made Garments

S

Sponsors	The sponsor shareholders of Matin Spinning Mills Limited
SRO	Stutory Regulatory Order

T

TIN	Tax Identification Number

U

USD	United States Dollar

V

VAT	Value Added Tax

Section I

Statutory Condition

DISCLOSURE IN RESPECT OF ISSUANCE OF SECURITY IN DEMAT FORM

As per provision of the Depository Act, 1999 and regulations made there under, shares will only be issued in dematerialized condition. All transfer/transmission/splitting will take place in the Central Depository Bangladesh Ltd. (CDBL) system and any further issuance of shares (right/bonus) will be issued in dematerialized form only.

CONDITIONS UNDER SECTION 2CC OF THE SECURITIES AND EXCHANGE ORDINANCE, 1969

PART-A

1. The company shall go for Initial Public Offer (IPO) for 34,100,000 ordinary shares of Tk. 10.00 each at an issue price of Tk. 37 including a premium of Tk.27 each totaling Tk. 126,17,00,000.00 following the Securities and Exchange Commission (Public Issue) Rules, 2006, the Depository Act, 1999 and regulations made there under.

2. **The abridged version of the prospectus, as approved by the Commission, shall be published by the issuer in 4 (four) national daily newspapers (two in Bangla and two in English), within 5 (five) working days of issuance of the consent letter. The issuer shall post the full prospectus, vetted by the Bangladesh Securities and Exchange Commission (BSEC), in the issuer's website and shall also put on the websites of the Commission, stock exchanges, and the issue manager, within 5 (five) working days from the date of issuance of this letter shall remain posted till the closure of the subscription list. The issuer shall submit to BSEC, the stock exchanges and the issue manager a diskette containing the text of the vetted Prospectus in "MS-Word" format.**

3. Sufficient copies of prospectus shall be made available by the issuer so that any person requesting a copy may receive one. A notice shall be placed on the front of the application form distributed in connection with the offering, informing that interested persons are entitled to a prospectus, if they so desire, and that copies of prospectus may be obtained from the issuer and the issue manager. The subscription application shall indicate in bold type that no sale of securities shall be made, nor shall any money be taken from any person, in connection with such sale until twenty five days after the prospectus has been published.

4. The company shall submit 40 (forty) copies of the printed prospectus to the Bangladesh Securities and Exchange Commission for official record within **5 (five) working days** from the date of publication of the abridged version of the prospectus in the newspaper.

5. The issuer company and the issue manager shall ensure transmission of the prospectus, abridged version of the prospectus and relevant application forms for NRBs through email, simultaneously with publication of the abridged version of the prospectus, to the Bangladesh Embassies and Missions abroad and shall also ensure sending of the printed copies of abridged version of the prospectus and application forms to the said Embassies and Missions within 5 (five) working days of the publication

date by express mail service (EMS) of the postal department. A compliance report shall be submitted in this respect to the BSEC jointly by the issuer and the issue mangers within 2 (two) working days from the date of said dispatch of the prospectus & the forms.

6. The paper clipping of the published abridged version of the prospectus, as mentioned at **condition no. 2 above** shall be submitted to the Commission within 24 hours of the publication thereof.

7. The company shall maintain separate bank account(s) for collecting proceeds of the Initial Public Offering and shall also open Foreign Currency (FC) account(s) to deposit the application money of the Non- Resident Bangladeshis (NRBs) for IPO purpose, and shall incorporate full particulars of said FC account(s) in the prospectus. The company shall open the above-mentioned accounts for IPO purpose; and close these accounts after refund of over-subscription money. Non-Resident Bangladeshi (NRB) means Bangladeshi citizens staying abroad including all those who have dual citizenship (provided they have a valid Bangladeshi passport) or those, whose foreign passport bear a stamp from the concerned Bangladesh Embassy to the effect that no visa is required for traveling to Bangladesh.

8. The issuer company shall apply to all the stock exchanges in Bangladesh for listing within **07 (seven) working days** from the date of issuance of this letter and shall simultaneously submit the vetted prospectus with all exhibits, as submitted to BSEC, to the stock exchanges.

9. The following declaration shall be made by the company in the prospectus, namely:

   “Declaration about Listing of Shares with the Stock Exchange(s)

   None of the stock exchange(s), if for any reason, grants listing within 75 (seventy five) days from the closure of subscription, any allotment in terms of this prospectus shall be void and the company shall refund the subscription money within 15 (fifteen) days from the date of refusal for listing by the stock exchanges, or from the date of expiry of the said 75 (seventy five) days, as the case may be.

   In case of non-refund of the subscription money within the aforesaid 15 (fifteen) days, the Directors of the company, in addition to the issuer company, shall be collectively and severally liable for refund of the subscription money, with interest at the rate of 2% (two percent) per month above the bank rate, to the subscribers concerned.

   The issue managers, in addition to the issuer company, shall ensure due compliance of the above mentioned conditions and shall submit compliance report thereon to the Commission within 7 (seven) days of expiry of the aforesaid fifteen days time period allowed for refund of the subscription money.”

10. The subscription list shall be opened and the sale of securities commenced after **25 (twenty five) days** of the publication of the abridged version of the prospectus and shall remain open for **5 (five) consecutive banking days.**

11. A non-resident Bangladeshi shall apply either directly by enclosing a foreign demand draft drawn on a bank payable at Dhaka, or through a nominee by paying out of foreign currency deposit account maintained in Bangladesh or in Taka, supported by foreign currency encashment certificate issued by the concerned bank, for the value of securities applied for through crossed bank cheque marking “Account Payee only”. The NRB applicants shall send applications to the issuer company within the

closing date of the subscription so as to reach the same to the company by the closing date plus 9 (nine) days. Applications received by the company after the above time period will not be considered for allotment purpose.

12. The company shall apply the spot buying rate (TT clean) in US Dollar, UK Pound Sterling and Euro of Sonali Bank Limited, which shall be mentioned in the Prospectus, as prevailed on the date of opening of the subscription for the purpose of application of the NRBs and other non-Bangladeshi persons, wherever applicable.

13. The company and the issue manager shall ensure prompt collection/clearance of the foreign remittances of NRBs and other non-Bangladeshi(s), if applicable, for allotment of shares.

14. Upon completion of the period of subscription for securities, the issuer and the issue manager shall jointly provide the Commission and the stock exchanges with the preliminary status of the subscription within **5 (five) working days**, in respect of the following matters, namely:

    - Total number of securities for which subscription has been received;
    - Amount received from the subscription; and
    - Amount of commission paid to the bankers to the issue.

15. The issuer and the issue manager shall jointly provide the Commission and the Stock Exchanges with the list of valid and invalid applicants (i.e. final status of subscription) in electronic form in 2 (two) CDs and final status of subscription to the commission within **3 (three) weeks** after the closure of the subscription along with bank statements (original), branch-wise subscription statement. The list of valid and invalid applicants shall be finalized after examination with the CDBL in respect of BO accounts and particulars thereof.

16. The IPO shall stand cancelled and the application money shall be refunded immediately (but not later than **5 (five) weeks** from the date of the subscription closure), if any of the following events occur:

    (a) Upon closing of the subscription list it is found that the total number of valid applications (in case of under subscription including the number of the underwriter) is less than the minimum requirement as specified in the listing regulations of the stock exchange(s) concerned; or

    (b) At least 50% of the IPO is not subscribed.

17. **20% of the total public offering shall be reserved for ক্ষতিগ্রস্ত ক্ষুদ্র বিনিয়োগকারী, in the manner/ procedure as directed by the commission, 10% of total public offering shall be reserved for non-resident Bangladeshi (NRB) and 10% for mutual funds and collective investment schemes registered with the Commission, and the remaining 60% shall be open for subscription by the general public. In case of under-subscription under any of the 20% and 10% categories mentioned above, the unsubscribed portion shall be added to the general public category and, if after such addition, there is over subscription in the general public category, the issuer and the issue manager to the issue shall jointly conduct an open lottery of all the applicants added together.**

18. All the applicants shall first be treated as applied for one minimum market lot of **200 shares worth Tk. 7,400/-** (Taka seven thousand four hundred only). If, on this basis, there is over subscription, then lottery shall be held amongst the applicants allocating one identification number for each application, irrespective of the application money. In case of oversubscription under any of the categories mentioned hereinabove, the issuer and the issue manager shall jointly conduct an open lottery of all the applications received under each category separately in presence of representatives from the issuer, the stock exchanges and the applicants, if there be any.

19. **An applicant cannot submit more than two applications, one in his/her own name and the other jointly with another person. In case an applicant makes more than two applications, all applications will be treated as invalid and will not be considered for allotment purpose. In addition, 15% of the application money will be forfeited by the commission and the balance amount will be returned to the applicant.**

20. **The applicant shall provide with the same bank account number in the application form as it is in the BO account of the application.**

21. **The applicant who have applied for more than two applications using same bank account, their application will not be considered for lottery and the Commission will forfeit 15%(Fifteen percent) of their subscription money too.**

22. Lottery (if applicable) shall be held within **4 (four) weeks** from closure of the subscription date.

23. The company shall issue share allotment letters to all successful applicants within **5 (five) weeks** from the date of the subscription closing. Within the same time, refund to the unsuccessful applicants shall be made in the currency in which the value of securities was paid for by the applicants without any interest, through direct deposit to the applicants bank account as far as possible/Account payee cheque/refund warrants with bank account no, Bank's name and branch as indicated in the securities application form's payable at Dhaka/Chittagong/Khulna/Rajshahi/Barisal/Sylhet/Bogra, as the case may be subject to condition no.19 and 20 above.

    Refund money of the unsuccessful applicants shall be credited directly to their respective Bank accounts, who have chosen the option in the IPO application forms, as maintained with the bankers to the issue or any other banks mentioned in the application.

    A compliance report in this regard shall be submitted to the Commission within **7 (seven) weeks** from the date of closure of subscription.

24. The company shall furnish the List of Allotees to the Commission and the Stock Exchange(s) simultaneously in which the shares will be listed, within **24 (twenty four) hours** of allotment.

25. In the event of under-subscription of the public offering, the un-subscribed portion of Securities shall be taken up by the underwriter(s) (subject to para-16 above). The issuer must notify the underwriter to take up the underwritten shares within **10 (ten) days** of the closing of subscription on full payment of the share money within **15 (fifteen) days** of the issuer's notice. The underwriter shall not share any underwriting fee with the issue manager, other underwriters, issuer or the sponsor group.

26. **All issued shares of the issuer at the time of according this consent shall be subject to a lock-in period of 3 (three) years from the date of issuance of prospectus or commercial operation, whichever comes later.**

    Provided that the persons (other than Directors and those who hold 5% or more shares in the company), who have subscribed to the shares of the company within immediately preceding two years of according consent, shall be subject to a lock-in period of 1 (one) year from the date of issuance of prospectus or commercial operation, whichever comes later.

27. **In respect of shares of Sponsor/Directors/Promoters (if in paper format) shall be handed over to security custodian bank registered with BSEC and shall remain till completion of lock in and the name and branch of the bank shall be furnished to the commission jointly by the issuer and the issue managers, along with a confirmation thereof from the custodian bank, within one week of listing of the shares with the stock exchanges(s). Or they (shares of Sponsor/Directors/Promoters) can be demated and will remain in lock-in under CDBL system and issuer will submit a dematerialization confirmation report generated by CDBL and attested by the Managing Director of the company along with lock-in confirmation with BSEC within one week of listing of the shares with the Stock Exchanges(s). In respect of shares other than Sponsor/Directors/ Promoters, the issuer will ensure their lock-in of those shares and submit a statement to this effect to BSEC.**

28. The company shall apply to the stock exchanges for listing within **7 (seven) working days** of issuance of this letter and shall simultaneously submit to the Commission attested copies of the application filed with the stock exchanges.

29. If applicable, the company shall deposit 3% tax to the Government Treasury on the share premium of the IPO and submit authenticated copy of “Treasury Chalan” to the Commission, among others, to obtain consent for holding of lottery in line with the NBR”s Order No.জারাবো/আয়কর বাজেট/২০১০/৯৭ dated 30.06.2010 and জারাবো/কর-৪/অধিক্ষেত্র/১১(৪)/২০০৩(অংশ)-১)/২২৫ dated 06.07.2010.

30. Revised draft prospectus incorporating audited financial statements for the year ended on June 30, 2013 shall be submitted to the Commission with in 02 (Two) working days of receiving the letter.

31. **The company shall not declare any benefit/dividend other than cash based on the financial statements for the year ended 30 June, 2013 before listing of its capital with Stock Exchange(s).**

PART–B

1. The issuer and Issue Manager shall ensure that the abridged version of the prospectus and the full prospectus is published correctly and in strict conformity with the condition of this letter without any error/omission, as vetted by the Bangladesh Securities and Exchange Commission.

2. The issue manager shall carefully examine and compare the published abridged version of the prospectus on the date of publication with the copy vetted by BSEC. If any discrepancy/inconsistency is found, both the issuer and the issue managers shall jointly publish a corrigendum immediately in

the same newspapers concerned, simultaneously endorsing copies thereof to BSEC and the Stock Exchange(s) concerned, correcting the discrepancy/inconsistency as required under “Due Diligence Certificates” provided with BSEC.

3. Both the issuer company and the issue manager shall, immediately after publication of the prospectus and its abridged version, jointly inform the Commission in writing that the published prospectus and its abridged version are verbatim copies of the same as vetted by the Commission.

4. The fund collected through Public Offering shall not be utilized prior to listing with stock exchange and that utilization of the said fund shall be effected through banking channel, i.e. through account payee cheque, pay order or bank drafts etc.

5. The company shall furnish report to the Commission on utilization of Public Offering proceeds within 15 (fifteen) days of the closing of each month until such fund is fully utilized, as mentioned in the schedule contained in the prospectus, and in the event of any irregularity or inconsistency, the Commission may employ or engage any person, at issuer’s cost, to examine whether the issuer has utilized the proceeds for the purpose disclosed in the prospectus.

6. All transactions, excluding petty cash expenses, shall be effected through the company’s bank account(s).

7. Proceeds of the Public Offering shall not be used for any purpose other than those specified in the prospectus. Any deviation in this respect must have prior approval of the shareholders in the Shareholders meeting under intimation to BSEC and stock exchange(s).

8. Directors of the company’s Board will be in accordance with the applicable laws, rules and regulations.

9. The financial statements should be prepared in accordance with Bangladesh Accounting Standards (BAS) and Bangladesh Financial Reporting Standards (BFRS) as required by the Securities and Exchange Rules, 1987.

PART-C

1. All the above conditions imposed under section 2CC of the Securities and Exchange Ordinance, 1969 shall be incorporated in the prospectus immediately after the page of the table of contents, with a reference in the table of contents, prior to its publication.

2. The Commission may impose further conditions/restrictions etc. from time to time as and when considered necessary which shall also be binding upon the issuer company.

PART-D

1. As per provision of the Depository Act, 1999 and regulations made there under, shares will only be issued in dematerialized condition. All transfer/transmission/splitting will take place in the Central Depository Bangladesh Ltd. (CDBL) system and any further issuance of shares (including right/bonus) will be made in dematerialized form only.

   An applicant (including NRB) shall not be able to apply for allotment of shares without Beneficial Owners (BO) Account.

2. The company and the issue manager shall ensure due compliance of all above conditions and the Securities and Exchange Commission (Public Issue) Rules, 2006.

General Information

1. IDLC Investments Limited, the Issue Manager has prepared this prospectus based on the information provided by Matin Spinning Mills Limited, the Issuer and also upon several discussions with the Managing Director & Director and concerned Executives of the Issuer Company. The Directors, including Managing Director of Matin Spinning Mills Limited, IDLC Investments Limited collectively and individually, having made all reasonable inquires, confirm that, to the best of their knowledge and belief, the information contained herein is true and correct in all material aspects and that there are no other material facts, the omission of which would make any statement herein misleading.

2. No person is authorized to give any information or to make any representation not contained in this Prospectus, and if given or made, any such information or representation must not be relied upon as having been authorized by the Issuer or Issue Manager.

3. The Issue as contemplated in this document is made in Bangladesh and is subject to the exclusive jurisdiction of the Courts of Bangladesh. Forwarding this Prospectus to any person resident outside Bangladesh in no way implies that the Issue is made in accordance with the laws of that country or is subject to the jurisdiction of the laws of that country.

4. A copy of this Prospectus may be obtained from the Head Offices of Matin Spinning Mills Limited, IDLC Investments Limited, the Underwriters and the Stock Exchanges, where the securities will be listed.

Section II

Declaration & Due Diligence Certificates

DECLARATION ABOUT THE RESPONSIBILITY OF THE DIRECTOR(S), INCLUDING THE CEO OF THE ISSUER COMPANY "MATIN SPINNING MILLS LIMITED" IN RESPECT OF THE PROSPECTUS

This Prospectus has been prepared, seen and approved by us, and we, individually and collectively, accept full responsibility for the authenticity and accuracy of the statements made, information given in the prospectus, documents, financial statements, exhibits, annexes, papers submitted to the Commission in support thereof, and confirm, after making all reasonable inquiries that all conditions concerning this public issue and prospectus have been met and that there are no other information or documents, the omission of which make any information or statements therein misleading for which the Commission may take any civil, criminal or administrative action against any or all of us as, it may deem fit.

We also confirm that full and fair disclosure has been made in this prospectus to enable the investors to make a well-informed decision for investment.

Sd/- **Abdul Wahed** Chairman	Sd/- **M. A. Jabbar** Managing Director & Director
Sd/- **M. A. Rahim** Director	Sd/- **M. A. Quader** Director
Sd/- **Selina Parveen** Director	Sd/- **Tanzeen Rahim** Director
Sd/- **Taslima Begum** Director	Sd/- **Md. Hassan Imam** Director

CONSENT OF DIRECTOR(S) TO SERVE AS DIRECTOR(S)

We hereby confirm that we have been serving as Director(s) of Matin Spinning Mills Limited and continue to act as Director(s) of the Company.

Sd/- **Abdul Wahed** Chairman	Sd/- **M. A. Jabbar** Managing Director & Director
Sd/- **M. A. Rahim** Director	Sd/- **M. A. Quader** Director
Sd/- **Selina Parveen** Director	Sd/- **Tanzeen Rahim** Director
Sd/- **Taslima Begum** Director	Sd/- **Md. Hassan Imam** Director

DECLARATION ABOUT FILING OF PROSPECTUS WITH THE REGISTRAR OF JOINT STOCK COMPANIES AND FIRMS

A dated and signed copy of the Prospectus has been filed for registration with the Registrar of Joint Stock Companies and Firms, Government of the Peoples' Republic of Bangladesh, as required under Section 138(1) of the Companies Act, 1994 on or before the date of publication of the prospectus.

DECLARATION BY THE ISSUER ABOUT THE APPROVAL FROM BANGLADESH SECURITIES AND EXCHANGE COMMISSION FOR ANY MATERIAL CHANGES

In case of any material changes in any agreement, contract, instrument, facts and figures, operational circumstances and statements made in the Prospectus subsequent to the preparation of the Prospectus and prior to its publication, shall be incorporated in the Prospectus and the said Prospectus should be published with the approval of the Commission.

For Issuer

Sd/-

M. A. Jabbar
Managing Director & Director
Matin Spinning Mills Limited

DECLARATION BY THE ISSUE MANAGER ABOUT THE APPROVAL FROM BANGLADESH SECURITIES AND EXCHANGE COMMISSION FOR ANY MATERIAL CHANGES

In case of any material changes in any agreement, contract, instrument, facts and figures, operational circumstances and statement made in the Prospectus subsequent to the preparation of the Prospectus and prior to its publication, shall be incorporated in the Prospectus, and the said Prospectus should be published with the approval of the Commission.

For Manager to the Issue

Sd/-

Md. Moniruzzaman
Managing Director
IDLC Investments Limited

DUE DILIGENCE CERTIFICATE OF THE MANAGER TO THE ISSUE

Subject: Public Offer of 34,100,000 Ordinary Shares of Tk. 10/- each at an issue price of Tk. 37/- each including a premium of Tk. 27/- per share, totaling to Tk. 1,261,700,000/- of Matin Spinning Mills Limited

We, the under-noted Manager to the Issue to the above-mentioned forthcoming issue, state as follows:

1. We, while finalizing the draft prospectus pertaining to the said issue, have examined various documents and other materials as relevant for adequate disclosures to the investors; and

2. On the basis of such examination and discussions with the issuer company, it's Directors and officers, and other agencies, independent verification of the statements concerning objects of the issue, and the contents of the documents, and other materials furnished by the issuer company.

WE CONFIRM THAT:

(a) The draft prospectus forwarded to the Commission is in conformity with the documents, materials and papers relevant to the issue;

(b) All the legal requirements connected with the said issue have been duly complied with; and

(c) The disclosures made in the draft prospectus are true, fair and adequate to enable the investors to make a well informed decision for investment in the proposed issue.

For Manager to the Issue

Sd/-

Md. Moniruzzaman
Managing Director
IDLC Investments Limited

DUE DILIGENCE CERTIFICATE OF THE UNDERWRITER(S)

Subject: Public Offer of 34,100,000 Ordinary Shares of Tk. 10/- each at an issue price of Tk. 37/- each including a premium of Tk. 27/- per share, totaling to Tk. 1,261,700,000/- of Matin Spinning Mills Limited

We, the under-noted Underwriter(s) to the above mentioned forthcoming issue, state individually and collectively as follows:

1. We, while underwriting the above mentioned issue on a firm commitment basis, have examined the draft prospectus, other documents and materials as relevant to our underwriting decision; and

2. On the basis of such examination; and the discussions with the issuer company, it's Directors and officers, and other agencies, independent verification of the statements concerning objects of the issue, and the contents of the documents, and other materials furnished by the issuer company.

WE CONFIRM THAT:

(a) All information as are relevant to our underwriting decision have been received by us and that the draft prospectus forwarded to the Commission has been approved by us;

(b) We shall subscribe and take up the un-subscribed securities against the above-mentioned public issue within fifteen (15) days of calling up thereof by the issuer; and

(c) This underwriting commitment is unequivocal and irrevocable.

For Underwriter(s)

Sd/-
Md. Golam Sarwar Bhuiyan
Managing Director
BMSL Investment Limited

Sd/-
Tanjil Chowdhury
Managing Director & CEO
EC Securities Limited

Sd/-
Nasir A. Chowdhury
Managing Director & CEO
Green Delta Insurace Company Limited

Sd/-
Md. Moniruzzaman
Managing Director
IDLC Investments Limited

Sd/-
Anis A. Khan
Managing Director & CEO
Mutual Trust Bank Limited

Sd/-
Md. Azizul Islam
Managing Director & CEO
Paramount Insurance Company Limited

Sd/-
M. Mosharraf Hossain, PhD, FCA
Managing Director & CEO
Prime Finance Capital Management Limited

Sd/-
Dr. Md. Waliar Rahman
Chief Executive Officer
Sonali Investment Limited

Section III

Risk Factors & Management Perception

Investment in capital market involves exposure to several types of risks. Matin Spinning Mills Limited (MSML) operates in an industry that is exposed to several external and internal risk factors over which the company has little or no control. The following includes some of the significant risk factors that may affect the value of the company's shares. In addition, there might be some risk factors currently unknown to the company or considered immaterial, may become material in future. If, at any point in time, the management of the company fails to mitigate or avoid the following risk factors as well as those currently unknown to it or considered immaterial, may affect the company's operational and financial performance. This would, in turn, affect the value of its shares. Hence, a rational investor should carefully consider all the information contained in this prospectus including the risk factors elaborated below.

(a) Interest rate risks

As on 30 June 2013, MSML had outstanding short term and long term bank borrowing with several banks to the tune of BDT 1,199.90 million. Interest rates on such loans ranges from 13.00% to 16.00% per annum. Hence, the company is exposed to volatility of market-wide interest rates of bank loans. Due to several macroeconomic and market driven factors, interest rates on short term and long term bank loans may fluctuate over time. Inflationary pressure, increased demand for bank loan, increased volatility in money market, restrictive monetary policy, increased Government borrowing from banking sector, etc. may compel the company's loan giving institutions to increase their interest rates. If the interest rates are increased beyond what the company expects, then its cash flow and profitability will be affected adversely. This would also affect its value of shares. In addition, if the company has investment in tradable fixed income securities, then volatility of interest rates would affect the value of such investments. This would also affect the NAV per share of the company.

Management perception

As on 30 June 2013, the company did not have any tradable fixed income securities other than some short term deposit accounts with several banks. Such short term instruments are not tradable and are not exposed to volatility of market-wide interest rates. As a result, market-wide volatility would not have any significant impact on the company's balance sheet.

(b) Exchange rate risks

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

Management Perception

During the year ended on 30 June 2013, the company imported raw materials, stores & accessories, packing materials worth BDT 1,612.51 million. On the other hand it received majority of its sales proceeds in foreign currency amounting to BDT 2,395.78 million. Hence, the company's foreign currency payments are more than offset by its foreign currency receipts.

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

(c) Industry risks

Unavailability of Gas

The company needs supply of natural gas to run day-to-day operations of the factory. The company's machinery is run by electricity. The factory's daily requirement of electricity is around 4.5 megawatt. The requirement is met by the company's own generators. The company has 7 (seven) gas run generators with combined capacity of 5.5 megawatt. The company has its gas connection from Titas Gas Transmission and Distribution Company Limited. In case there is severe unavailability of gas, the company will not be able to run the gas generators when necessary. As a result, the operation of the factory will be hampered with possible negative consequences.

Management Perception

The company requires gas only for running the gas generators for electricity. The company has electricity connection from Rural Electrification Board (REB). The company also has 3 (three) diesel run generators with combined capacity of 2.7 megawatt. As a result, even if the company gets significantly lower volume of gas, the operation of the factory will not be hampered.

Unavailability of Power

The company's machineries run on electricity. Due to the very nature of its technology, the spinning machineries need to be kept running round the clock. In case there is any unscheduled stoppage for any reason, the machine requires extra time to warm up and restart. It causes cost overrun and delay in delivery of the products. Hence, without consistent and adequate supply of electricity a spinning mill can hardly sustain in the long run.

Management Perception

The company's requirement for electricity is met by its own gas-fired generators. During severe shortage of gas, the standby diesel generators operate. The combined capacities of the gas and diesel generators are 5.5 megawatt and 2.7 megawatt respectively. As a result, the company can run the operation of the factory uninterruptedly even during severe power and gas shortages.

Dependence on Foreign Sources for Import of Raw Cotton

Bangladesh is not a major cotton producing country in the world. Hence, Bangladeshi spinners depend wholly on imported cotton. As a result, Bangladeshi spinners are exposed to risks associated with the fluctuations regarding demand-supply and pricing of cotton in the international market. During periods when major cotton producing countries stop exporting or face lack of production, cotton prices increase in the international market. Because Bangladesh does not have sufficient domestic production of cotton, local spinners cannot but procure cotton at the existing rates in the international market.

Management Perception

At present, most of the arable agricultural land in Bangladesh is engaged in producing food crops due to growing population. It is unlikely that Bangladesh would become self-sufficient in cotton or produce a large quantity of it to reduce import dependence. Therefore, over the foreseeable future, local spinners will need to depend on foreign sources of cotton. Hence, this is an industry-wide scenario and the entire industry would gain or suffer depending on demand-supply situation in the international cotton market. Under such circumstances, spinners with significant forward linkage would always enjoy a favorable position compared to those who do not have such forward linkage. Most of the output of MSML is consumed by other companies in DBL Group to manufacture fabric and apparel. As a result, MSML enjoys more control on its pricing although it may not have similar control on its costing. Hence, MSML is comparatively more capable of mitigating this risk.

Volatility of Cotton Prices in the International Market

Cotton is one of the most important commodities in the world. As a natural fiber, it is harmless to environment and its demand is growing consistently over the years. It is traded in almost all of the large commodities exchanges in the world. Due to such importance, international cotton market is followed by market participants all over the world. The cotton market is highly sensitive to international demand-supply situation. During 2009-11, cotton prices in the international market increased to all-time high levels then fell to considerably low levels quite abruptly. Due to such fluctuation, many of local yarn manufacturers of Bangladesh attained windfall profits during 2010, but suffered heavy losses during first half of 2011. As a result, the local yarn manufacturers are exposed to volatility of cotton prices in the international markets.

Management Perception

Because Bangladesh is not self-sufficient in producing cotton, local spinners are expected to remain dependent on foreign sources over the foreseeable future. Consequently, they would also remain exposed to fluctuation of cotton prices in the international market. Hence, this is an industry-wide scenario and all local spinners have similar exposure to this risk. However, the management of MSML is run by experienced and professional personnel. The sponsors of MSML have been engaged in the RMG export business since 1991. They are capable of making timely and appropriate decisions regarding the operations of the company. They also possess the expertise to foresee the movements in the international market to a certain extent.

Dumping of Yarn in Bangladesh by other Countries

During the first half of 2011, there have been instances of dumping of yarn by India and China in Bangladesh. During that period, cotton and yarn prices fell substantially in the international market. Most of the local spinners had high priced inventory of raw cotton and was unable to offload the finished yarn at reduced prices. On the other hand, spinners in India were able to export yarn at reduced prices due to lower raw material costs on their part. As a result, substantial quantity of yarn was imported from India within a very short period, causing significant stock-pile in the local spinning mills. During that period, many of the local spinners found themselves in severe cash-flow crisis, non-repayment of bank loan and interests.

Management Perception

MSML sells most of its output to other companies under DBL Group, engaged in manufacturing apparel. As a result, MSML does not need to compete with other spinners of either Bangladesh or other countries. Hence, MSML is largely unaffected by dumping of yarn by other countries. In addition, MSML management refrained from procuring raw cotton at higher prices and was able to sell its products to its buyers at reasonable prices.

(d) Market Risks

Demand Risk

MSML acts as a backward linkage to other companies of DBL Group engaged in manufacturing and export of knit RMG. The demand of the finished products of MSML depends on demand of Bangladeshi RMG in the international market. Hence, future growth in the operations of MSML depends on the growth of RMG export from Bangladesh. In case the demand of Bangladeshi RMG declines in the international market, the future prospect of MSML will become bleak.

Management Perception

Over the last few years, export of RMG from Bangladesh has been growing at a very rapid pace. During fiscal year 2012-13, RMG export from Bangladesh stood at USD 21,515.73 Million, which is 12.71% higher than that of the previous fiscal year. During the last five fiscal years i.e. from 2008-2009 to 2012-

2013, the sector attained cumulative average growth rate of 14.89% (Source: EPB and BGMEA). The prospect of RMG export from Bangladesh for the coming years is very promising. Rising labor costs in competing countries i.e. China and India has increased the demand of the low-cost local RMG products. Recently, Bangladeshi exporters have been able to develop new markets in such regions as China, India, Japan, and Australia in addition to the current markets in North America and European Union.

During fiscal years from 2008-09 to 2012-13, export of knit garments attained an a CAGR of 12.98% compared to 16.86% in the woven sector. During fiscal year 2012-13, country's knit and woven export stood at USD 10,475.88 Million and USD 11,039.85 Million respectively (Source: EPB and BGMEA).

It is expected that the knit garment sector will continue its growth due to several reasons. Firstly, this sector enjoys strong backward linkage capabilities. Secondly, the local exporters can deliver the end products within shorter lead time due to stronger backward linkage capabilities. Hence, the knit garment manufacturers of Bangladesh can deliver highest quality products at a very competitive price compared to other garment exporting nations. Due to global financial crisis, demand for cheap apparel products became even stronger. Many global apparel buyers are now shifting their orders from other countries like China and India to Bangladesh due to growing production costs in those countries.

In line with the country's rapidly growing RMG sectors, the overall export of DBL Group has been growing over the last few years. Sales of MSML have also grown substantially over the last few years. It is expected that future operations of MSML will grow at an optimum pace.

Competition with Spinners within Bangladesh and from Other Countries

At present, there are 383 spinning mills across Bangladesh (Source: BTMA). In addition, Bangladesh can import yarn from foreign suppliers. Hence, the company has to face stiff competition from other spinners of both home and abroad. The competition revolves around ability to offer competitive pricing, proper quality and lead time. In case of manufacturers within Bangladesh, MSML needs to ensure proper quality and acceptable lead time. While competing with spinners of other countries, MSML needs to ensure proper quality and pricing. The company's primary competitive advantage lies in its state-of-the-art machinery and its production process capable of producing very high quality of yarn. In case the competitive advantage of MSML erodes over time for any reason, then it will face loss of revenue and decrease in share value.

Management Perception

MSML sells almost all of its output to other companies under DBL Group and acts as a supply source of raw material for these companies. The sponsors of MSML are also sponsors of these companies under DBL Group. In fact, MSML was established in order to strengthen the backward linkage capacities of these companies under the group. While procuring yarn, these companies always procure from MSML. Hence, MSML does not face any competition from either Bangladeshi or foreign spinners while selling its products to its buyers. Besides, the management teams of MSML and these companies work in close coordination with each other in order to ensure a continuous and smooth supply chain along the companies.

(e) Technology Related Risks

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

Management Perception

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

(f) Potential or Existing Government Regulations

The company operates as a backward linkage to the country's export oriented RMG industry. At present, the company does not have to pay any import duty or tax on the raw materials imported through bonded warehouse. It does not have to pay import duty on capital machinery either. Moreover, the company is not subject to payment of VAT except for local sales and sales of wastage. Currently, it is paying income taxes to the tune of 15%. In case there is any unfavorable change in the regulations regarding tax and VAT, then the company's profitability and financial performance would be affected.

Management perception

RMG export is a vital sector to the economy of Bangladesh. During the fiscal year ended on 30 June 2012, RMG export accounted for 78.55% of total export from Bangladesh (Source: EPB). Over the years, RMG sector of the country have grown substantially. The government incentives are subsidies have greatly contributed in achieving the growth. The Government of Bangladesh is aware of this fact. Hence, it is not expected that any undue tax or duty will be imposed that may adversely affect the sector's sustainability. Rather, the Government is keen to support the industry. The Government has plans to establish a separate industrial area specially dedicated for export oriented RMG manufacturers.

(g) Potential changes in Global or National Policies

The company operates in an export oriented industry. Almost every aspect of the company's business is monitored by the international buyers. Hence, it has to comply with several international and buyer specific regulations. Any change in such regulations may require the company to undertake additional investment. In addition, Bangladeshi exporters are subject to several trade regulations of the importing countries. While exporting to EU countries, Bangladeshi products receive GSP (Generalized System Preference) facilities. This makes Bangladeshi products cheaper than others. Recently, the regulation regarding this facility -Rules of Origin- has been amended. Previously, Bangladeshi knit garment manufacturers had to procure yarn from local sources in order to enjoy the GSP facility. Under the new regulations, such Bangladeshi manufacturers can still enjoy the facility if they procure the yarn from foreign sources. As a result, local yarn manufacturers have lost a portion of their competitive advantage. Although the new regulation would benefit the RMG exporting companies, the primary textile sector (PTS) would be affected.

Management perception

Because of the new regulations regarding GSP facilities, the local spinners with no forward linkage would face stiffer competition from foreign manufactures. However, under the new regulation, the local RMG exporters procuring yarn from local sources will not be barred from enjoying the GSP facility. As a result the companies under DBL Group that procure yarn from MSML will not be affected in any way. Hence, the new regulation has little or no impact on the prospects of MSML since it sells most of its output for internal consumption under DBL Group. Moreover, the company has sufficient financial strength to undertake additional investments and comply with any updated requirement of either its buyers or foreign governments.

(h) History of non operation

For any instance of non-operation, the company's production will be hampered. This would also increase the costing and affect profitability. Above all, it would not be able deliver the products within the deadlines set by the buyers.

Management perception

Since inception, the company's operation has not been disrupted for even a day. Its factory operation is run by experienced and qualified professionals. It has detailed written policies regarding the operating procedures of the factory. The workers and managers and trained adequately so that they adhere to these operational policies properly. These procedures time to time in order to maintain flexibility and quality of the operations.

(i) Operational Risks

The company's operations can be hampered by human error, sudden breakdown of machinery, or incidents of natural calamity

Management perception

Operation of the factory is mostly automated and involves minimal manual input. The overall process adheres to highest international standards. The plant is run by experienced and professional personnel. The workers and officers of the company are trained properly. Besides, the machineries are properly maintained and repaired whenever necessary. The factory building is well constructed and has adequate fire control measures.

(j) Risk Related to Concentration of Buyers

MSML was established as a backward linkage to the RMG companies under DBL group. As MSML sells most of its products to companies under common management, demand for its product may decline due to underperformance of RMG companies under DBL Group.

Management Perception

MSML does not consider such concentration of revenue sources as a risk or conflict of interest. At present, local spinners cannot meet the total demand of yarn of the garment manufacturers. So it is always possible for any spinner to find a new buyer. By meeting the requirement of the sister concerns, MSML does not need to undertake any additional marketing activities. Besides, the managements of MSML and its sister concerns coordinate closely with each other for material sourcing and production planning. All these factors enable MSML to attain better synergy of operations.

(k) Risk Related to Underpricing of Yarn

As MSML sells most of its products to companies under common management, profitability of MSML may be hampered due to underpricing of yarn. Underpricing of MSML's product will eventually benefit its associated or sister concerns to make higher profit by lowering their production cost at the expense of the profitability of MSML.

Management Perception

MSML sells its products at the prevailing market rate. The Net Profit (NP) margin of MSML conforms to the NP margin of other spinning mills operating in the industry which was only possible because of its policy of selling products at the prevailing market rate. Again, the company sells yarns against back to back LC. So, there is no scope to deviate from the market rate.

(l) Risk related to substantial investment in DBL Ceramics Limited

As per note 5 & 11 of the financial statements for the year ended on June 30, 2013, MSML has invested BDT 25,000,000 as equity capital, BDT 50,800,000 as share money deposit and BDT 140,819,768 as debt in DBL Ceramics Limited which is yet to go for commercial operation. There is also an outstanding interest receivable of BDT 48,299,663 from DBL Ceramics Limited. So, total investment (debt and equity) of MSML in DBL Ceramics Limited is BDT 264,919,431 as at June 30, 2013. The prospective investors may suffer with losses if this huge investment fails to generate sufficient cash flow as the issuer company has invested such big amount in a Greenfield company.

Management Perception

The management of MSML has invested in DBL Ceramics Limited as an initiative to diversify the revenue base of the company.The management of MSML views ceramics sector as an industry with very high potentiai. MSML has invested BDT 25,000,000 as equity capital and BDT 50,800,000 as share money deposit against which shares will be allotted later. So the total equity investment in DBL Ceramics Limited is 75,800,000 which is only 1.97% of total assets as at June 30, 2013. Total debt receivable from DBL Ceramics Limited as at June 30, 2013 is BDT 189,119,431. DBL Ceramics Limited will pay off the rest of the loan balance after going into commercial operation. DBL Ceramics Limited expects to start *commercial operation within shortest possible time subject to gas connection from Titas Gas. DBL Ceramics Limited has already completed the task of setting up of machineries. As the debt receivable is expected to be realized shortly, the management of MSML views this debt investment as having below average risk profile.*

Section IV

Issue Size & Purpose of Public Offering

IPO SIZE AND ISSUE PRICE

Particulars	No. of Shares	Amount (BDT)
Authorized Capital	150,000,000	1,500,000,000
Paid-up Capital as at 30 June, 2013 (as per audited accounts) [A]	63,390,000	633,900,000
Capital to be issued as IPO [B]	34,100,000	341,000,000
Paid-up Capital (Post-IPO) [A+B]	97,490,000	974,900,000

The company has raised its paid-up capital in following phases:

Particulars of Allotment	Date of Allotment	Amount of Share Capital (BDT)
First	Subscription to the Memorandum & Articles of Association at the time of Incorporation	100,000
Second	22nd July, 2003	9,900,000
Third	20th June, 2005	80,000,000
Forth	7th May, 2006	60,000,000
Fifth	17th June 2010	105,000,000
Sixth	12th October 2010	91,100,000
Seventh	25th October 2010	76,500,000
Eighth	January 15, 2013	211,300,000
Total		**633,900,000**

Now, the company intends to issue 34,100,000 ordinary shares of BDT 10 each through Initial public offering (IPO) at an issue price of BDT 37 each including a premium of BDT 27 each totaling to BDT 1,261,700,000 subject to regulatory approvals.

USE OF IPO PROCEEDS

Purpose of the Public Issue

Matin Spinning Mills Limited plans to utilize the proceeds of the IPO in following manner:

Particulars	Amount (BDT)
Expansion of existing plant (Melange Project)	1,230,257,270
IPO Expenses	31,442,730
Total	**1,261,700,000**

Melange Project

The Melange project will be a 100% export oriented Mélange yarn manufacturing unit having capacity of producing 10 ton mélange yarn per day with 18,000 spindles. Mélange yarn will be produced from mixed fiber of dyed viscose/cotton and gray/bleached cottons. Mixing ratio will be varied as per buyer's requirements such as 85% cotton & 15% black viscose, 95% cotton & 5% black viscose, 90% bleached cotton & 10% dyed cotton(any color) etc. Different types of knit garments require mélange yarn as per garment product specification required by buyer.

Estimated Cost of Melange Project

The estimated cost of the project is BDT 1,373 million. Out of the total project cost, approximately BDT 1,230,257,270 will be invested from IPO proceeds and rest amount will be invested from own source of existing unit. The details project cost are as follows:

Particulars	Amount (BDT in million)
Building and Civil works	142
Plant and Machinery (Including duty, freight, LC commission)	1,231
Total	**1,373**

Detail of Building and Civil works

Particulars	Quantity	Floor Area (Sq. Feet)	Amount (BDT in million)
Factory building	1	69,000	111
A/C plant area	1	20,000	25
Utility building	1	7,000	6
Total		**96,000**	**142**

Specifications of Plant and Machineries

Name of Machinery	No. of Machine	Country of Origin	Supplier name	Unit Price (BDT)	Total Cost of Machine (BDT)
Blow Room	1 Lot	Germany	Truzlar	119,340,000	119,340,000
Carding Machine	9 Set	Germany	Truzlar	9,126,000	82,134,000
Draw Fram	5 Set	Swizerland	Rieter-SB-D45	4,359,800	21,799,000
Simplex	4 Set	Japan	Toyota	16,785,000	67,140,000
Lap Formar (UNILAP E32)	1 Set	Swizerland,China,India	Rieter	15,054,000	15,054,000
Comber- E 66	2 Set	Swizerland, China,India	Rieter	16,139,500	32,279,000
Ring Fram	15 Set	Japan	Toyota	20,281,733	304,226,000
Winder	6 Set	Japan	Toyota	19,268,000	115,608,000
Heat Setting Machine	1 Set	Italy	Ovem	5,720,000	5,720,000
Flat grinding Roller TC-FG 51	1 Set	Swizerland	Graf	1,076,000	1,076,000

COT Grinding MC	1 Set	Germany	Rosink	8,320,000	8,320,000
SLUB System	2 Set	Swizerland	Amsier	6,880,000	13,760,000
Silver Can	1 Lot	Japan	Tateishi	6,000,000	6,000,000
Bobin	1 Lot	Italy	Scaglia	6,000,000	6,000,000
Carding Machine	1 Set	Italy	Mesdan	2,600,000	2,600,000
Stiro –Roving Lab	1 Set	Italy	Mesdan	2,600,000	2,600,000
Electronic Wrap Reel	1 Set	Italy	Mesdan	367,000	367,000
Lab Knitter	1 Set	Italy	Mesdan	1,536,000	1,536,000
Gas Generator-1030KW	2 Set	USA	Caterpillar	27,142,500	54,285,000
Compressor	2 Set	Germany	Comp Air	3,432,000	6,864,000
A/C Plant	4 Set	Italy	Canalair / LTG	12,220,000	48,880,000
Chiller - 550RT	2 Set	China/USA	Carrier	23,277,000	46,554,000
Chiller - 300RT	1 Set	China/ USA / Malaysia	Shuangliang & Dunha	18,918,000	18,918,000
Fitting & other Accessories	1 Set	China/USA / Malaysia	KSB, KLTs	13,160,000	13,160,000
Fork Lift	2 Set	Korea/ Japan	Doosan	1,419,000	2,838,000
Substation & Busber	1 Lot	Germany	Siemens	31,200,000	31,200,000
Lighting System	1 Lot	Germany	Siemens	7,280,000	7,280,000
Cable	1 Lot	Germany	Lapcable	12,480,000	12,480,000
WTP -20 m3/hr	1 Set	Local		500,000	500,000
Utility PIPE & Fitting	1 Lot	Local		60,000,000	60,000,000
Supply Duct	1 Lot	Local / Foreign	Thailand / Italy	20,000,000	20,000,000
Rock Wool	1 Lot	Local		20,000,000	20,000,000
Fire System	1 Lot	Local		2,500,000	2,500,000
False Selling	1 Lot	Local		8,000,000	8,000,000
Deep Tubule	1 Lot	Local		2,500,000	2,500,000
Total Value of Machinery Tk.					**1,161,518,000**
Add: Duty &Taxes, Insurance, L/C Commission, Clearing & Forwarding, Pre-Shipment Inspection charge etc.					69,180,000
Grand Total Taka:					**1,230,698,000**

Implementation Schedule

The estimated IPO expenses will be paid time to time, as and when required.

The new production line is expected to commence commercial operation within 12 months of receiving the IPO proceeds. The tentative implementation schedule of the project is presented below:

Particulars	Approximate date of Completion of Project	Project date of Commercial Operation
Opening of L/C	Within 1 month of receiving the IPO proceeds	Within 12 months of receiving the IPO proceeds
Civil works	Within 9 months of receiving the IPO proceeds	
Machinery at sight	Within 9 months of receiving the IPO proceeds	
Erection & Installation	Within 10 months of receiving the IPO proceeds	
Trial Run	Within 11 months of receiving the IPO proceeds	

TERMS OF CONTRACT

There is no such contract covering any of the activities of the company for which the proceeds of the IPO are to be used.

Sd/-

M. A. Jabbar
Managing Director & Director
Matin Spinning Mills Limited

Sd/-

Abdul Matin, ACA
Chief Financial Officer
Matin Spinning Mills Limited

Section V

Information about the Company

MATIN SPINNING MILLS LIMITED – COMPANY PROFILE

Matin Spinning Mills Limited (MSML), a Public Limited Company was envisaged by a group of dynamic entrepreneurs having immense contribution to development of the Textile and Garments sector of Bangladesh. Over the years, the sponsors of MSML have established several other concerns in the RMG sectors. All these companies including MSML that are run by the sponsors of MSML are commonly referred to as DBL Group (Dulal Brothers Group).

MSML is an export oriented company engaged in manufacturing and sale of combed and carded yarn from raw cotton. The company was incorporated in Bangladesh on September 15, 2002 as a Private Limited Company. After incorporating in 2002, the company had to arrange for necessary financing, procure land, import machinery and set up the production facility. All these pre-operational work took around four years and the company started commercial operation on October 01, 2006. The Company was converted into a Public Limited Company on November 4, 2010. As on the date of this Prospectus, the authorized capital of the company is BDT 1,500 million and paid-up capital is BDT 633.9 million.

Essentially, MSML provides backward linkage to the knitting, dyeing and sewing units under the DBL Group. It is equipped with state-of-the-art machinery mostly of US, German, Japanese and Swiss origins. The company is capable of producing yarn of many different specifications as per the requirement of the buyers. Due to its modern machinery, highly knowledgeable and skilled management with efficient workforce, the company has earned commendable reputation in the local spinning sector. The company’s production facility is located at Sardagonj, Kashimpur, Gazipur. MSML’s products have been very well accepted in the market. It has also been internationally well recognized for its production and quality. MSML has license from Cotton U.S.A issued by Cotton Council International, Washington DC, U.S.A.

PROFILE OF DBL GROUP

DBL Group (in this Prospectus, DBL Group merely refers to the set of companies that the sponsors of MSML established till now and are currently operating. As of June 30, 2013 DBL group consists of 18 companies including Matin Spinning Mills Limited. Presently, there is no holding-subsidiary structure among the companies, but cross-ownership is present. Hence, there is no such legal entity as “DBL Group” as per BAS or the Companies Act, 1994. Due to the name regonition and ease of reference, the term “DBL Group” is used in this Prospectus) started its journey in early 1991 with a knit garment manufacturing unit. Over the years, the four sponsors of the group, namely Mr. Abdul Wahed, Mr. M.A. Jabbar, Mr. M.A. Rahim and Mr. M.A. Quader, have grown the operation manifold. Currently, the Group has very strong backward linkage capabilities in the knit garments sector. Through several companies under the Group, it covers a large portion of the knit garment value chain including spinning, knitting, dyeing, sewing, printing and packaging.

At present, the Group provides employment to as many as 16,500 employees and workers (un-audited). During FY 2011-2012, the Group achieved a turnover of BDT 17,495.86 million (un-audited). In recognition of the significant contribution to the country’s RMG export sector, DBL Group was awarded the prestigious “HSBC Export Excellence Awards 2009” in April 2010. A list of the companies within the

Group is provided under the head “Associates, Subsidiary/Related Holding Company and their Core Areas of Business” of this section of the Prospectus.

NATURE OF BUSINESS

Main Spinning Mills Limited is engaged in manufacturing combed and carded yarn from raw cotton ranging from 10/s (pronounced “10 single”) to 55/s count. The company produces very high quality of cotton yarn which has huge demand in the market. Most of its clients are export oriented knit garment manufacturing companies. As a result, its sales are deemed as export. At present, the company has 39,600 spindles capable of manufacturing 25 MT of yarn of different specifications everyday. During FY 2012-13, the company produced 7.06 million Kg yarn at capacity utilization of 81.67% based on average yarn count of 28/s.

At present, Bangladesh does not produce enough cotton to meet the local demand. As a result, most of the cotton is imported from foreign sources. MSML procures 100% of the cotton from foreign sources. It imports mainly from Tajikistan, Zimbabwe, Mali, Thailand, India and other local sellers, who imports raw cotton from other countries. It purchases raw material through letter of credit (LC) in case of import and through purchase order in case of local procurement. The company sells its products to its customers against US Dollar denominated letter of credit (LC). Hence, it receives its payments in US Dollar although it sells to companies operating within the country. It also makes its payments in US Dollars.

The technology of the spinning machinery is such that the machines should be operated round the clock. In case the production is stopped for any mechanical or technical failure, restarting the production involves significant cost overrun. As a result, it is very essential for the management to maintain a smooth procurement and delivery channel. This makes procurement of the raw materials at the right price and quantity a significant management challenge. Besides, uninterrupted power supply is a must for any spinning industry to run profitably.

One of the major success factors for this industry is to control raw material pricing. The price of raw cotton fluctuates in the international market due to fluctuation in production in the major cotton producing countries and several other factors. As a result, it is essential to be able to reasonably forecast the pricing of raw cotton from time to time.

Unlike manufacturing RMG products, spinning industry is highly capital intensive and requires comparatively less labor input. The quality of the yarn is directly correlated with the sophistication of the machinery in place. MSML committed a substantial amount of initial investment in installing very sophisticated and updated textile machinery. Most of the machineries of MSML are of US, Swiss, German and Japanese origins. Major machinery brands include Reiter, Toyota, Waukesha, Komatsu, etc. Compared to Chinese and Indian machineries, these machineries require much less maintenance cost but lasts considerably longer.

MSML operates as a backward linkage to the RMG exporting companies within DBL Group. These companies need to comply with all necessary requirements set forth by the international apparel buyers. As a result, MSML also needs to comply with these requirements. These compliance procedures cover several aspect of the business ranging from labor practices to conservation of environment. One of the key factors of competitveness in this sector is the level of compliance with such practices. MSML and all the companies within DBL Group are quite capable to comply with the requirements of the buyers. Some of the major international buyers of the companies within DBL Group include H&M, Puma, Esprit etc.

On a stand-alone perspective, spinning constitutes a small portion of the apparel value chain. The profitability of a spinning mill is highly dependent on raw cotton pricing in the international market. However, companies with significant forward integration can mitigate this risk more effectively. MSML is such a company with high forward integration. Through several concerns, DBL Group covers a large portion of the apparel value chain.

As a backward linkage, MSML serves several essential purposes for the garment manufacturing units within DBL Group. Firstly, it ensures steady and almost certain supply of yarn within very short lead time. Secondly, it allows the entire group to have a greater control on raw material pricing. Thirdly, it allows the garment manufacturing units to keep very low inventory levels, thereby lowering working capital requirements. For all these reasons, MSML plays a very important role in the overall operation of DBL Group.

MILESTONES OF THE COMPANY

Particulars	Important Dates
Date of Incorporation	September 15, 2002
Commencement of Commercial Operation	October 1, 2006
Conversion into a Public Limited Company	November 4, 2010
Conversion of Denomination of Face Value of Shares	August 5, 2010

PRINCIPAL PRODUCTS AND SERVICES

MSML is solely involved in manufacturing of combed, carded, synthetic and slub yarn from raw cotton. It can produce yarn of different specifications as per the requirements of buyers and has the capacity to produce yarn of counts ranging from 10/s to 55/s.

PRODUCTS/SERVICE THAT ACCOUNTS FOR MORE THAN 10% OF THE COMPANY'S TOTAL REVENUE

As per audited Accounts

Particulars	As of June 30, 2013		As of June 30, 2012	
	Revenue (BDT)	Value Contribution (% of Total Sales)	Revenue (BDT)	Value Contribution (% of Total Sales)
Combed Yarn	1,113,267,351	46.47%	1,166,323,681	44.45%
Carded Yarn	671,174,851	28.01%	764,725,252	29.15%
Synthetic Yarn	430,413,557	17.97%	513,931,135	19.59%
Slub Yarn	180,926,851	7.55%	178,635,348	6.81%
Total	**2,395,782,610**	**100.00%**	**2,623,615,416**	**100.00%**

ASSOCIATES, SUBSIDIARY/RELATED HOLDING COMPANY AND THEIR CORE AREAS OF BUSINESS

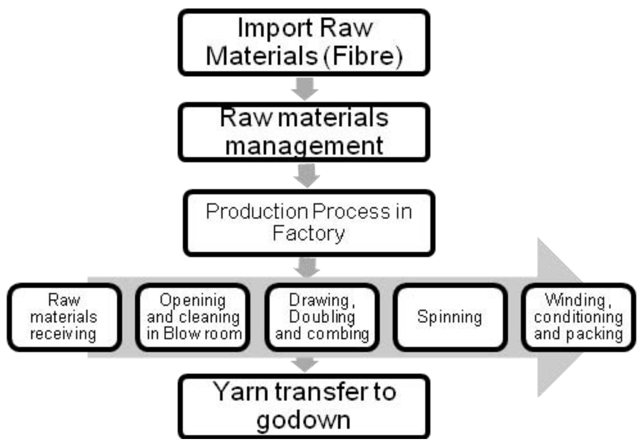
MSML does not have any subsidiary or holding company. However, MSML has an associate company namely "DBL Ceramics Limited". The table below lists all the companies that are run by the sponsors of MSML. Collectively, these companies are referred to as "DBL Group".

Name of the Company	Relation	Nature of the business of the Company
Color City Limited	Operated by same management	Yarn Dyeing
DB Tex Limited	Operated by same management	All over fabric printing
DBL Ceramics Limited	Associate Company and operated by same management	Tiles Product
Dulal Brothers Limited	Operated by same management	Garments
Fashion Concern Limited	Operated by same management	Garments
Flamingo Fashions Limited	Shareholder and operated by same management	Knit fabric and garments
Hamza Textiles Limited	Operated by same management	Knit fabric, dyeing and finishing
Jinnat Fashions Limited	Operated by same management	Knit fabric and garments
Jinnat Apparels Limited	Shareholder and operated by same management	Knit fabric and garments
Jinnat Knitwear Limited	Operated by same management	Knit fabric and garments
Matin Knitwear Limited	Operated by same management	Knit fabric and garments
Mymun Textiles Limited	Operated by same management	Knit fabric, dyeing and finishing
Parkway Packaging and Printing Industries Limited	Operated by same management	Packaging & carton manufacturing
Thanbee Print World Limited	Operated by same management	Garments body printing
Mawna Fashions Limited	Operated by same management	Knit fabric and garments

Textile Testing Services Limited	Operated by same management	Fabric Testing
DBL Telecom Limited	Operated by same management	Telecommunication

MANUFACTURING PROCESS

MSML manufactures yarn in a three stage process. In the preparatory process, raw cotton is cleaned and opened. In the second stage, drawing, doubling, combing, spinning is done and yarn is produced. Finally in the winding stage, yarn is processed to make it usable for the costumer.



DISTRIBUTION OF PRODUCTS/SERVICES

Matin Spinning Mills Limited was established to work as a backward linkage to the companies under DBL Group. Hence, it has a small number of buyers each of which buy a large volume. Currently, the production capacity of MSML is 25,000 KG per day. Due to huge demand of DBL Group, there is little scope for MSML to cater to the needs of other buyers.

Matin Spinning Mills Limited sells against back-to-back LCs opened by buyers. So the sales of MSML is considered as deemed export. After the placement of demand by the buyer, MSML delivers the finished products through its own delivery trucks.

COMPETITIVE CONDITION OF BUSINESS

MSML operates in a highly competitive environment. It faces competition from two fronts. It has to compete with other spinning mills in the country as well as yarn suppliers from other countries specially India. In order to stay ahead of the competition, the company needs to ensure competitive pricing, acceptable quality and on-time delivery. Compared to other local spinners, MSML needs to stay ahead in terms of quality and lead time. On the other hand, pricing becomes the major factor when the comparison is between MSML and a foreign spinner.

While exporting to EU nations, Bangladeshi apparel products receive prefential duty treatment (GSP Facilites) under the provisions of Rules-of-Origin. Previously, Bangladeshi garment manufacturers needed to procure yarn from local sources to avail the GSP facility. Recently, the provision has been amended under which RMG exporters of Bangladesh can still enjoy the GSP facility if they procure the yarn from foreign sources. As a result, local spinning mills are facing stiffer competition from foreign sources. However, local spinning mills have a few competitive advantages over foreign spinners. Firstly, they can deliver within shorter lead time. Secondly, local procurement is cheaper in terms of transportation costs and requires less management involvement than foreign import. For all these reasons, the spinning sector has grown rapidly over the last few years.

MSML has competitive edge over most of its competitors as the company sells most of its products to the apparel manufacturing units within DBL Group. In fact, MSML was established to serve as a backward linkage to the companies within DBL Group. It is largely immune to several market-driven factors due to its significant forward integration. Besides, MSML has been able to operate at optimum capacity utilization. It has been able to ensure uninterrupted power supply to its factory plant.

As MSML sells a major portion of its products to companies under common management, the company does not face stiff competition. The prime market players listed in capital market are Square Textiles Limited, Malek Spinning Mills Limited, Maksons Spinning Mills Limited and Metro Spinning Limited.

SOURCES AND AVAILABILITY OF RAW MATERIALS AND PRINCIPAL SUPPLIERS

Major raw material of MSML is raw cotton. It procures the raw material from various sources around the world mainly from Tajikistan, Zimbabwe, Mali, Thailand, India and other countries as Bangladesh does not have adequate production of raw cotton. It always intends to avoid significant dependency on any single supplier. Below table illustrates the supplier-wise procurement of raw material for the year ended on June 30, 2013.

Supplier Name	Materials Purchased	Exporting Country	During the Year ended on June 30, 2013	
			Purchase (BDT in Millions)	% of Total Purchase
Paul Reinhart AG	Raw Cotton	Tajikistan	350.53	20.91
Cargill Cotton Limited	Raw Cotton	Zimbabwe	184.44	11.00
Agrocrop Int.	Raw Cotton	Mali	124.11	7.40
M/S Olam International Ltd	Raw Cotton	Zimbabwe	123.60	7.37
Paul Reinhart AG	Raw Cotton	Mali	86.17	5.14
Isis Commodities Ltd.	Raw Cotton	Tajikistan	73.84	4.40
CDI Cotton Distribution Inc.	Raw Cotton	Mali	72.84	4.34
Grasim Industries Ltd	Raw Cotton	India	65.97	3.94
Cargill Cotton Limited	Raw Cotton	Mali	55.42	3.31
Indorama Polyester Industries PCL	Stable fiber	Thailand	50.71	3.02
Jess smith and sons Cotton LLC	Raw Cotton	USA	49.13	2.93
Ecom Agroindustrial Corp.Ltd	Raw Cotton	Mali	47.66	2.84
ICT Cotton Limited - London	Raw Cotton	Brazil	33.41	1.99
Paul Reinhart AG	Raw Cotton	Zimbabwe	32.53	1.94
Puneet Enterprise	Raw Cotton	India	32.17	1.92
Bhadresh Trading Crop.	Raw Cotton	Tajikistan	27.98	1.67
Paul Reinhart AG	Raw Cotton	Brazil	16.20	0.97

PT. South Pacefic	Stable fiber	Indonisha	15.87	0.95
CDI Cotton Distribution Inc.	Raw Cotton	Brazil	15.91	0.95
Thai Rayon Public Com. Ltd.	Stable fiber	Thailand	8.95	0.53
Bhadresh Trading Crop.	Raw Cotton	India	7.41	0.44
Others	Raw Cotton, Packing Materials & Spare Parts		201.56	12.02
Total			**1,676.41**	**100.00**

SOURCES OF AND REQUIREMENT FOR POWER, GAS AND WATER OR ANY OTHER UTILITIES

Power: The Company requires 4.5 megawatt (MW) of electricity everyday to run its factory. The requirement is met by seven gas fired generators capable of producing a maximum of 5.5 MW per day. Besides, the company has three diesel generators to back-up in case of low pressure of gas and these generators are capable of producing a maximum of 2.7 MW every day.

Gas: The Company requires 10.8 million cubic meters of gas every year for its factory operation. The company procures the gas from Titas Gas Transmission and Distribution Company Limited.

Water: The Company requires approximately 120,000 gallon of water every day. The requirement is met by its own deep tube well.

CUSTOMERS PROVIDING 10% OR MORE REVENUES

MSML sells most of its products to its sister concerns who are export oriented knit garment manufacturers. Below table illustrates the customer-wise revenue composition of MSML for the year ended on June 30, 2013 and for the year ended on June 30, 2012.

As per audited Accounts

Name of Buyer	As of June 30, 2013		As of June 30, 2012	
	Purchase (BDT in million)	% of Total Revenue	Purchase (BDT in million)	% of Total Revenue
Flamingo Fashion Limited	1,036.91	43.28	879.67	33.52
Jinnat Fashions Limited	467.47	19.51	458.76	17.48
Jinnat Knitwear Limited	497.78	20.78	608.53	23.19
Jinnat Apparels Limited	161.10	6.72	526.75	20.08
Others	232.52	9.71	150.29	5.73
Total	**2,395.78**	**100%**	**2,624.00**	**100%**

DESCRIPTION OF CONTRACT WITH PRINCIPAL SUPPLIERS/CUSTOMERS

MSML does not have any long term binding contract with any of its suppliers or customers other than those entered into for day-to-day operational purposes. MSML maintains favorable and long term relationship with its suppliers.

DESCRIPTION OF ANY MATERIAL PATENTS, TRADEMARKS, LICENSES OR ROYALTY AGREEMENTS

Matin Spinning Mills Limited has several regulatory licenses and certificates in order to continue its operations. In addition, it has several buyer certifications. The table below lists the licenses and certifications that the company has:

Sl.	Particulars	License Issuer/ Issuing Authority	Certificate/License No.	Issue Date	Current Status
1.	TIN Certificate	National Board of Revenue, Government of Bangladesh	072-201-4631/Co. 9 Tax Area: 3	11.05.04	N/A
2.	VAT Certificate	Commissioner of Customs, Excise & VAT, Government of Bangladesh	5171006865 Area Code: 50404	24.04.05	N/A
3.	Export Registration Certificate	Controller of Imports & Exports, Government of Bangladesh	RA - 79143	09.05.05	Issued for the FY2013-14
4.	Import Registration Certificate	Controller of Imports & Exports, Government of Bangladesh	BA - 0173136	10.09.06	Issued for the FY 2013-14
5.	BTMA Membership Certificate	Bangladesh Textile Mills Association	BTMA-0001-0362-0222	10.12.11	Valid till December 2013
6.	Trade License	Gazipur City Corporation	54/2013-2014	17.07.13	Valid till June 30, 2014
7.	Labor License	Chief Inspector of Factories, Government of Bangladesh	12820/ Gazipur	28.03.06	Valid for the year 2013
8.	Fire License	Bangladesh Fire Service and Civil Defense	DD/Dhaka/2311811	13.12.11	Valid till June 30, 2014
9.	Boiler License	Office of the chief Inspector of Boilers, Bangladesh	4619 and 4620	18.09.13	Valid till March 17, 2014
10.	BOI License	Board of Investment Bangladesh	L-52050405077-H	25.05.04	N/A
11.	Bonded Ware House License	Customs Bond Commissionerate, Bangladesh	555/CUS-PBW/2009	09.07.09	Valid till July 8, 2014
12.	ISO 9001:2008	Bureau Veritas Certification (India) Private Limited	IND11.6019U	22.03.11	Valid till March 21, 2014
13.	Cotton USA License	Cotton Council International, USA	N/A	01.01.11	December 31, 2013
14.	Confidence In Textiles: Oeko-Tex Standard 100	Hohenstein Textile Testing Institute, GmbH & Co. KG, Germany	07.KA.51879	18.05.11	May 31, 2014
15.	Textile Certifications: Organic Exchange Blended Standard	Control Union Certifications, The Netherlands	CU810036OE BL-02.2013	05.06.13	Valid May 23, 2014
16.	Environmental Clearance Certificate	Department of Environment, Gazipur, Bangladesh	Poribesh/dhabi/9127/Ga: Ze:/Noba - 726	10.08.06	Valid till August 9, 2014
17.	Approval of Factory Plan	Office of Chief Inspector of Factories and Establishments, Government of Bangladesh	N/A	28.03.06	N/A

NUMBER OF EMPLOYEES

As at June 30, 2013 MSML has a total of 884 workers and employees. All the employees of the company are full time employee. All of the employees of the company receive yearly remuneration above BDT 36,000. The table below illustrates the nature of human resource based on type and location of employment:

As per Audited Accounts

Particulars	Officers & Staff		Worker	Total Employees
	Head Office	Factory		
No. of employees	16	167	701	884

PRODUCTION/SERVICE RENDERING CAPACITY AND CURRENT UTILIZATION

As per Audited Accounts

Particulars	Licensed Capacity	Installed Capacity* (Kg)		Actual Production* (Kg)		Capacity Utilization (%)	
		As of June 30, 2013	As of June 30, 2012	As of June 30, 2013	As of June 30, 2012	As of June 30, 2013	As of June 30, 2012
Annual Production of Yarn	Not mentioned in the License	8,640,000	8,825,000	7,055,940	7,127,872	81.67%	80.77%

*Installed capacity and capacity utilization is measured assuming average yarn count of 28/s.

Section VI

Description of Property

LOCATION OF PRINCIPAL PLANTS AND OTHER PROPERTY OF THE COMPANY AND THEIR CONDITION

1. Matin Spinning Mills Limited (MSML) has its factory located at Sardagonj, Kashimpur, Gazipur. The factory is located at the factory's own land totaling to 1,962.91 decimal as at June 30, 2013. Total floor space of the factory building is 214,457 square feet. The factory area houses a steel structured factory building, an office space for factory officials, a laboratory, two storied two buildings, two storied two power houses, two storied building for workshop, two cotton warehouses, a finished goods warehouse, two godowns for wastage materials and a compressor house. Besides, in the factory compound, there are also six tin shed buildings for residing worker, canteen for employees, an auditorium, a prayer room and a medical centre.

   The company's machineries are all state-of-the art and purchased in brand new condition. The company does not have any second-hand machinery. The machineries such as spinning machineries, quality control machineries and utility machineries are mostly imported from USA, England, Switzerland, Germany, Japan, China, Italy and Spain. All the plants and machineries of the company are located at factory premises. MSML has five humidification plants and three chillers to control the environment of the factory. The company has two power houses - one for gas driven power production and the other for diesel generated power production. MSML has an automated fire hydrant system in the factory and an automated cotton ware house sprinkler system as a protection against fire.

2. The company owns following operating fixed assets and they are situated at Company's Corporate office and at factory premise and written down value of the assets are given below:

(Written Down Value in BDT as per Audited Accounts)

Particulars	As at June 30, 2013 (BDT)	As at June 30, 2012 (BDT)	As at June 30, 2011 (BDT)
Land and Land Development	939,806,698	934,518,298	929,593,553
Factory Building	234,133,812	246,090,981	242,266,209
Godown	9,752,064	10,835,626	12,039,585
Plant and Machinery	581,626,515	646,251,684	689,237,509
Furniture and Fixtures	1,455,508	1,412,695	1,551,861
Gas Equipment	702,459	826,423	972,262
Generator	41,439,420	48,752,259	57,288,699
Office Equipment	4,626,390	4,133,907	3,953,564
Electric Installation	27,158,447	31,099,014	36,284,540
Deep Tube well	245,105	306,381	382,976
Vehicles	19,841,770	24,802,213	31,002,766
Total	**1,860,788,189**	**1,949,029,481**	**2,004,573,524**

3. All the assets of the company are owned by the company. The company has mortgaged a portion of its fixed assets, i.e. 820.50 decimals of land (as per mortgage agreements signed in May 19, 2005) and 533.25 decimals of land of Mymun Textiles Limited (MTL), a related concern, located at Sardagonj, Kashimpur, Gazipur to Islami Bank Bangladesh Limited (IBBL) against the loans borrowed from the bank. Additionally, the company has also given mortgage of 114 decimals of land (as per mortgage agreements signed in January 24, 2006) located at Sardagonj, Kashimpur, Gazipur to IBBL. Hence, the name of the mortgagor bank is Islami Bank Bangladesh Limited. As per the clause 2 of the mortgage agreements, the mortgagor transferred and conveyed by way of the legal mortgage, the schedule property with all rights, interests, easements, structures, belonging thereto as security for repayment of the said loan. As per schedule of property of the mortgage agreements, total land area of 1,467.75 (820.50+533.25+114) decimals of land of MSML (934.5 decimals of land) and MTL (533.25 decimals of land) with factory building and all structures thereon on the said amount of land will be held under mortgage.

4. The date of expiration and name of the lessors are given in the “Operating lease during last five years” part of the prospectus.

Section VII

Plan of Operation & Discussion of Financial Condition

INTERNAL AND EXTERNAL SOURCES OF CASH

The company's internal sources of cash consist of cash received from customers and cash received as other income. On the other hand, cash received from external sources comprise of loans from banks, equity injection and intercompany loans. Cash generated from such internal and external sources is then utilized for operational, financial and investment purposes. The table below illustrates the various sources and uses of cash of the company for the last three accounting years:

Sl.	Particulars (Figures in BDT)	June 30, 2013	June 30, 2012	June 30, 2011
A	**Internal Sources of Cash**	**2,890,308,907**	**2,640,545,854**	**2,157,546,998**
	Collection from customers	2,806,235,399	2,576,527,462	2,157,546,998
	Sale of Cotton(local)	43,506,052	53,091,902	-
	Sale of share of listed companies	6,776,800	-	-
	Other Income	33,790,656	10,926,490	-
B	**External Sources of Cash**	**36,497,524**	**141,472,368**	**860,344,429**
	Short term loan from bank	-	-	631,595,590
	Inter-company debts received	36,066,724	141,472,368	228,748,839
	Dividend received	430,800	-	-
C	**Total cash generated from internal & external sources (A + B)**	**2,926,806,431**	**2,782,018,222**	**3,017,891,427**
D	**Cash paid for operational purposes**	**(2,130,820,100)**	**(2,234,178,127)**	**(2,471,711,014)**
	Cash paid to suppliers and employees	(1,996,998,566)	(2,016,207,047)	(2,295,081,858)
	Interest/share of profit paid on loans	(113,601,534)	(198,521,080)	(173,847,121)
	Income tax paid	(20,220,000)	(19,450,000)	-
	Other loss	-	-	(2,782,035)
E	**Cash paid for investment purposes**	**(14,451,448)**	**(55,647,073)**	**(221,764,512)**
	Acquisition of property, plant and equipment	(8,019,604)	(36,370,280)	(122,434,495)
	Purchase of share from DBL Ceramics Ltd	-	-	(23,750,000)
	Capital work-in-process	(6,431,844)	(1,285,473)	(11,280,017)
	Share Money Deposit (DBL Ceramics Ltd.)	-	-	(50,800,000)
	Share Purchase from Listed companies	-	(17,991,320)	(13,500,000)
F	**Cash paid for financing activities**	**(667,846,771)**	**(186,184,966)**	**(313,011,959)**
	Long term loan	(166,720,753)	(118,899,540)	(78,483,324)
	Short term loan repaid to bank	(501,126,018)	(33,181,291)	-
	Inter-company debts paid	-	(34,104,135)	(234,528,635)
G	**Total Cash Paid for Various Purposes (D + E + F)**	**(2,813,118,319)**	**(2,476,010,166)**	**(3,006,487,485)**
H	**Net increase/(decrease) in cash and cash equivalents (C+G)**	**113,688,112**	**306,008,057**	**11,403,942**
I	**Opening cash and cash equivalents**	**328,629,294**	**22,621,237**	**11,217,295**
J	**Closing cash and cash equivalents (H+I)**	**442,317,404**	**328,629,294**	**22,621,237**

Over the last three years, the company has been able to generate sufficient cash from internal and external sources in order to meet various cash obligations. During the period under review, cash collection from customer remained the major contributor of internally generated cash. On the other hand, dependence on external sources of cash has decreased gradually. The company's collection from customers increased during the period of 2011-13 on a YOY basis. During FY 2013, the company's sales decreased by 8.68% but collection from customers increased by 5.70% indicating better receivables management. During FY 2013, the company generated cash by sale of cotton and wastage. This indicates that the company was able to utilize its resources more efficiently.

During 2013, the company's amount of externally generated cash reduced significantly. As the internally generated cash was sufficient for the company to run its operations smoothly, the company paid of a significant amount of its bank liabilities. This has a positive implication for the future prospect of the company. With decreasing debt levels, the company will incur lower interest expenses in the coming years. Overall, the company has been able to generate sufficient cash flow mainly from internal sources to meet its cash obligations.

MATERIAL COMMITMENT FOR CAPITAL EXPENDITURE

As on date of this prospectus, the company does not have any material commitment for capital expenditure other than those mentioned in **"Section IV: Issue Price and Purpose of Public Offering"** part of the prospectus.

CAUSES FOR MATERIAL CHANGES

As per Audited Accounts

Particulars (Figures in BDT)	As on June 30, 2013 Audited	As on June 30, 2012 Audited	As on June 30, 2011 Audited
Revenue	2,395,782,610	2,623,615,416	2,458,002,913
Less: Cost of goods sold	(1,929,142,051)	(2,113,551,486)	(1,910,334,630)
Gross Profit	**466,640,559**	**510,063,930**	**547,668,283**
Less: Administrative expenses	(63,961,420)	(51,146,685)	(57,798,713)
Less: Distribution expenses	(691,668)	(328,405)	(181,437)
Net Profit before financial cost	**401,987,471**	**458,588,840**	**489,688,133**
Less: Financial costs	(113,601,534)	(198,521,080)	(173,847,121)
Add: Other income	35,436,631	7,585,365	34,894,108
Net profit before WPPF & tax	**323,822,568**	**267,653,125**	**350,735,120**
Less: Contribution to workers' profit participation and welfare funds	(15,420,122)	12,745,387	(16,701,672)
Net profit before taxation	**308,402,446**	**254,907,738**	**334,033,448**
Less: Income tax expenses	(50,920,337)	40,719,480	(41,186,608)
Less: Deferred tax expenses	(5,656,887)	8,687,696	(11,579,220)
Net profit after tax	**251,825,222**	**205,500,562**	**281,267,620**

Over the years, the company has been able to grow its operations steadily. During the year ended on June 30, 2011, June 30, 2012 and June 30, 2013, the company attained significant growth. During FY 2012, the company was able to achieve a moderate growth of 6.74% but in FY 2013, the revenue decreased by 8.68%. Although, the revenue decreased, the profit margin increased by 10.51%. In FY 2013, the company reduced the unit price due to price competitiveness and it facilitates the company to sell more in quantity compared to that of the previous year.

Over the last three years, the company has been able to maintain impressive gross profit margins. During the years ended on 30 June 2013, 2012 and 2011, the company's gross profit margin remained at 19.48%, 19.44%, and 22.28% respectively. During FY 2011, yarn prices in the local market increased substantially that resulted in such high gross profit margin during that year. Besides, the company invested in sophisticated and high-tech textile machinery. These machineries are very efficient, produce minimal wastage and require very low maintenance and overhauling costs. All these have enabled the company to maintain such impressive level of gross profit margins.

The net profit margins increased over the years due to proportionately decreasing interest expense on long term loans. During the years ended on 30 June 2013, 2012 and 2011, the company's net profit margin remained at 10.51%, 7.83%, and 11.44% respectively. During FY 2011, the company's net profit margin increased due to higher gross profit margin compared to that of other years.

Clearly, the company's net profit margin remained significantly lower than gross profit margins due to high interest expense. Once the company pays off a portion of its long term loans with the proceeds of the IPO, the net income of the company would increase significantly.

SEASONAL ASPECT OF THE COMPANY'S BUSINESS

There is no significant seasonal aspect of the company's business. In general, demand for the company's yarn prevails for whole year but during September to April demand is higher for each year.

KNOWN TRENDS, EVENTS OR UNCERTAINTIES

Force majeure such as natural calamities, political unrest, labor unrest, unavailability of power and gas etc. might have a material effect on company's future business. Besides decrease in demand of readymade garments product in the local and international market, increase in production cost, scarcity of raw materials, scarcity of gas, technological change, government's policy change towards the industry, are the known events that may affect the business operation of the company.

CHANGE IN THE ASSETS OF THE COMPANY USED TO PAY OFF ANY LIABILITIES

No asset of the company has been disposed to pay-off any liability of the company.

LOAN TAKEN FROM OR GIVEN TO HOLDING/PARENT COMPANY OR SUBSIDIARY COMPANY

MSML does not have any holding or parent or subsidiary company, so no such loan has been taken in this respect. However, the company has given loan to related companies which is disclosed under the heading "Certain relationships and related transactions" and under note 11 of the audited financial statements for the year ended on June 30, 2013.

FUTURE CONTRACTUAL LIABILITIES

At present, MSML does not have any future long term contractual liabilities with any supplier or buyer. It receives work orders from buyers on a short term basis and subsequently enters into short term procurement agreements with suppliers in order to complete those work orders against LCs. Other than that, the company has no plan to enter into any contractual liabilities within the next one year other than normal course of business.

ESTIMATED FUTURE CAPITAL EXPENDITURE

The company does not have any plan for future capital expenditure other than those mentioned in the **Section IV: Issue Size and Purpose of the Public Issue**.

VAT, INCOME TAX, CUSTOMS DUTY OR OTHER TAX LIABILITY

a) VAT, Customs Duty and Other Liabilities

The company is exempted from VAT, customs duty and import duty for being a 100% export oriented company. The company imports its entire raw material through bonded warehouse. The company is exempted from the above-mentioned liabilities as per the SRO No. 153-Law/93/1520/Duty dated August 3, 1993, issued by the National Board of Revenue, Ministry of Finance, Government of Bangladesh. However, the company sells wastage materials and there is no outstanding VAT and custom duty as on June 30, 2013.

b) Income Tax:

The corporate tax rate of Matin Spinning Mills Limited for manufacture of yarn is 15% as per SRO No. 207-Law/Income Tax/2008 dated June 30, 2008 and SRO No. 221-Law/Income Tax/2011 dated July 4, 2011 issued by National Board of Revenue, Ministry of Finance, Government of Bangladesh under section 44(4b) The Income Tax Ordinance. Additionally, 0.80% tax is deducted at source on export proceeds as per Section 53 BBBB and 10% on interest received from Bank as per Section 53 F of The Income Tax Ordinance, 1984. However, the company pays tax at the rate of 37.5% on other non-operational income.

Matin Spinning Mills Limited was granted tax holiday for a period of four years as per National Board of Revenue's letter (Ref. No. 11(87) Para -1/2006/1097) dated September 2, 2008 for a period starting from October 1, 2006 to September 30, 2010 as per Section 46(1A)(i) and 46A(1)(a) of The Income Tax Ordinance, 1984. During the income year 2006-2007, assessment year 2007-2008 the company enjoyed tax holiday. In the income years 2007-2008 & 2008-2009, assessment years 2008-2009 & 2009-2010, MSML could not invest in secondary stock market within the stipulated investment period. As a result, tax authority withheld the tax holiday facility for those specific years due to non compliance of the conditions of tax holiday section 46 A(2)(A) although the conditions to invest in the same undertaking was fulfilled. MSML filed an appeal against the said order of the tax authority for the assessment years 2008-2009 & 2009-2010 on June 15, 2011.

Accordingly, Appellate Commissioner of Taxes has issued an order on October 20, 2011 to set aside the assessment order of Deputy Commisioner of Taxes for the assessment years 2008-2009 & 2009-2010. In this regard, the company is presently waiting for tax authority's order for reassessment for the assessment years 2008-2009 & 2009-2010.

In the view of the above, the company reversed the tax holiday reserve for the income year 2006-2007 to retained earnings as the tax assessment was completed and income tax was paid as per the assessment. Subsequently, tax holiday reserve for the income years 2007-2008 and 2008-2009 was reversed as the tax authority withheld the tax holiday facility for those years. The company made provision for income tax at applicable tax rate for 2007-2008 and 2008-2009, and restated the tax holiday reserve at July 1, 2009. During the income year 2009-2010 and 2010-2011, MSML created tax holiday reserve at the rate of 40% on net profit as per provisions of section 46 A(2)(A) and reinvestments has been made as per requirements of the income tax ordinance, 1984.

The income tax status of the company during last five years has been presented below:

Income Year	Assessment Year	Assessment Status
2007 - 2008	2008 - 2009	Appellate Commissioner of Taxes has issued re-assessment order and re-assessment not yet completed.
2008 - 2009	2009 - 2010	Appellate Commissioner of Taxes has issued re-assessment order and re-assessment not yet completed.
2009 - 2010	2010 - 2011	Appellate Commissioner of Taxes has issued re-assessment order and re-assessment not yet completed.
2010 - 2011	2011 - 2012	Assessment completed
2011 - 2012	2012 - 2013	Return submitted on January 31, 2013 and assessment not yet completed.
2012 - 2013	2013 - 2014	Return not yet submitted.

OPERATING LEASE AGREEMENT DURING LAST FIVE YEARS

The company has an operating lease agreement with respect to rental of its corporate office and registered office. Detail of the lease agreements are as follow:

Particulars	Lease Agreement for Registered and Corporate Office
Lessor:	Jinnat Apparels Limited
Leasee:	Matin Spinning Mills Limited
Date of Lease Agreement	September 27, 2010
Effective Date of Tenancy	October 1, 2010
Period of Lease	5 years
Date of Lease Expiration	September 30, 2015
Description of Leased Asset	2,000 square feet of floor space situated at BGMEA Complex (12th Floor), 23/1 Panthapath Link Road, Kawran Bazar, Dhaka 1212
Lease Rent	BDT 20,000 per month

FINANCIAL LEASE COMMITMENT DURING LAST FIVE YEARS

The company did not enter into any financial lease commitment in the last five years.

PERSONNEL RELATED SCHEME

MSML has sound human resource policy to ensure the congenial working environment and better career path for its employees. The company is currently staffed with 884 full time employees as on June 30, 2013. Proper importance has been given to relevant on-the-job, in-house and external training program, so that the employees are well equipped with necessary skills. The company has a well-designed compensation package for the employees to encourage professionalism, stimulate team-work and promote innovation reinforced with high ethical standards.

In addition to company's monthly remuneration benefits of salary, wages and allowances, the company also has the following benefits for the employees.

A. **Group Insurance Benefit:** All permanent employees of the company are entitled to Group Insurance benefits.
B. **Earn Leave Benefit:** Employees are allowed encashment of un-availed earn leave after twelve months services.
C. **Compensation:** All permanent workers are paid compensation for fourteen days wages for every year of continued service for five years and above but below ten years, thirty days wages for every year of continued of service for ten years above in the events of worker tendering resignation on the services.
D. **Bonus:** Employees are given festival bonus in Eids equivalent to one month gross salary in a year.
E. **Maternity Benefit:** Females Employees are entitled to maternity benefit up to the birth of two children.
F. **Medical Facilities:** The company provides free medical consultation and first aid to the employees through own medical officer and medical assistance from the companies medicals centre in the factory premises.
G. **Workers Profit Participation & Welfare Fund:** Matin Spinning Mills Limited has introduced Workers Profit Participation & Welfare Fund from 2010 as per requirement of Bangladesh Labour Law, 2006. As on June 30, 2013, the size of the fund stood at BDT 51,908,797.
H. **Provident Fund & Gratuity:** As of June 30, 2013, MSML did not have gratuity provision for its employees. However, the management of the company has implemented staff provident fund from September 01, 2012.

BREAKDOWN OF ESTIMATED EXPENSES FOR IPO

The following amounts to be paid to the Issue Manager, Underwriters & other costs are estimated as follows:

Description	Basis of Fees	Amount in BDT (approx.)
Issue Management Fees		
Issue Management Fee	1% of the total amount raised or TK. 2,000,000 whichever is lower	2,000,000
VAT against Issue Management Fees	@ 15% on the Issue Management Fee	300,000
Listing Related Expenses		
Prospectus Submission Fee to DSE & CSE	Fixed	10,000
DSE & CSE Listing- Initial Fees	@ 0.25% on Tk. 100 million and 0.15% on the rest amount of paid up capital; maximum Tk. 2 million for each exchanges	3,124,700
DSE and CSE Annual Fee	Fixed	200,000
BSEC Fees		
Application Fee	Fixed	10,000
BSEC Consent Fee	@ 0.15% on entire offer	1,892,550
IPO Related Fees		
Underwriting Commission	Commission @ 0.5 % on Underwritten Amount	3,154,250
Bankers to the issue fee	Commission @ 0.1% of Collected Amount	6,308,500
Credit Rating Fees	At actual	172,500
CDBL Fees and Expenses:		
Security Deposit	Fixed	500,000
Annual Fee	Fixed	100,000
Documentation Fee	Fixed	2,500
Connection Fee	Fixed	6,000
IPO Fees	@0.0175% of issue size+0.0175% of Pre-IPO paid up capital	331,730
Printing and Post Public Offer Expenses:	Currently estimated (to be paid at actual)	
Publication of Prospectus & Application forms		1,000,000
Abridge Version in 4 daily news paper		700,000
Collection of forms, data processing, allotment & refund		10,230,000
Expense for conducting lottery		700,000
Administrative & Stationary Expense		700,000
Grand Total		**31,442,730**

REVALUATION OF COMPANY'S ASSETS AND SUMMARY THEREOF

The company revalued some of its fixed assets twice, first time on a cut-off date of June 30, 2010 and second time on a cut-off date of June 30, 2011. The summary of the revaluation is provided below:

Particulars	Revaluation Conducted on Cut-off Date of June 30, 2010	Revaluation Conducted on Cut-off Date of June 30, 2011
Valuer's Name	Sarwar Salamat & Co. Chartered Accountants Panel B Auditor	Khan Wahab Shafique Rahman & Co. Chartered Accountants Panel A Auditor
Valuer's Address	Modern Mansion (11th Floor) Room No. 1/A 53 Motijheel C/A, Dhaka 1000	Rupali Bima Bhaban (5th Floor) 7 Rajuk Avenue Motijheel C/A, Dhaka 1000
Date of Valuation Report Signing	August 19, 2010	February 28, 2011
Cut-off Date of Revaluation	June 30, 2010	December 31, 2010
Purpose of Revaluation	To ascertain net worth of the company at current market price	To comply with BSEC's notification dated December 29, 2010 (Reference No. SEC/CMRRCD/2009-193/81/Admin)
Nature of revalued assets	Land, factory building and godown	Land, factory building and godown
Revaluation Surplus	BDT 840,462,029	BDT 193,215,483
Name and Qualification of Valuation Team Members	1. Mr. Sarwar Mahmood, FCA 2. Engr. Sunil Chandra Das, B.Sc. & M.Sc. in Civil Engg. FIE (B)	1. Mr. Md. Anisur Rahman, FCA 2. Mr. Subrata Pal, FCMA 3. Engg. Debashish Banarjee, B.Sc. in Civil Engg, MBA 4. Mr. Md. Zubaidul Islam M. Com., MBA 5. Mr. Md. Ashraful Alam M. Com. 6. Mr. Md. Mazbah Uddin M. Com.
Notable Valuation Works Done by the Valuer	1. Nandan Park Limited 2. Can Making and Printing Industries Limited 3. Padma Cement Industries Limited	1. Bangladesh Insulator and Sanitary Ware Limited 2. Khulna Newsprint Limited 3. Nortbangle Paper Mills Limited 4. Bangladesh Gas Field Limited 5. Satok Cement Limited 6. Kishorgonj Sugar Mills Limited

Summary of revaluation reserve made at cut-off date June 30, 2010:

Group of Fixed Assets	Depreciated Historical cost/ Tk. Dt. 30.06.2010	Deprciated Current cost/ Tk. Dt. 30.06.2010	Revaluation reserves Tk.
Land & land development	64,099,258	785,930,000	721,830,742
Building & civil works	85,982,380	201,048,722	115,066,342
Godown	8,897,059	12,462,003	3,564,945
Total	**158,978,696**	**999,440,725**	**840,462,029**

Summary of revaluation reserve made at cut-off date June 30, 2011:

Particulars	Asset Value before Revaluation (Tk.)	Revalued Amount (Tk.)	Revaluation Surplus (Tk.)
Land & land development	785,930,000	929,491,253	143,561,253
Building & civil works	201,048,722	249,787,638	48,738,916
Godown	12,462,003	13,377,317	915,314
Total	**999,440,725**	**1,192,656,208**	**193,215,483**

TRANSACTION BETWEEN SUBSIDIARY/ASSOCIATE/HOLDING COMPANY AND ISSUER

Matin Spinning Mills Limited does not have any holding or subsidiary company. However, their only associated company is DBL Ceramics Limited which was incorporated as a private limited company in March 14, 2009 and has not commenced its commercial operation yet. MSML holds 25% stake of the company. The nature and value of transaction between MSML and DBL Ceramics Limited in last four years have been summarized below:

As per Audited Accounts

Name of the related party	Relationship	Nature of transaction	Value of transactions (BDT)				
			2012-2013	2011-2012	2010-2011	2009-2010	2008-2009
DBL Ceramics Limited	Associated Company	Working Capital	51,556,898	(34,104,135)	(99,424,192)	(58,848,339)	Nil
		Interest receivable	15,490,174	21,161,433	11,648,055	Nil	Nil
		Share Money	Nil	Nil	50,800,000	Nil	Nil
		Share Capital	Nil	Nil	23,750,000	1,250,000	Nil

AUDITOR'S CERTIFICATE REGARDING PAID-UP CAPITAL OF MATIN SPINNING MILLS LIMITED

We being the auditor's of Matin Spinning Mills Limited (the company) and after due verification of books and accounts of the company, do hereby confirm that the paid up capital of the company is Tk. 633,900,000 as on February 10, 2013 divided into 63,390,000 shares of Tk 10 each. The number of shares has been calculated considering the face value of shares Tk. 10 each because the denomination of shares has been converted from Tk. 100 per share to Tk. 10 per share on August 05, 2010. The summary of allotment of shares against paid up capital since incorporation to 10.02.2013 is as follows:

Particulars of Allotment	Date of Allotment	Number of Shares Issued			Amount of Shares Capital (BDT)
		Cash	Bonus	Other than cash	
First (Subscription to the Memorandum & Articles of Association at the time of Incorporation)	15th September, 2002	10,000	-	-	100,000
Second	22nd July, 2003	990,000	-	-	9,900,000
Third	20th June, 2005	8,000,000	-	-	80,000,000
Forth	7th May, 2006	6,000,000	-	-	60,000,000
Fifth	17th June 2010	-	10,500,000	-	105,000,000
Sixth	12th October 2010	9,110,000	-	-	91,100,000
Seventh	25th October 2010	-	7,650,000	-	76,500,000
Eighth	15th January 2013	-	21,130,000	-	211,300,000
Total		**24,110,000**	**39,280,000**	**-**	**633,900,000**

This is also certified that the amounts shown against paid-up capital as cash considered was deposited in the company's bank account.

Sd/-

Dhaka
Dated: February 10, 2013

Masih Muhith Haque & Co.
Chartered Accountants

AUDITORS' CERTIFICATE REGARDING ANY ALLOTMENT OF SHARES TO THE DIRECTORS AND THE SUBSCRIBERS TO THE MEMORANDUM OF ASSOCIATION AND ARTICLE OF ASSOCIATION FOR ANY CONSIDERATION OTHERWISE THAN FOR CASH

This is to Certify that, Matin Spinning Mills Limited, BGMEA Complex (12th Floor), 23/1 Panthapath Link Road, Kawran Bazar, Dhaka 1215, Bangladesh has made the following Shares allotment for any consideration other than for Cash (Bonus Issue) as on January 15, 2013.

Description	Status	Face Value	Qty of Shares	Value(TK)
Ordinary Shares Issued on June 17, 2010	Ordinary (Bonus)	10	10,500,000	105,000,000
Ordinary Shares Issued on October 25, 2010	Ordinary (Bonus)	10	7,650,000	76,500,000
Ordinary Shares Issued on January 15, 2013	Ordinary (Bonus)	10	21,130,000	211,300,000
Total			**39,280,000**	**392,800,000**

Sd/-

Dated : February10, 2013

(Masih Muhith Haque & Co.)
Chartered Accountants

DECLARATION REGARDING NON SUPPRESSION OF MATERIAL INFORMATION

This is to declare that, to the best of our knowledge and belief, no information, facts or circumstances, which should be disclosed have been suppressed, which can change the terms and conditions under which the offer has been made to the public.

For Issuer,

Sd/-

M.A. Jabbar
Managing Director & Director
Matin Spinning Mills Limited

Section VIII

Information about Directors & Officers

DIRECTORS OF THE COMPANY

Name	Designation	Age	Experience	Educational Qualification	Nominated by	Period of Nomination
Abdul Wahed	Chairman	60	21	B.Sc.	N/A	N/A
M.A. Jabbar	Managing Director & Director	52	14	B.Sc. in Computer Science	N/A	N/A
M.A. Rahim	Director	51	12	M.Com	N/A	N/A
M.A. Quader	Director	50	11	B.A	N/A	N/A
Selina Parveen	Director	41	21	B.A	N/A	N/A
Tanzeen Rahim	Director	41	03	B.A	N/A	N/A
Taslima Begum	Director	36	03	H.S.C.	N/A	N/A
Md. Hassan Imam	Director	34	04	B.B.A.	N/A	N/A

INFORMATION REGARDING DIRECTORS AND DIRECTORSHIP

Name	Designation	Date of becoming Director for the first time	Date of Expiration of Current Term*
Abdul Wahed	Chairman	07.09.02	2015
M.A. Jabbar	Managing Director & Director	07.09.02	2016
M.A. Rahim	Director	07.09.02	2014
M.A. Quader	Director	07.09.02	2014
Selina Parveen	Director	17.06.10	2015
Tanzeen Rahim	Director	17.06.10	2015
Taslima Begum	Director	17.06.10	2016
Md. Hassan Imam	Director	17.06.10	2016

*The directors of the company are subject to be retired by rotation according to Section 91 and Regulation 79-82 of Schedule I of The Companies Act, 1994.

DIRECTORS' INVOLVEMENT IN OTHER ORGANIZATION

Name	Designation in the Company	Directorship/ Sponsorship/ Ownership with other Organization	Position
Abdul Wahed	Chairman	Color City Limited	Chairman
		DBL Ceramic Limited	
		DB Tex Limited	
		Dulal Brothers Limited	
		Fashion Concern Limited	
		Flamingo Fashions Limited	
		Hamza Textiles Limited	
		Jinnat Apparels Limited	
		Jinnat Fashions Limited	
		Jinnat Knitwear Limited	
		Matin Knitwear Limited	
		Mymun Textiles Limited	
		Parkway Packaging and Printing Industries Limited	
		Thanbee Print World Limited	
		Mawna Fashions Limited	
		Textile Testing Services Limited	
		DBL Telecom Limited	
M.A. Jabbar	Managing Director & Director	Color City Limited	Managing Director
		DBL Ceramic Limited	
		DB Tex Limited	
		Dulal Brothers Limited	
		Fashion Concern Limited	
		Flamingo Fashions Limited	
		Hamza Textiles Limited	
		Jinnat Apparels Limited	
		Jinnat Fashions Limited	
		Jinnat Knitwear Limited	
		Matin Knitwear Limited	
		Mymun Textiles Limited	
		Parkway Packaging and Printing Industries Limited	
		Thanbee Print World Limited	
		Mawna Fashions Limited	
		Textile Testing Services Limited	

		DBL Telecom Limited	
M.A. Rahim	Director	Color City Limited	Director
		DBL Ceramic Limited	
		DB Tex Limited	
		Dulal Brothers Limited	
		Fashion Concern Limited	
		Flamingo Fashions Limited	
		Hamza Textiles Limited	
		Jinnat Apparels Limited	
		Jinnat Fashions Limited	
		Jinnat Knitwear Limited	
		Matin Knitwear Limited	
		Mymun Textiles Limited	
		Parkway Packaging and Printing Industries Limited	
		Thanbee Print World Limited	
		Mawna Fashions Limited	
		Textile Testing Services Limited	
		DBL Telecom Limited	
M.A. Quader	Director	Color City Limited	Director
		DBL Ceramic Limited	
		DB Tex Limited	
		Dulal Brothers Limited	
		Fashion Concern Limited	
		Flamingo Fashions Limited	
		Hamza Textiles Limited	
		Jinnat Apparels Limited	
		Jinnat Fashions Limited	
		Jinnat Knitwear Limited	
		Matin Knitwear Limited	
		Mymun Textiles Limited	
		Parkway Packaging and Printing Industries Limited	
		Thanbee Print World Limited	
		Mawna Fashions Limited	
		Textile Testing Services Limited	
		DBL Telecom Limited	

Selina Parveen	Director	Hamza Textiles Limited	Shareholder
Tanzeen Rahim	Director	Hamza Textiles Limited	Shareholder
Taslima Begum	Director	Hamza Textiles Limited	Shareholder

***** Application has been submitted to the Ministry of Commerce, Government of Bangladesh under Section 109 (2) of the Companies Act, 1994 to allow Mr. M. A. Jabbar, Managing Director of Matin Spinning Mills Limited, to continue as Managing Director of other companies.

FAMILY RELATIONSHIP AMONG DIRECTORS AND TOP OFFICIALS

Name of Directors/Officer	Position	Relationship
Abdul Wahed	Chairman	Brother of Mr. M.A. Jabbar, Mr. M.A. Rahim and Mr. M.A Quader and father of Mr. Md. Hassan Imam
M.A. Jabbar	Managing Director & Director	Husband of Mrs. Selina Parveen and brother of Mr. Abdul Wahed, Mr. M.A. Rahim and Mr. M.A. Quader
M.A. Rahim	Director	Husband of Mrs. Tanzeen Rahim and brother of Mr. Abdul Wahed, Mr. M.A. Jabbar and Mr. M.A. Quader
M.A. Quader	Director	Husband of Mrs. Taslima Begum and brothers of Mr. Abdul Wahed, Mr. M.A. Jabbar and Mr. M.A. Rahim
Selina Parveen	Director	Wife of Mr. M.A. Jabbar
Tanzeen Rahim	Director	Wife of Mr. M.A. Rahim
Taslima Begum	Director	Wife of Mr. M.A. Quader
Md. Hassan Imam	Director	Son of Mr. Abdul Wahed

Among the Directors mentioned above, only Mr. M.A. Jabbar acts as an officer of the company. Apart from the above, none of the company's top five officers has any direct blood relationship with the Directors.

SHORT BIO-DATA OF THE DIRECTORS

Abdul Wahed
Chairman

Abdul Wahed is a renowned business personality in the Textile Sector of Bangladesh. After completion Bachelor of Science, he started his professional life with construction business in the year 1982. Later in the year 1991, he along with his other three brothers ventured into Ready Made Garments export business by setting up a factory named as Dulal Brothers Ltd. His expertise in Textile technicality inspired Dulal Brothers Ltd. to invest in backward linkage industries of fabric knitting and dyeing which finally culminates into Matin Spinning Mills Ltd., a state-of-the-art spinning mill which is not only one of the best in Bangladesh but worth comparable with spinning mills across the world.

Mr. Wahed is a freedom fighter. He is a proactive member of different social organizations working in the fields of education, health, orphanage, etc. He is also an eloquent speaker being able to enthrall the audience in the various seminars he is participating on the social and business front.

M.A. Jabbar
Managing Director & Director

M.A. Jabber is a distinguished personality in the RMG sector of Bangladesh. He is the main architect of DBL Group. He completed his graduation in Computer Science from U.S.A. and acquired degree in Computer Science. Then he returned back to Bangladesh with a vision to make valuable contribution in the economy of the country. He has been instrumental in developing a good reputation of the company. Accordingly, he joined Dulal Brothers Ltd. as a Marketing Director and was able to achieve increasing export orders for garments, in particular from buyers in UK. His dynamic leadership brought in growth opportunities for the company resulting in setting up of more industries for Dulal Brothers Ltd. and the birth of the acronym DBL Group. His vision's first accomplishment came in the form of DBL Group getting the HSBC Export Excellence Award 2009 in category A for business having export volume above USD 50 million. His passion for excelling and cultivating innovation has roped in professionals from different fields to join DBL Group and explore their hidden talents. He is the chief architect of Vision 2020 through which DBL Group has to achieve a visible contribution to the GDP of Bangladesh before it steps into 2021, the Golden Jubilee celebration year of the country independence.

M.A. Rahim
Director

M. A. Rahim obtained his Master Degree in Management and began his professional career as a banker. His work experience in bank greatly helped in gaining insight into the commercial and finance aspect of businesses. He is the Head of Finance and Commercial operations of DBL Group. By virtue of his academic background and passionate working, he has put the financial & commercial management of the Group on sound footings. Under his dynamic leadership guidance, all the liability and term loan of DBL Group are being paid well ahead of schedule resulting in finance as being one of the key strength for the group.

M.A. Rahim is well known person in the RMG sector in Bangladesh. Rahim has been Ex-Director of BGMEA (Bangladesh Garments Manufacturers & Exporters Association) and BTMA (Bangladesh Textile Mills Association). Rahim is a philanthropist and actively involved in social development with various organizations throughout the country.

M.A. Quader
Director

M. A. Quader is 50 years of age. After completing Bachelor of Commerce, he immediately joined Dulal Brothers Limited and worked in garments production department. With sincere efforts, he was able to quickly learn the garments manufacturing operations. This led him to become a Director of Production in the garments division of DBL Group. Among his many achievements in the production department, he is credited with reduction in lead time of garments manufacturing. At present, he looks after Marketing and Operations of DBL Group. He maintains a close & cordial relation with the buyers for furtherance of business. He regularly attends a number of business seminars and workshops in Asia, Europe and USA.

Selina Parveen
Director
Selina Parveen has obtained her graduation as a Bechelor of Arts. She is wife of Mr. M.A Jabbar, Managing Director of the company. She is Director of Matin Spinning Mills Ltd. and also shareholder of Hamza Textiles Limited.

Tanzeen Rahim
Director

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

Taslima Begum
Director

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

Md. Hassan Imam
Director

Mr. Hassan Imam aged about 34 years joined in the company as a director on June 17, 2010. He is elder son of Mr. Adul Wahed, Chairman of the company. He has done his graduation from Ireland. Immediately after completing his studies he joined DBL Group as a trainee in merchandising department and later got trained in garments production and industrial engineering department. Presently, he is working on the Sustainability Development Programs of the company.

CREDIT INFORMATION BUREAU (CIB) REPORT

Neither the Company nor any of its directors or shareholders who hold 5% or more shares in the paid-up capital of the issuer is loan defaulter in terms of the CIB Report of Bangladesh Bank.

DESCRIPTION OF TOP EXECUTIVES AND DEPARTMENTAL HEADS

Name	Designation	Age (Years)	Date of Joining in MSML	Educational Qualification	Last Five Years Experience
Mr. M. A. Jabbar	Managing Director & Director	52	15.09.2002	B.Sc. in Computer Science	Matin Spinning Mills Limited
Mr. A. N. M. Anwarul Azim	Director-Technical	59	01.07.2004	B.Sc. in Engineering	Matin Spinning Mills Limited
Mr. Abdul Matin	Chief Financial Officer	53	01.08.2009	ACA	Matin Spinning Mills Limited, Integrated Services Limited [January 2004 to July 2009], Dhaka Club Limited [August 2001 to December 2003] & Duncan Brothers (Bangladesh) Limited [October 1989 to July 2001]
Mr. Shamimul Hoque	General Manager(Production)	43	01.04.2005	Textile Engineering	Matin Spinning Mills Limited
Mr. D.M. Abul Hossain	General Manager(Utilities)	58	01.03.2006	B.Sc. in Engineering	Matin Spinning Mills Limited
Mr. Md. Shah Alam Miah	Company Secretary	45	01.03.2012	FCS	Matin Spinning Mills Limited, M. I. Cement Factory Limited [August 2010 to February 2012], Diganta Media Corporation Limited [January 2009 to July 2010], Jayson Pharmaceuticals Limited [January 1990 to December 2008]
Mr. Azad Shahriaher	DGM-Maintenance	46	01.11.2006	B.Sc. in Engineering	Matin Spinning Mills Limited
Mr. Golam Kibria	Sr. Manager-HR & Admin.	48	01.01.2005	M.Com, L.L.B	Matin Spinning Mills Limited
Mr. Mohiuddin	Manager Quality	30	01.07.2006	Textile Engineering	Matin Spinning Mills Limited
Ms. Farzana Hussain	Manager-Sourcing	36	01.02.2005	MBA	Matin Spinning Mills Limited

INVOLVEMENT OF DIRECTORS AND OFFICERS IN CERTAIN LEGAL PROCEEDINGS

No director or officer of Matin Spinning Mills Limited was involved in any of the following types of legal proceedings in the last 10 (Ten) years:

(a) Any bankruptcy petition filed by or against any company of which any officer or director of the issuer company filing the prospectus was a director, officer or partner at the time of the bankruptcy.
(b) Any conviction of director, officer in a criminal proceeding or any criminal proceeding pending against him.
(c) Any order, judgment or decree of any court of competent jurisdiction against any director, officer permanently or temporarily enjoining, barring, suspending or otherwise limiting the involvement of any director or officer in any type of business, securities or banking activities.
(d) Any order of the Bangladesh Securities and Exchange Commission, or other regulatory authority or foreign financial regulatory authority, suspending or otherwise limiting the involvement of any director or officer in any type of business, securities or banking activities.

CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

The Directors of the Matin Spinning Mills Limited do not enjoy any facilitates other than remuneration received by Mr. M.A. Jabbar, Managing Director & Director. During the last two years, the company undertook the following transactions with its Directors and other.

As per Audited Accounts

Name of the related party	Relationship	Nature of transaction	Value of transactions (BDT)	
			2012-2013	2011-2012
M. A. Jabbar	Managing Director & Director	Basic Salary, House Rent and Conveyance	(6,000,000)	(4,800,000)

During the last two years, the company undertook the following transactions with following associate and sister concerns as per BAS 24 which is also reported in Note 38 of the audited financial for the year ended on June 30, 2013.

Name of the related party	Relationship	Nature of transaction	2012-2013			2011-2012		
			Value of transactions (BDT)*	Closing Balance		Value of transactions (BDT)*	Closing Balance	
				BDT	Status as at June 30, 2013		BDT	Status as at June 30, 2012
DBL Ceramics Limited	Associated Company	Working Capital Finance	51,556,898	140,819,768	Debtor	(34,104,135)	192,376,666	Debtor
		Interest receivable	15,490,174	48,299,663	Debtor	21,161,433	32,809,489	Debtor
		Share Money Deposit	-	50,800,000	Debtor	-	50,800,000	Debtor
		Share Capital	-	25,000,000	Debtor	-	25,000,000	Debtor
Flamingo Fashions Limited	Sister Concerns	Sale of yarn	1,036,912,404	327,144,981	Debtor	879,665,551	400,868,114	Debtor
Jinnat Fashions Limited	Sister Concerns	Sale of yarn	467,470,195	79,475,311	Debtor	458,756,518	43,808,169	Debtor
Jinnat Knitwears Limited	Sister Concerns	Sale of yarn	497,779,800	55,755,266	Debtor	608,533,223	47,779,980	Debtor
Jinnat Apparels Limited	Sister Concerns	Sale of yarn	161,102,005	196,659	Debtor	526,754,334	400,155,421	Debtor
		Office Rent	240,000	-		240,000	-	
Matin Knitwears Limited	Sister Concerns	Sale of yarn	71,917,850	16,004,051	Debtor	7,778,864	4,259,796	Debtor

* Values in parenthesis indicates cash outflow from MSML.

Except from the above, the company did not have any transaction during the last two years or any proposed transaction with any of the following persons:

(a) Any director or executive officer of the issuer;
(b) Any director or officer;
(c) Any person owing 5% or more of the outstanding shares of the Issuer;
(d) Any member of the immediate family (including spouse, parents, brothers, sisters, children and in-laws) of any of the above persons;
(e) Any transaction or arrangement entered into by the issuer of its subsidiary for a person who is currently a director or in any way connected with a director of either the issuer company or any of its subsidiaries/holding company or associate concerns, or who was a director or connected in any way with a director at any time during last three years prior to issuance of the Prospectus;
(f) The company has not taken or given any loan from or to any director or any other persons connected with the director. The company also has not taken any loan from any person who did not have any stake in the issuer, its holding company or its associate concerns;
(g) Directors' positions in other companies are included in Director's involvement in other organization(s) part of the Prospectus;
(h) There were no facilities whether pecuniary or non-pecuniary enjoyed by the Directors except remuneration received by Managing Director & Director as mentioned in **Certain Relationships and Related Transactions** part of the prospectus.

EXECUTIVE COMPENSATION

a) Remuneration Paid To Top Five Salaried Officers During Last Accounting Year FY12-13

Name	Designation	Amount (BDT)
Mr. Mohammed Abdul Jabbar	Managing Director & Director	6,000,000
Mr. A. N. M. Anwarul Azim	Technical Director	1,165,333
Mr. Abdul Matin	CFO	1,507,537
Mr. Shamimul Hoque	General Manager (Production)	1,019,730
Mr. Md. Abul Hossain	General Manager(Utilities)	893,059

b) Aggregate Amount of Remuneration Paid to the Directors and Officers during Last Accounting Year FY12-13

As per Audited Accounts

Particulars	Amount (BDT)
Directors' Remuneration (As per audited accounts)	6,000,000
Salaries and Allowances of Executives & Officers	33,350,573
Total	**39,350,573**

c) Remuneration paid to Director who was not an Officer of the Company

The Company did not pay any remuneration to any director who was not an officer during the last accounting year ended on June 30, 2013.

d) Future Compensation to Directors or Officers

There is no contract with any Director or officer providing for the payment of any future compensation.

e) Pay Increase Intention

Except for normal annual increment and allowances, there is no plan for substantial pay increase to its officers and directors in the current year.

OPTIONS GRANTED TO DIRECTORS, OFFICERS AND EMPLOYEES

The Company did not grant any stock option to any Officer, Director and all other officers of the Company or to any other person involved with the Company.

TRANSACTION WITH THE DIRECTORS AND SUBSCRIBERS TO THE MEMORANDUM

Benefit from the Company

The directors and subscribers of the company have not received any benefits other than remunearion received by Mr. M.A. Jabbar, Managing Director & Director which has also been disclosed in note 35 of the audited statement for the year ended June 30, 2013. Besides, there were following transactions with the Directors, subscribers to the memorandum and the company which have been presented below:

Name	Nature of Transaction	Value of Transaction (BDT)				
		2008-2009	2009-2010	2010-2011	2011-2012	2012-2013
M. A. Jabbar	Remuneration	(2,760,000)	(3,600,000)	(3,600,000)	(4,800,000)	6,000,000
Selina Parveen	Payment of Loan	-	(1,000,000)	(11,706,000)	-	-
Tanzeen Rahim	Payment of Loan	-	(1,000,000)	(11,451,150)	-	-
Taslima Begum	Payment of Loan	-	(1,000,000)	(11,350,000)	-	-

* The above figures mentioned in paranthesis indicate cash outflow from the company

Other than the transactions mentioned above, the company has not received any assets, services or other considerations from its Directors and subscribers to the memorandum except fund against allotment of shares and dividend in the form of bonus share.

Directors and Subscribers' assets to the Company

The directors and subscribers of the memorandum of the company have not transferred any asset to the company but deposited share money as required. Subsequently, shares were allotted to the Directors and subscribers of the memorandum of the company.

AUDITOR'S CERTIFICATE REGARDING NET ASSETS PER SHARE AND TANGIBLE ASSETS PER SHARE

Particulars	As at 30-Jun-13 Tk.
Non Current Assets	
Property, plant and equipment	1,860,788,189
Capital work-in-Progress	7,717,317
Long term Investment	97,595,300
A.Total non current assets	**1,966,100,806**
B. Total tangible non current assets	**1,966,100,806**
Current Assets :	
Cash and bank balances	442,317,404
Accounts receivable	501,278,510
Inventories	510,087,596
Advances, deposits and prepayments	235,649,026
Due from sister concerns	189,119,431
C.Total current assets	**1,878,451,967**
D.Total Assets (A+C)	**3,844,552,774**
E. Total tangible assets (B+C)	**3,844,552,774**
Non current liabilities :	
Long term bank loan	220,442,922
Deferred tax liability	79,602,452
F.Total non current liabilities	**300,045,374**
Current liabilities :	
Accounts payable	108,722,878
Short term bank loan	781,972,806
Current portion of long term loan	197,482,484
Provision & accruals	191,147,734
G.Total current liabilities	**1,279,325,901**
H. Total liabilities & provision (F+G)	**1,579,371,275**
I. Net assets value (D-H)	**2,265,181,499**
SHARE HOLDERS EQUITY	
J. Share capital	**633,390,000**
Issued, subscribed & paid up capital	633,900,000
K. Reserve & surplus	**1,631,281,499**
Retained earnings	549,749,575
Tax holiday reserves	86,718,548
Revaluation reserves	994,813,376
L. Total share holders equity (J+K)	**2,265,181,499**
M. Number of share	**63,390,000**
N . Net assets value per share with revaluation reserve (I / M)	**35.73**
O. Net tangible assets value (E-H)	**2,265,181,499**
P. Net tangible assets value per share (O/M)	**35.73**
Q. Net Assets value	**2,265,181,499**
Less: Revaluation reserves	(994,813,376)
Net assets value without revaluation reserves	**1,270,368,123**
Net assets value per share without revaluation reserves	**20.04**

Sd/-

Dhaka — **Masih Muhith Haque & Co.**

Dated: December 11, 2013 — Chartered Accountants

OWNERSHIP OF THE COMPANY'S SECURITIES

Name of the Shareholder	Designation	Address	No. of Shares*	Pre-IPO % of Shareholding*	Post-IPO % of Shareholding
Abdul Wahed	Chairman	102, Green Road, Tejgaon, Dhaka 1215	5,849,250	9.23%	6.00%
M.A.Jabbar	Managing Director & Director		5,849,250	9.23%	6.00%
M.A. Rahim	Director		5,849,250	9.23%	6.00%
M.A. Quader	Director		5,849,250	9.23%	6.00%
Md. Hassan Imam	Director		2,130,000	3.36%	2.18%
Selina Parvin	Director		2,130,000	3.36%	2.18%
Tanzeen Rahim	Director		2,130,000	3.36%	2.18%
Taslima Begum	Director		2,130,000	3.36%	2.18%
Flamingo Fashions Limited	N/A		2,448,000	3.86%	2.18%
Jinnat Apparels Limited	N/A		29,025,000	45.79%	29.77%
Total			**63,390,000**	**100%**	**65.02%**

SHAREHOLDER'S HOLDING 5% OR MORE SHARES

Name of the Shareholder	Designation	Address	No. of Shares*	Pre-IPO % of Shareholding*	Post-IPO % of Shareholding
Abdul Wahed	Chairman	102, Green Road, Tejgaon, Dhaka 1215	5,849,250	9.23%	6.00%
M.A. Jabbar	Managing Director & Director		5,849,250	9.23%	6.00%
M.A. Rahim	Director		5,849,250	9.23%	6.00%
M.A. Quader	Director		5,849,250	9.23%	6.00%
Jinnat Apparels Limited	N/A		29,025,000	45.79%	29.77%
Total			**63,390,000**	**82.70%**	**53.77%**

SECURITIES OWNED BY THE OFFICERS

No officer of the company holds any share of the company. The following person act as both director and officer of the company and hold shares of the company as follows:

Name of the Shareholder	Designation	Address	No. of Shares*	Pre-IPO % of Shareholding*	Post-IPO % of Shareholding
M.A.Jabbar	Managing Director & Director	102, Green Road, Tejgaon, Dhaka 1215	5,849,250	9.23%	6%

DETERMINATION OF OFFERING PRICE

Over a short term, even a reasonably well functioning market may depict irrational and abrupt price movements due to investors' exuberance. However, considering a reasonable investment horizon, market provides a fair approximation of consensus value of a particular security according to its exposure to various risk factors and potentials for growth. In a well functioning market, where all the investors are assumed to be rational and risk averse, the investors would not pay more for a particular security with given risk profile than they would for an otherwise similar security. As a result, a rational investor expects the market to reveal the fundamental value of the securities being traded. Nevertheless, in a market with numerous investors and participants, there would be differences in risk aversion, rate of required return and investment horizon. Hence, while deriving at the valuation of the shares of Matin Spinning Mills Limited, the perspective of a prudent investor has been taken into consideration for simplicity. The essential valuation methods delineated by SEC (Public Issue) Rules, 2006, have been followed.

Based on the various valuation methods an issue price of BDT 37 for each share of Matin Spinning Mills Limited has been determined. The detail calculation is provided below.

(i) Valuation based on Net Asset Value per Share

While deriving at the valuation of the common stock, the Net Asset Value per share of Matin Spinning Mills Limited has been taken into consideration. The table in the following page illustrates the calculation of Net Asset Value per share at historical basis based on the audited accounts as at June 30, 2013:

Particulars	As at June 30, 2013 (Figures in Taka)
Ordinary share capital	633,900,000
Retained earnings	549,749,575
Tax holiday reserve	86,718,548
Revaluation reserve	994,813,376
Total Shareholder's Equity	**2,265,181,499**
Outstanding no. of Ordinary Share as on June 30, 2013	63,390,000
Net Asset Value per Share with Revaluation Reserve	**35.73**
Net Asset Value per Share without Revaluation Reserve	**20.04**

(ii) Valuation based on EPS Calculated on the basis of weighted average Net Profit after Tax

We have calculated the weighted average Earnings Per Share (EPS) of the company by Considering Net Profit after Tax (NPAT) from June 30, 2009 to June 30, 2013 and multiplied by the market P/E multiple to derive at the earning based value per share of the company.

Sl.	Year Ended on June 30	Number of Shares	Weight on Total Number of Shares	Net Profit After Tax (BDT)	Weighted Net Profit After Tax (BDT)
A	2009	15,000,000	7.96%	81,183,199	6,463,287
B	2010	25,500,000	13.53%	123,924,558	16,772,338
C	2011	42,260,000	22.43%	281,267,620	63,087,785
D	2012	42,260,000	22.43%	205,500,562	46,093,380
E	2013	63,390,000	33.64%	251,825,222	84,725,868
F	**Total**	**188,410,000**	**100.00%**	**943,701,161**	**217,142,659**
G	Current no. of shares				63,390,000
H	Weighted Average EPS				3.43
I	Relevant P/E Multiple*				14.56
J	**Earnings-based-value per share (BDT) [H X I]**				**49.86**

* Calculation of relevant P/E multiple: (Source:DSE)

Month	Market P/E	Textile Sector P/E
September' 13	14.36	16.08
October' 13	14.23	16.39
November' 13	15.08	18.19
Average	**14.56**	**16.89**
Relevant P/E Multiple [Lower of three month average P/E of Market and Textile Sector]		**14.56**

Summary of valuation

Particulars	Valuation (BDT)
Valuation based on Net Asset Value per Share with Revalution Reserve	**35.73**
Valuation based on Net Asset Value per Share without Revalution Reserve	**20.04**
Valuation based on weighted average EPS	**49.86**

Based on the above valuation methodologies as per Securities and Exchange Commission (Public Issue) Rules 2006, the issue price of the company in consultation with the Issue Manager is proposed at **BDT 37** per share including a premium of **BDT 27** per share.

MARKET FOR THE SECURITIES BEING OFFERED

The issuer shall apply to all the stock exchanges in Bangladesh with 7 (Seven) working days from the date of consent accorded by the Commission to issue prospectus.

The issuer will apply at:

Dhaka Stock Exchange Limited
9/E, Motijheel Commercial Area, Dhaka 1000
Chittagong Stock Exchange Limited
CSE Building, 1080, Sheikh Mujib Road, Chittagong 4100

DECLARATION ABOUT LISTING OF SHARES WITH STOCK EXCHANGE(S)

None of the stock exchange(s), if for any reason, grants listing within seventy five (75) days from the closure of subscription, any allotment in terms of this prospectus shall be void and the company shall refund the subscription money within fifteen days from the date of refusal for listing by the stock exchanges, or from the date of expiry of the said seventy five (75) days, as the case may be.

In case of non-refund of the subscription money within the aforesaid fifteen (15) days, the company's directors, in addition to the issuer company, shall be collectively and severally liable for refund of the subscription money, with interest at the rate of 2% (Two Percent) per month above the bank rate, to the subscribers concerned.

The Issue Manager, in addition to the Issuer Company, shall ensure due compliance of the above mentioned conditions and submit compliance report, thereon, to the Commission within seven (7) days of expiry of the aforesaid fifteen (15) days time period allowed for refund of the subscription money.

DESCRIPTION OF SECURITIES OUTSTANDING OR BEING OFFERED

Dividend, Voting, Preemption Rights

The share capital of the company is divided into ordinary shares and is eligible to receive dividend in terms of the relevant provisions of the Companies Act, 1994 and the Articles of Association of the company. All Shareholders shall have the usual voting right in person or by proxy or power of attorney in connection with, among others, selection of Directors and Auditors and other usual General Meeting whether ordinary or extraordinary. On a show of hands every shareholder present and every duly authorized representative of a shareholder present at a General Meeting shall have one vote and on a poll every shareholder present in person or by proxy shall have one vote for every share held by him/her. In case of any additional issue of shares for raising further capital, the existing shareholders shall be entitled in terms of the guidelines issued by BSEC time to time.

Conversion and Liquidation Rights

If the Company at any time issues convertible preferences shares or debentures with the consent of BSEC or/and other regulatory authority, such holders of securities shall be entitled to convert such securities into ordinary shares if it is so determined by the Company.

In terms of the provisions of the Companies Act, 1994, Articles of Association of the Company and other relevant rules in force, the shares, if any, of the company are freely transferable. The company shall not charge any fee for registering transfer of bonds. No transfer shall be made to firms, minors or persons of unsound mind.

Dividend Policy

1. The profit of the company, subject to any special right relating thereto created or authorized to be created by the Memorandum of Association and subject to the provision of the Articles of Association, shall be divisible among the members in proportion to the capital paid up on the shares held by them respectively.

2. The Company in General Meeting may declare dividend to be paid to the members according to their rights and interests in the profits and may fix the time of payment. But no larger dividend shall be declared than is recommended by the Directors, but the Company at its General Meeting may declare a smaller dividend. The declaration of Directors as to the amount of net profit of the company shall be conclusive.

3. No dividend shall be payable except out of profits of the company or any other undistributed profits. Dividend shall not carry interest as against the Company.

4. The Directors may, from time to time, pay the members, such interim dividend, as in their judgment, the financial position of the Company may justify.

5. A transfer of shares shall not pass the right to any dividend declared thereon before the registration of transfer.

6. There is no limitation on payment of dividends to common stockholders.

Other Rights of the Shareholders

In terms of provisions of the Companies Act 1994, Articles of Association of the Company and other relevant rules in force, the shares of the Company are transferable. The Company shall not charge any fee, other than Government duties for registering transfer of shares. No transfer shall be made to a minor or person of unsound mind.

The shareholders shall have the right to receive all periodical reports and statements, audited as well as un-audited, published by the company from time to time. The Directors shall present the financial statements as required under the law and Bangladesh Accounting Standards (BAS). Financial Statements will be prepared in accordance with the Bangladesh Accounting Standards, consistently applied throughout the subsequent periods and present with the objective of providing maximum disclosure as per law and Bangladesh Accounting Standard to the shareholders regarding the financial and operational position of the Company.

In case of any declaration of stock dividend by issue of bonus shares, all shareholders shall be entitled to it, in proportion to their shareholdings, on the date of book closure for the purpose.

The shareholder holding not less than 10% of the issued/fully paid up capital of the company shall have the right to requisition Extra-Ordinary General Meeting of the company as provided under Section 84 of the Companies Act, 1994.

DEBT SECURITIES

The Company has not issued any debt securities and has no future plan as such within six months.

Section X

Plan of Distribution

UNDERWRITING OF SHARES

Initial Public Offering (IPO) for 34,100,000 Ordinary Shares of BDT 10 each at an issue price of BDT 37 per share including a premium of BDT 27 each worth 1,261,700,000 (BDT Taka One Twenty Six Crore Seventeen Lacs Only). As per BSEC's guideline 50% of the said 34,100,000 ordinary shares i.e. 17,050,000 ordinary shares at an issue price of of BDT 37 per share each including a premium of BDT 27 each amounting to BDT 630,850,000 (BDT Sixty Three Crore Eight Lacs Five Thousand Only) has been underwritten by the following institutions:

Name of Underwriter	Number of Shares Underwritten	Amount (BDT)
BMSL Investment Lmited	1,023,000	37,851,000
EC Securities Limited	1,023,000	37,851,000
Green Delta Insurance Co. Ltd.	1,023,000	37,851,000
IDLC Investments Limited	9,889,000	365,893,000
Mutual Trust Bank Limited	1,023,000	37,851,000
Paramount Insurance Company Limited	1,023,000	37,851,000
Prime Finance Capital Management Limited	1,023,000	37,851,000
Sonali Investment Limited	1,023,000	37,851,000
Total	**17,050,000**	**630,850,000**

PRINCIPAL TERMS AND CONDITIONS OF UNDERWRITING AGREEMENT

1. If and to the extent that the shares offered to the public by a Prospectus authorized hereunder shall not have been subscribed and paid for in cash in full by the closing date, the Company shall within 10 (Ten) days of the closure of subscription call upon the underwriter in writing with a copy of said writing to the Bangladesh Securities and Exchange Commission, to subscribe for the shares not subscribed by the closing date and to pay for in cash in full for such unsubscribed shares within 15(Fifteen) days of the date of said notice and the said amount shall have to be credited into shares subscription account within the said period.

2. If payment is made by Cheque/Bank Draft by the underwriter it will be deemed that the underwriter has not fulfilled his obligation towards his underwriting commitment under the Agreement, until such time as the Cheque/Bank Draft has been en-cashed and the Company's account has been credited.

3. In any case within 7 (Seven) days after the expiry of the aforesaid 15(Fifteen) days, the Company shall send proof of subscription and payment by the underwriter to the Commission.

4. In the case of failure by the underwriter to pay for the shares under the terms mentioned above, the said Underwriter will not be eligible to underwrite any issue, until such time as he fulfils his

underwriting commitment under the Agreement and also other penalties as may be determined by the Commission may be imposed on him.

5. In case of failure by any underwriter to pay for the shares within the stipulated time, the Company/Issuer will be under no obligation to pay any underwriting commission under the Agreement.

6. In case of failure by the Company to call upon the underwriter for the aforementioned purpose within the stipulated time, the Company and its Directors shall individually and collectively be held responsible for the consequence and/or penalties as determined by the Bangladesh Securities and Exchange Commission under the law may be imposed on them.

COMMISSION FOR THE UNDERWRITERS

The company shall pay to the underwriters an underwriting commission at the rate of 0.5% of 50% of the IPO amount of the issue value of shares underwritten by them out of the Public Issue.

RELATIONSHIP OF OFFICERS OR DIRECTORS OF THE UNDERWRITER(S) WITH THE MEMBER OF BOARD OF THE COMPANY

No Officer or Director of the Underwriter(s) is presently engaged as the Director of the company.

LOCK-IN PROVISION

All issued shares of the issuer at the time of according consent to public offering shall be subject to a lock-in period of 3 (Three) years from the date of issuance of prospectus or commercial operation, whichever comes later.

Provided that the persons, other than directors and those who hold 5% or more, who have subscribed to the shares of the Company within immediately preceding 2 (Two) years of according consent, shall be subject to a lock-in period of 1 (One) year from the date of issuance of prospectus or commercial operation, whichever comes later.

The following table indicates the pre IPO shareholders position.

Name of Shareholder	Position	Number of Shares*	Pre-IPO % of Shareholding	Post-IPO % of Shareholding	Lock in Period from date of Prospectus Issuance
Abdul Wahed	Chairman	5,849,250	9.23%	6.00%	3 years
M.A. Jabbar	Managing Director	5,849,250	9.23%	6.00%	3 years
M.A. Rahim	Director	5,849,250	9.23%	6.00%	3 years
Mr. M.A. Quader	Director	5,849,250	9.23%	6.00%	3 years
Md. Hassan Imam	Director	2,130,000	3.36%	2.18%	3 years
Selina Parveen	Director	2,130,000	3.36%	2.18%	3 years
Tanzeen Rahim	Director	2,130,000	3.36%	2.18%	3 years
Taslima Begum	Director	2,130,000	3.36%	2.18%	3 years
Flamingo Fashions Limited	Shareholder	2,448,000	3.86%	2.18%	3 years
Jinnat Apparels Limited	Shareholder	29,025,000	45.79%	29.77%	3 years
Total		**63,390,000**	**100%**	**65.02%**	

REFUND OF SUBSCRIPTION MONEY

As per BSEC Notification Dated February 9, 2010, the issuer shall refund application money to the unsuccessful applicant of the public offer by any of the following manner based on the option given by the applicant in the application form;-

(a) Through banking channel for onward deposit of the refund money into the applicant's bank account as provided in the respective application form for subscription; or

(b) Through issuance of refund warrant in the name and address of the applicant as provided in the respective application form for subscription

Provided that, in case of deposit into the applicant's bank account, the applicant will bear the applicable service charge, if any, of the applicant's banker, and the issuer shall simultaneously issue a letter of intimation to the applicant containing, among others, the date and amount remitted with details of the bank through and to which bank such remittance has been effected."

SUBSCRIPTION BY AND REFUND TO NON-RESIDENT BANGLADESHIS (NRB)

1. A Non-Resident Bangladeshi shall apply either directly by enclosing a foreign demand draft drawn on a bank payable at Dhaka, or through a nominee by paying out of foreign currency deposit account maintained in Bangladesh or in Taka, supported by foreign currency encashment certificate issued by the concerned bank, for the value of securities applied for through crossed bank cheque marking “Account Payee only”.

2. The value of securities applied for by such person may be paid in Taka or US dollar or UK pound sterling or EURO at the rate of exchange mentioned in the securities application form.

3. Refund against oversubscription shall be made in the currency in which the value of securities was paid for by the applicant through Account Payee bank cheque payable at Dhaka with bank account number, Bank’s name and Branch as indicated in the securities application form. If the applicants’ bank accounts as mentioned in their IPO Application Forms are maintained with the Bankers to the Issue and other banks as mentioned below, refund amount of those applicants will be directly credited into the respective bank accounts as mentioned in their IPO Application Forms.

AVAILABILITY OF SECURITIES

1. Securities

Sl.	Securities	No. of Shares	Total Amount (BDT)
A.	20% of IPO of Ordinary Shares are reserved for affected small investors (ক্ষতিগ্রস্ত ক্ষুদ্র বিনিয়োগকারী)	6,820,000	252,340,000
B.	10 % of IPO of Ordinary Shares shall be reserved for Mutual funds and Collective Investment schemes registered with the Commission	3,410,000	126,170,000
C.	10 % of IPO of Ordinary Shares are reserved for Non-Resident Bangladeshis	3,410,000	126,170,000
D.	60 % of IPO of Ordinary Shares shall be opened for Subscription by the General Public	20,460,000	757,020,000
	Total	**34,100,000**	**1,261,700,000**

2. All as stated in 1 (A), 1(B), 1(C) and 1(D) shall be offered for subscription and subsequent allotment by the Issuer, subject to any restriction, which may be imposed, from time to time, by the Bangladesh Securities and Exchange Commission.
3. In case of over-subscription, under any of the categories mentioned in the clause 1(A), 1(B), 1(C) and 1(D) the Issue Manager shall conduct an open lottery of all the applications received under each category separately in accordance with the letter of consent issued by the Bangladesh Securities and Exchange Commission.
4. In case of under-subscription, under any of the 20% and 10% category as mentioned in clause 1(A), 1(B) and 1(C), the unsubscribed portion shall be added to the general public category, and, if after such addition there is over-subscription in the general public category the issuer and the issue manager shall jointly conduct an open lottery of all the applicants added together.

5. In case of under-subscription of the public offering, the unsubscribed portion of shares shall be taken up by the underwriter(s).
6. The lottery as stated in clause (3) and (4) should be conducted in the presence of the representatives of Issuer, Stock Exchange(s) and the applicants, if there be any.

ALLOTMENT

The company reserves the right of accepting any application, either in whole, or in part, successful applicants will be notified by the dispatch on an allotment letter by registered post/courier. Letter of allotment and refund warrants will be issued within 5(five) weeks from the closing of the subscription. After allotment the company will have to transfer the shares to the allotees' Beneficiary Owners (BO) account, which has been mentioned in the application form.

The company shall issue share allotment letter to all successful applicants, within 5(five) weeks, from the date of the subscription closing date. At the same time, the unsuccessful application shall be refunded with the application money within 5 (five) weeks from the closing of the subscription date, by Account Payee Cheque, without interest payable at Dhaka/Chittagong/Khulna/Rajshahi/Barisal/Sylhet as the case may be.

Where allotment is made, in whole or in part in respect of joint application, the allotment letter will be dispatched to the person whose name appears first in the application form notwithstanding that the shares have been allotted to the joint applicants. Where joint applicant is accepted in part, the balance of any amount paid on application will be refunded without interest to the person named first in the application form.

APPLICATION FOR SUBSCRIPTION

1. Application for shares may be made for a minimum lot of 200 ordinary shares to the value of BDT 7,400 (Taka Seven Thousand Four Hundred Only) and should be made on the company's Printed Application Forms. Application Forms and Prospectus may be obtained from the Registered Office of the Company, members of Dhaka Stock Exchange Limited, Chittagong Stock Exchange Limited, or from the Bankers to the issue. In case, adequate Forms are not available, applicants may use photocopied/ cyclostyled/ handwritten/typed copies of the Forms. Applications must not be for less than 200 shares. Any application not meeting this criterion will not be considered for allotment purpose.

2. Joint application form for more than two (2) persons will not be accepted. In the case of joint application, each party must sign the application form.

3. Application must be in full name of individuals, or limited companies, or trusts or societies, and not in the name of firms, minors or persons of unsound mind. Applications from insurance, financial and market intermediary companies and limited companies must be accompanied by Memorandum and Articles of Association.

4. **An applicant cannot submit more than two applications, one in his/her own name and the other jointly with another person. In case an applicant makes more than two applications, all applications will be treated as invalid and will not be considered for allotment purpose. In addition 15% (fifteen) of the application money will be forfeited by the Commission and the balance amount will be refunded to the applicant.**

5. **The applicant shall provide with the same bank account number in the application form as it is in the BO account of the application.**

6. **The applicants who have applied for more than two applications using same bank account, their application will not be considered for lottery and the Commission will forfeit 15% (fifteen) of their subscription money too.**

7. An IPO applicant shall ensure his/her BO account remains operational till the process of IPO (including securities allotment or refund of IPO application) is completed. If any BO account mentioned in the IPO application is found closed, the allotted security may be forfeited by BSEC.

8. Bangladeshi Nationals (including non-resident Bangladeshi Nationals working abroad) and foreign nationals shall be entitled to apply for shares.

9. Payment for subscription by investors other than Non-Resident Bangladeshi may be made to the said branches/offices of the banks mentioned in the application forms in Cash/Cheque/Pay Order/Bank Draft. The Cheque/ Pay Order/ Bank Draft shall be made payable to the bank to which it is sent and be marked "**Matin Spinning Mills Limited**", shall bear the crossing "**A/C Payee Only**" and must be drawn on a bank in the same town of the bank to which application form is deposited.

10. All completed application forms together with remittances for the full amount, payable on application, shall be lodged by investors other than Non-Resident Bangladeshis with any of the branches of the Bankers to the Issue.

11. A Non-Resident Bangladeshi (NRB) shall apply against the IPO either directly by enclosing a foreign demand draft, drawn on a bank payable at Dhaka, or through a nominee (including a Bank or a Company) by paying out of foreign currency deposit account maintained in Bangladesh, for the value of securities applied for.

    The value of securities applied for may be paid in Taka, US Dollars, UK Pound Sterling or EURO at the spot buying (TT Clean) rate of exchange prevailing on the date of opening of subscription. Refund against over subscription of shares shall be made in the currency in which the value of shares applied for was paid by the applicant. Shares application form against the quota for NRB shall be sent by the applicant directly along with a bank draft or cheque to the company at its registered office. Copies of application form and prospectus shall be available with the Bangladesh Embassy/High Commission in USA, UK, Saudi Arabia, UAE, Qatar, Kuwait, Oman, Bahrain, Malaysia, and South Korea and on the website of the BSEC, Issuer Company, Issue Manager, DSE and CSE.

12. The IPO subscription money collected from investors (other than Non-Resident Bangladeshis in US Dollar or UK Pound Sterling or EURO) by the Bankers to the Issue will be remitted to the "**Matin Spinning Mills Limited**" Interest Bearing Account No. 1501202241119001 of BRAC Bank Limited for IPO purpose.

13. The subscription money collected from Non-Resident Bangladeshis in US Dollars or UK Pound Sterling or EURO shall be deposited to three FC accounts opened by the Company for IPO purpose are as follows:

Sl.	Name of FC Account	Currency	Account No.	Bank
1.	Matin Spinning Mills Limited	USD	1501202241119002	BRAC Bank Limited
2.	Matin Spinning Mills Limited	Euro	1501202241119003	
3.	Matin Spinning Mills Limited	GBP	1501202241119004	

14. In the case of over-subscription of securities to the NRB applicants, refund shall be made by Matin Spinning Mills Limited out of the "FC Account for IPO". Matin Spinning Mills Limited has already opened the aforesaid FC Accounts & Current Account and shall close these FC accounts after refund of over-subscription, if any.

15. ক্ষতিগ্রস্থ ক্ষুদ্র বিনিয়োগকারীগণ সকল পাবলিক ইসুতে একক অথবা যৌথ হিসাবের যে কোনটি অথবা উভয়টি হতে সংরক্ষিত ২০% কোটায় আবেদন করতে পারবেন। তবে তারা ইচ্ছা করলে ক্ষতিগ্রস্থ সংরক্ষিত ২০% কোটায় আবেদন না করে সাধারণ বিনিয়োগকারীদের জন্য নির্ধারিত কোটায়ও আবেদন করতে পারবেন।

APPLICATIONS NOT IN CONFORMITY WITH THE ABOVE REQUIREMENTS AND THE INSTRUCTIONS PRINTED ON THE APPLICANT FORM ARE LIABLE TO BE REJECTED.

TRADING AND SETTLEMENT

Trading and settlement regulation of the stock exchanges shall apply in respect of trading and settlement of the shares of the company.

The issue shall be placed in Category "N" with DSE and CSE.

BANKERS TO THE ISSUE

The following Banks have agreed to work as Bankers to the Issue for the IPO. The designated branch list for collection of IPO Subscription money is as follows:

Brac Bank Limited			
Asad Gate Br. Dhaka	Donia Br. Dhaka	Khulna Br. Khulna	Rampura Br. Dhaka
Agrabad Br. Chittagong	Eskaton Br. Dhaka	Manda Br. Dhaka	Rajshahi Br. Rajshahi
Banani Br. Dhaka	Grapics Building Br. Dhaka	Mirpur Br. Dhaka	Shyamoli Br. Dhaka
Bashundhara Br. Dhaka	Gulshan Br. Dhaka	Momin Road Br. Chittagong	Uttara Br. Dhaka
Barisal Br. Barisal	Halishohor Br. Chittagong	Narayangonj Br. Narayangonj	Zindabazar Br. Sylhet
Bogra Br. Bogra	Jessore Br. Jessore	Nawabpur Br. Dhaka	
CDA Avenue Br. Chittagong	Kazirdeuri Br. Chittagong	Patia Br. Chittagong	
Dhaka Bank Limited			
Barisal Br. Barisal	Cox's Bazar Br. Cox's Bazar	KDA anvenue Br. Khulna	Rangpur Br. Rangpur
Bogra Br. Bogra	Foreign Exchange Br. Dhaka	Khilgaon Br. Dhaka	Uttara Br. Dhaka
CDA Aveneue Br. Chittagong	Imamgonj Br. Dhaka	Mirpur Br. Dhaka	
Comilla Br. Comilla	Kawran Bazar Br. Dhaka	Rajshahi Br. Rajshahi	
First Security Islami Bank Limited			
Agrabad Br. Chittagong	College Gate Br. Gazipur	Jubilee Road Br. Chittagong	Rajshahi Br. Rajshahi
Ambarkhana Br. Sylhet	Comilla Br. Comilla	Khatungonj Br. Chittagong	Rangpur Br. Rangpur
Andar Killah Br. Chittagong	Cox's Bazar Br. Cox's Bazar	Khulna Br. Khulna	Ring Road Br. Dhaka
Azampur Br. Dhaka	Dhanmondi Br. Dhaka	Mirpur Br. Dhaka	Satkhira Br. Satkhira
Banani Br. Dhaka	Dilkusha Br. Dhaka	Mohakhali Br. Dhaka	Savar Br. Dhaka
Bangshal Br. Dhaka	Dinajpur Br. Dinajpur	Motijheel Br. Dhaka	Senanibash Br. Dhaka
Barisal Br. Barisal	Donia Br. Dhaka	Moulovibazar Br. Moulovibazar	Sylhet Br. Sylhet
Biswa Road Br. Dhaka	Faridpur Br. Faridpur	Mymensingh Br. Mymensingh	Taltola Br. Sylhet
Bogra Br. Bogra	Gobindagonj Br. Sunamgonj	Narayangonj Br. Narayangonj	Topkhana Road Br. Dhaka
Bohaddarhat Br. Chittagong	Gulshan Br. Dhaka	Pabna Br. Pabna	Uttara Br. Dhaka
Bonoshree Br. Dhaka	Hat Hazari Br. Chittagong	Patiya Br. Chittagong	Zirabo Br. Dhaka
Chawkbazar Br. Chittagong	Islampur Br. Dhaka	Patuakhali Br. Patuakhali	
Chokoria Br. Cox's Bazar	Jessore Br. Jessore	Probartak Mor Br. Chittagong	
Investment Corporation of Bangladesh			
Barisal Br. Barisal	Chittagong Br. Chittagong	Khulna Br. Khulna	Rajshahi Br. Rajshahi
Bogra Br. Bogra	Head Office, Dhaka	Local Office, Nayapaltan, Dhaka	Sylhet Br. Sylhet
Islami Bank BangladeshLimited			
Agrabad Br. Chittagong	Farmgate Br. Dhaka	Kushtia Br. Kushtia	New Market Br. Dhaka
Barisal Br. Barisal	Feni Br. Feni	Local Office, Dhaka	Pabna Br. Pabna
Bogra Br. Bogra	Foreign Exchange Br. Dhaka	Mirpur Br. Dhaka	Rajshahi Br. Rajshahi
Chawk Mugaltuly Br. Dhaka	Gulshan Br. Dhaka	Motijheel Br. Dhaka	Shyamoli Br. Dhaka
Chowmuhani Br. Noakhali	Jatrabari Br. Dhaka	Mouchak Br. Dhaka	Sylhet Br. Sylhet
Comilla Br. Comilla	Jessore Br. Jessore	Moulvi Bazar Br. Moulvi Bazar	Uttara Br. Dhaka
Cox's Bazar Br. Cox's Bazar	Khatunganj Br. Chittagong	Narayangonj Br. Narayangonj	
Dinazpur Br. Dinajpur	Khulna Br. Khulna	Nawabpur Road Br. Dhaka	
Mercantile Bank Limited			
Aganagar Br. Dhaka	Dholaikhal Br. Dhaka	Khulna Br. Khulna	Nayabazar Br. Dhaka
Agrabad Br. Chittagong	Dinajpur Br. Dinajpur	Madam Bibir Hat Br. Chittagong	O. R. Nizam Road Br. Chittagong
Banani Br. Dhaka	Elephant Road Br. Dhaka	Main Br. Dhaka	Progati Sarani Br. Dhaka
Barishal Br. Barishal	Engineers' Institution Br. Dhaka	Mazar Road Br. Dhaka	Rajshahi Br. Rajshahi
BeaniBazar Br. Sylhet	Feni Br. Feni	Mirpur Br. Dhaka	Rangpur Br. Rangpur
Bijoynagor Br. Dhaka	Green Road Br. Dhaka	Moghbazar Br. Dhaka	Ring Road Br. Dhaka
Board Bazar Br. Gazipur	Gulshan Br. Dhaka	Mohakhali Br. Dhaka	Satmasjid Road Br. Dhaka
Bogra Br. Bogra	Jessore Br. Jessore	Motijheel Br. Dhaka	Sheikh Mujib Road Br. Chittagong
Chittagong EPZ Br. Chittagong	Jubilee Road Br. Chittagong	Moulvibazar Br. Moulvibazar	Sylhet Br. Sylhet
Comilla Br. Comilla	Kawran Bazar Br. Dhaka	Naogaon Br. Naogaon	Uttara Br. Dhaka
Dhanmondi Br. Dhaka	Khatunganj Br. Chittagong	Narayangonj Br. Narayangonj	
Mutual Trust Bank Limited			
Agrabad Br. Chittagong	Elephant Road Br. Dhaka	Kushtia Br. Kushtia	Progati Sarani Br. Dhaka
Alankar Mour Br. Chittagong	Feni Br. Feni	Mohammadpur Br. Dhaka	Rajshahi Br. Rajshahi
Babu Bazar Br. Dhaka	Fulbaria Br. Dhaka	Moulvi Bazar Br. Sylhet	Rangpur Br. Rangpur
Banani Br. Dhaka	Gournadi Br. Barisal	MTB Corporate Centre Br. Dhaka	Savar Br. Dhaka
Bogra Br. Bogra	Gulshan Br. Dhaka	Narayanganj Br. Narayanganj	Shanir Akhra Br. Dhaka
CDA Avenue Br. Chittagong	Habigonj Br. Hobigonj	Pabna Br. Pabna	Sonargaon Br. Narayanganj
Dhanmondi Br. Dhaka	Jessore Br. Jessore	Pallabi Br. Dhaka	Sylhet Br. Sylhet
Dholaikhal Br. Dhaka	Jubilee Road Br. Chitatgong	Panthapath Br. Dhaka	Tongi Br. Dhaka
Dilkusha Br. Dhaka	Khatunganj Br. Chittagong	Principal Br. Dhaka	Uttara Model Town Br. Dhaka
National Bank Limietd			
Agrabad Br. Chittagong	Elephant Road Br. Dhaka	Lake Circus Br. Dhaka	Pahartali Br. Chittagong
Anderkillah Br. Chittagong	Faridpur Br.	Malibagh Br. Dhaka	Pragati Sarani Br. Dhaka
Asadgate Br. Dhaka	Feni Br.	Mirpur Br. Dhaka	Rajshahi Br.
Babubazar Br. Dhaka	Foreign Ex. Br. Dhaka	Mohakhali Br. Dhaka	Rangpur Br.
Banani Br. Dhaka	Gazipur Br. Gazipur	Mohammadpur Br. Dhaka	Rifles Square Br. Dhaka
Bandura Br. Dhaka	Gulshan Br. Dhaka	Motijheel Br. Dhaka	Rokeya Sarani Br. Dhaka

Bangshal Road Br. Dhaka	Halishahar Br. Chittagong	Moulvibazar Br. Moulvibazar	S.K. Mojib Road Br.
Barisal Br. Barisal	Imamganj Br. Dhaka	Muradpur Br. Chittagong	Savar Bazar Br. Dhaka
Bogra Br. Bogra	Islampur Br. Dhaka	Mymensingh Br. Mymensingh	Sunamgonj Br. Sunamgonj
CDA Avenue Br. Chittagong	Jatrabari Br. Dhaka	Narayangonj Br. Narayangonj	Sylhet Br. Sylhet
Chawk Bazar Br. Chittagong	Jessore Br. Jessore	Narsingdi Br. Narsingdi	Tangail Br. Tangail
Chowmuhani Br.	Jubille Road Br. Chittagong	Netaigonj Br. Narayanganj	Tongi Br. Gazipur
Comilla Br. Comilla	Kawran Bazar Br. Dhaka	New Eskaton Br. Dhaka	Uttra Br. Dhaka
Dhanmondi Br. Dhaka	Khantungonj Br. Chittagong	North Brook Hall Br. Dhaka	Z. H. Sikder MC Br. Dhaka
Dilkusha Br. Dhaka	Khulna Br. Khulna	Pagla Bazar Br.	Zindabazar Br. Sylhet
One Bank Limited			
Agrabad Br. Chittagong	Elephant Road Br. Dhaka	Khatunganj Br. Chittagong	Raipur Br. Laxmipur
Banani Br. Dhaka	Feni Br. Feni	Laksham Br. Comilla	Rajshahi Br. Rajshahi
Banasree Br. Dhaka	Ganakbari (EPZ) Br. Dhaka	Laldighipar Br. Sylhet	Ramganj Br. Laxmipur
Bangshal Br. Dhaka	Gulshan Br. Dhaka	Madhabdi Br. Narsingdi	Rangamati Br. Rangamati
Basabo Br. Dhaka	Imamganj Br. Dhaka	Maijdee Court Br. Noakhali	Satkhira Br. Satkhira
Bogra Br. Bogra	Islampur Br. Sylhet	Mirpur Br. Dhaka	Shahjadpur Br. Sirajgonj
CDA Avenue Br. Chittagong	Jagannathpur Br. Dhaka	Moghbazar Br. Dhaka	Sherpur Br. Moulvi bazar
Chandragonj Br. Lakshmipur	Jatrabari Br. Dhaka	Motijheel Br. Dhaka	Sirajgonj Br. Sirajgonj
Chowmuhuni Br. Noakhali	Jessore Br. Jessore	Nanupur Bazar Br. chittagong	Sitakunda Br. Chittagong
Comilla Br. comilla	Joypara Br. Dhaka	Narayanganj Br. Narayanganj	Sylhet Br. Sylhet
Cox's Bazar Br. Cox's Bazar	Jubilee Road Br. Chitatgong	Nawabgonj Br. Dhaka	Tongi Br. Gazipur
Dagon bhuiyan Br. Feni	Kakrail Br. Dhaka	Principal Br. Dilkusha, Dhaka	Uttara Br. Dhaka
Dhanmondi Br. Dhaka	Kawran Bazar Br. dhaka	Progoti Sharani Br. Dhaka	
Southeast Bank Limited			
Aganagar Br. Dhaka	Chowmuhani Br. Noakhali	Khatunganj Br. Chittagong	New Eskaton Br. Dhaka
Agrabad Br. Chittagong	Comilla Br. Comilla	Khulna Br. Khulna	Pahartali Br. Chittagong
Ashulia Br. Dhaka	Corporate Br. Dhaka	Konabari Br. Gazipur	Pathantula Br. Sylhet
Banani Br. Dhaka	Cox'x Bazar Br. Cosx's Bazar	Kulaura Br. Moulvibazar	Pragati Sarani Br. Dhaka
Bandar Bazar Br. Sylhet	Dhanmondi Br. Dhaka	Laldighipaar Br.Sylhet	Principal Br. Dhaka
Bangshal Br. Dhaka	Feni Br. Feni	Madambibir Hat Br. Chittagong	Rajshahi Br. Rajshahi
Barisal Br. Barisal	Gulshan Br. Dhaka	Madhabdi Br. Narshingdi	Rangpur Br. Rangpur
Bashundhara Br. Dhaka	Halishahar Br. Chittagong	Mohammadpur Br. Dhaka	Sat Mashjid Road Br. Dhaka
Bashurhat Br. Noakhali	Hetimgonj Br. Sylhet	Momin Road Br. Chittagong	Savar Br. Dhaka
Bogra Br. Bogra	Imamganj Br. Dhaka	Mouchak Br. Dhaka	Shahjalal Uposhahar Br. Sylhet
Brammon Baria Br. B. Baria	Joypara Br. Dhaka	Moulvibazar Br. Moulvibazar	Shaymoli Br. Dhaka
CDA Avenue Br. Chittagong	Jubilee Road Br. Chittagong	Naogaon Br. Naogaon	Tongi Br. Gazipur
Chhagalnaiya Br. Feni	Kakrail Br. Dhaka	Narayanganj Br. Narayanganj	Uttara Br. Dhaka
Chouhatta Br. Sylhet	Karwan Bazar Br. Dhaka	New Elephant Road Br. Dhaka	
Shahjalal Islami Bank Limited			
Agrabad Br. Chittagong	Dhanmondi Br. Dhaka	Jubilee Road Br. Chittagong	Motijheel Br. Dhaka
Banani Br. Dhaka	Foreign exchange Br. Dhaka	Kawran Bazar Br. Dhaka	Satmasjid Road Br. Dhaka
Bijoynagar Br. Dhaka	Gulshan Br. Dhaka	Khatungonj Br. Chittagong	Sylhet Br. Sylhet
Dhaka Main Br. Dhaka	Gulshan South Avenue Br. Dhaka	Mirpur Br. Dhaka	Uttara Br. Dhaka
The City Bank Limited			
Agrabad Br. Chittagong	Comilla Br. Comilla	Khatungonj Br. Chittagong	Principal office Br. Dhaka
Amborkhana Br. Sylhet	Cox's Bazar Br. Chittagong	Khulna Br. Khulna	Rajshahi Br. Rajshahi
Andarkilla Br. Chittagong	Dhanmondi Br. Dhaka	Moulvi Bazar Br. Sylhet	Rangpur Br. Rangpur
Bandar Bazar Br. Sylhet	Imamgonj Br. Dhaka	Narsingdi Br. Narsingdi	Shaymoli Br. Dhaka
Bangabandhu Road Br. N. Gonj	Islampur Br. Dhaka	Nawabgonj Br. Dhaka	Sirajgonj Br. Sirajgonj
Barisal Br. Barisal	Jessore Br. Jessore	Nawabpur Br. Dhaka	Tongi Br. Gazipur
B. B. Avenue Br. Dhaka	Johnson Road Br. Dhaka	New Market Br. Dhaka	VIP Road Br. Dhaka
Bogra Br. Bogra	Jubilee Road Br. Chittagong	Pahartoli Br. Chittagong	Zinda Bazar Br. Sylhet
Chawkbazar Br. Chittagong	Kawran Bazar Br. Dhaka	Pragati Sarani Br. Dhaka	Zinzira Br. Dhaka
Trust Bank Limited			
Ashugonj Br. Brahmanbaria	Elephant Road Br. Dahaka	Kawran Bazar Br. Dhaka	Rajshahi Br. Rajshahi
Ashulia Br. Dhaka	Feni Br. Feni	Khulna Br. Khulna	Rangpur Cantonment Br. Rangpur
Barishal Br. Barishal	Halishahar Br. Chittagong	Khwaja Y. Ali Medical Br. Sirajgonj	S.S. Cantonment Br. Tangail
Bogra Cantonment Br. Bogra	Jalalabad Cant. Br. Sylhet	Mirpur Br. Dhaka	Savar Cantonment Br. Dhaka
Chowmohoni Br. Chowmohoni	Jessore Cantonment Br. Jessore	Momenshahi Cantoment Br.	Shahjalal Uposhohor Br. Sylhet
Comilla Br. Comilla	Joydebpur Br. Gazipur	Narayangonj Br. Narayangonj	Tongi Br. Gazipur
Comilla Cantonment Br. Comilla	Joypara Br. Dhaka	Narsingdi Br. Narsingdi	Uttara Corporate Br. Dhaka
Dhanmondi Br. Dhaka	Kadamtali Br. Chittagong	Principal Br. Dhaka	
Dilkusha Corp. Br. Dhaka	Kafrul Br. Dhaka	Radisson Garden Hotel Br. Dhaka	

Section XII

Material Contract & Others

MATERIAL CONTRACT

1. Underwriting Agreements between the Company and the Underwriters.
2. Issue Management Agreement between the Company and IDLC Investments Limited.
3. Contract between the company and the Central Depository Bangladesh Limited (CDBL).

The copies of the aforementioned contracts and documents and a copy of Memorandum of Association and Articles of Association of the Company and the Consent Letter from BSEC may be inspected, on any working day, during office hours, at the Registered Office of the Company and the Issue Manager.

MANAGER TO THE ISSUE

IDLC Investments Limited, Eunoos Trade Center (Level 21), 52-53 Dilkusha C/A, Dhaka 1000 is acting as the Issue Manager. The issuer shall pay an amount of BDT 2,000,000 (Taka Two Million Only) as Issue Management Fee.

COMMISSION TO THE BANKERS TO THE ISSUE

Commission at the rate of 0.10% of the amount collected will be paid to the Bankers to the Issue for the services to be rendered by them.

Section XIII

Corporate Directory

Registered & Corporate Office	**Matin Spinning Mills Limited** BGMEA Complex (12th Floor) 23/1 Panthapath Link Road Karwan Bazar Dhaka 1215 Tel: 9127574, 9112679, 8140207-12 Fax: 8126876
Manager to the Issue	**IDLC Investments Limited** Eunoos Trade Center (Level 21) 52-53 Dilkusha C/A Dhaka 1000 Tel: 9571170 Fax: 9571171
Auditors	**Masih Muhith Haque & Co.** Chartered Accountants UTC Building (Level 13) 8 Panthopoth Dhaka 1215 Tel: 9144357, 9130657 Fax: 8119252
Credit Rating Agency	**Credit Rating Information and Services Limited (CRISL)** Nakshi Homes (4th Floor) 6/1A Segunbagicha Dhaka 1000 Tel: 9515807-8, 9514767-8 Fax: 9565783
Lead Banker-to-the-Issue	**BRAC Bank Limited** 1 Gulshan Avenue Gulshan, Dhaka 1212 Tel: 8836501-28 Fax: 9898910
Legal Advisor	**Mahmood Jabbar Khan** Barristers & Advocates Summit Centre (6th Floor) 18 Kawran Bazar, Dhaka 1215 Tel: 8152486-7 Fax: 9135916
Company's Compliance Officer	**Mr. Abdul Matin ACA** Chief Financial Officer Matin Spinning Mills Limited Tel: 8140801-12 Fax: 8140214

All investors are hereby informed that **Mr. Abdul Matin ACA,** Chief Financial Officer, would be designated as Compliance Officer who will monitor the compliance of the acts, rules, regulations, notifications, guidelines, conditions, orders/directions etc. issued by the Commission and/or stock exchange(s) applicable to the conduct of the business activities of the Company so as to promote the interest of the investors in the security issued by the Company, and for redressing investors' grievances.

Section XIV Auditors Report and Related Certificates

AUDITORS' REPORT
To
The Shareholders of Matin Spinning Mills Ltd

We have audited the accompanying financial statements of ***Matin Spinning Mills Limited*** which comprises the statement of financial positions as at June 30, 2013 and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements
Management is responsible for the preparation and fair presentation of these financial statements in accordance with Bangladesh Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility
Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Bangladesh Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amount and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion
In our opinion, the financial statements, prepared in accordance with Bangladesh Financial Reporting Standards (BFRS), give a true and fair view of the state of the company's affairs as at 30 June, 2013 and of the results of its operations and cash flows for the year then ended and comply with the Companies Act 1994, the Securities and Exchanges Rules 1987 and other applicable laws and regulations.

We also report that:

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 due verification thereof;
b) In our opinion, proper books of account as required by law have been kept by the company so far as it appeared from our examination of these books;
c) The statement of financial position and statement of comprehensive income dealt with by the report are in agreement with the books of account and returns; and
d) The expenditure incurred was for the purposes of the company's business.

Sd/-
(Masih Muhith Haque & Co.)
Chartered Accountants

Dated: Dhaka
September 15, 2013

Matin Spinning Mills Limited
Statement of Financial Position
as at 30 June 2013

	Notes	Amounts in Taka At 30 June 2013	At 30 June 2012
Assets			
Non - Current assets			
Property, plant and equipments	04/Annex i&ii	1,860,788,189	1,949,029,481
Investment	05	97,595,300	104,372,100
Capital work-in-process	06	7,717,317	1,285,473
		105,312,617	105,657,573
Total non - current assets		1,966,100,806	2,054,687,054
Current assets			
Cash and bank balances	07	442,317,404	328,629,294
Accounts receivable	08	501,278,510	911,731,299
Inventories	09	510,087,596	546,220,153
Advances, deposits and prepayments	10	235,649,026	72,557,248
Due from sister concerns	11	189,119,431	225,186,155
Total current assets		1,878,451,967	2,084,324,149
Total assets		**3,844,552,774**	**4,139,011,203**
Equity and liabilities			
Share capital	12	633,900,000	422,600,000
Retained earnings	13	549,749,575	512,652,318
Tax holiday reserves	14	86,718,548	86,718,548
Revaluation reserves	15	994,813,376	993,650,184
Total equity		2,265,181,499	2,015,621,050
Non-current liabilities			
Long term bank loan	16	220,442,922	378,578,258
Deferred tax liability	17	79,602,452	75,108,757
Total non-current liabilities		300,045,374	453,687,015
Current liabilities			
Accounts payable	18	108,722,878	35,509,138
Short term bank loan	19	781,972,806	1,283,098,824
Current portion of long term loan	20	197,482,484	206,067,901
Provision & accruals	21	191,147,734	145,027,275
Total current liabilities		1,279,325,901	1,669,703,138
Total equity and liabilities		**3,844,552,774**	**4,139,011,203**
NAV Per Share (With Revaluation reserves)	31.01	**35.73**	**47.70**
NAV Per Share (Without Revaluation reserves)	31.02	**20.04**	**24.18**

The accounting policies and explanatory notes form an integral part of the financial statements.

The financial statements were authorized for issue by the board of directors on September 5, 2013

Sd/-	Sd/-	Sd/-
Managing Director	**Director**	**Chief Financial Officer**

This is the statement of financial position referred to in our annex report

Sd/-

Dhaka

Dated : September 15, 2013

Masih Muhith Haque & Co.
Chartered Accountants

Matin Spinning Mills Limited
Income Statement
for the year ended 30 June 2013

	Notes	Year ended 30 June 2013	Year ended 30 June 2012
		Amounts in Taka	
Revenue	22	2,395,782,610	2,623,615,416
Cost of goods sold	23	(1,929,142,051)	(2,113,551,486)
Gross profit		**466,640,559**	**510,063,930**
Other income	24	35,436,631	7,585,365
		502,077,190	**517,649,295**
Administrative expenses	25	(63,961,420)	(51,146,685)
Distribution expenses	26	(691,668)	(328,405)
Net profit before finance cost		**437,424,103**	**466,174,205**
Finance costs	27	(113,601,534)	(198,521,080)
Net profit before workers' profit participation funds & tax		**323,822,568**	**267,653,125**
Contribution to workers' profit participation funds		(15,420,122)	(12,745,387)
Net profit before taxation		**308,402,446**	**254,907,738**
Income tax expenses	28.02	(50,920,337)	(40,719,480)
Deferred tax expenses	29	(5,656,887)	(8,687,696)
Net profit after tax		**251,825,222**	**205,500,562**
Earnings Per Share (EPS) (weighted average method)	30.01	**3.97**	**3.24**
Earnings Per Share (EPS) (Fully diluted basis)	30.02	**3.97**	**3.24**

The accounting policies and explanatory notes form an integral part of the financial statements.

The financial statements were authorized for issue by the board of directors on September 5, 2013

Sd/-	**Sd/-**	Sd/-
Managing Director	**Director**	**Chief Financial Officer**

This is the income statement referred to in our annex report

Dhaka
Dated : September 15, 2013

Sd/-
Masih Muhith Haque & Co.
Chartered Accountants

Matin Spinning Mills Limited

Statement of Comprehensive Income

for the year ended 30 June 2013

	Notes	Amounts in Taka Year ended 30 June 2013	 Year ended 30 June 2012
Net profit after tax for the year		251,825,222	205,500,562
Other comprehensive income for the year, net of tax:			
Deferred tax on other comprehensive income	**29.01**	1,163,192	1,227,596
Less: Unrealised loss for fair value adjustment	**5.02**	(3,427,965)	(2,919,220)
Total comprehensive income for the year		**249,560,449**	**203,808,938**

The accounting policies and explanatory notes form an integral part of the financial statements.

The financial statements were authorized for issue by the board of directors on September 5, 2013

Sd/-	Sd/-	Sd/-
Managing Director	**Director**	**Chief Financial Officer**

This is the statement of comprehensive Income referred to in our annex report

Sd/-

Dhaka
Dated : September 15, 2013

Masih Muhith Haque & Co.
Chartered Accountants

Matin Spinning Mills Limited

Statement of Cash Flows

for the year ended 30 June 2013

		Amounts in Taka	
		Year ended 30 June 2013	Year ended 30 June 2012
A.	**Cash Flows from Operating Activities**		
	Collection from customers	2,806,235,399	2,576,527,462
	Cash paid to suppliers and employees	(1,996,998,566)	(2,016,207,047)
	Cash generated from operations	**809,236,833**	**560,320,415**
	Interest/share of profit paid on loans	(113,601,534)	(198,521,080)
	Sale of cotton (local)	43,506,052	53,091,902
	Other Income	33,790,656	10,926,490
	Income tax paid	(20,220,000)	(19,450,000)
	Net cash from operating activities	**752,712,006**	**406,367,727**
B.	**Cash Flow from Investing Activities**		
	Acquisition of property, plant and equipment	(8,019,604)	(36,370,280)
	Capital work-in-process	(6,431,844)	(1,285,473)
	Devidend Income	430,800	-
	Share Sale/(Purchase) from Listed companies	6,776,800	(17,991,320)
	Net cash used in investing activities	**(7,243,848)**	**(55,647,073)**
C.	**Cash Flows from Financing Activities**		
	Long term loan received /(paid)	(166,720,753)	(118,899,540)
	Short term loan from/(repaid to) bank	(501,126,018)	(33,181,291)
	Inter-company debts received	-	141,472,368
	Inter-company debts Received/paid	36,066,724	(34,104,135)
	Net cash from/(used in) financing activities	**(631,780,048)**	**(44,712,597)**
D.	Net increase/(decrease) in cash and cash equivalents (A+B+C)	113,688,110	306,008,057
E.	Opening cash and cash equivalents	328,629,294	22,621,237
F.	**Closing cash and cash equivalents (D+E)**	**442,317,404**	**328,629,294**

The accounting policies and explanatory notes form an integral part of the financial statements.
The financial statements were authorized for issue by the board of directors on September 5, 2013

Sd/-	Sd/-	Sd/-
Managing Director	**Director**	**Chief Financial Officer**

This is the statement of cash flows referred to in our annex report

Sd/-

Dhaka
Dated : September 15, 2013

Masih Muhith Haque & Co.
Chartered Accountants

Matin Spinning Mills Limited

Statement of Changes in Equity

for the year ended 30 June 2013

Amounts in Taka

	Share capital	Share Money Deposits	Tax holiday reserves	Retained earnings	Revaluation reserves	Total
Year 2012						
Balance at 01 July	422,600,000	-	86,718,548	310,070,976	992,422,588	1,811,812,112
Net profit for the year	-	-	-	205,500,562	-	205,500,562
Bonus dividend (Stock)	-	-	-	-	-	-
Unrealised loss in marketable securities for fair value adjustment				(2,919,220)		(2,919,220)
Other comprehensive income net of tax					1,227,596	1,227,596
Balance at 30 June	**422,600,000**	**-**	**86,718,548**	**512,652,318**	**993,650,184**	**2,015,621,050**
Year 2013						
Balance at 01 July 2012	422,600,000	-	86,718,548	512,652,318	993,650,184	2,015,621,050
Net profit for the year	-	-	-	251,825,222	-	251,825,222
Bonus dividend (Stock)	211,300,000	-	-	(211,300,000)	-	-
Unrealised loss for fair value adjustment				(3,427,965)		(3,427,965)
Other comprehensive income net of tax					1,163,192	1,163,192
Balance at 30 June	**633,900,000**	**-**	**86,718,548**	**549,749,575**	**994,813,376**	**2,265,181,499**

The accounting policies and explanatory notes form an integral part of the financial statements.

The financial statements were authorized for issue by the board of directors on September 5, 2013

Sd/- **Managing Director**

Sd/- **Director**

Sd/- **Chief Financial Officer**

This is the statement of changes in equity referred to in our annex report

Sd/-

Masih Muhith Haque & Co.
Chartered Accountants

Dhaka
Dated : September 15, 2013

Matin Spinning Mills Ltd

Notes to the financial statements

For the year ended 30 June 2013

General

1. Reporting entity

1.1 Background of the Company

Matin Spinning Mills Limited (the company) was incorporated in Bangladesh on 15th September 2002 vide certificate of incorporation no. C-47083 (3562) of 2002 as a private limited company under the companies Act, 1994 having its registered office in Dhaka. The company was converted into public limited company on 4th November ,2010

1.2 Nature of Business

The company is a 100% export oriented backward linkage industry established to cater to the requirements of supply all types of cotton, viscose, polyester and cvc yarn to export oriented knit garments. The factory of the company situated at Sardagonj, Kashimpur, Gazipur, Dhaka. The company commenced commercial production on October 01, 2006.

2. Basis of preparation

2.01 Statement of compliance

The financial statements have been prepared in accordance with Bangladesh Financial Reporting Standards(BFRSs) and Bangladesh Accounting Standards(BASs), the Companies Act 1994, the Securities and Exchange Rules 1987 and other applicable laws and regulations.

The following Bangladesh Accounting Standards applied for the preparation of the financial statements for the period under review:

BAS - 1	Presentation of Financial Statements
BAS - 2	Inventories
BAS - 7	Statement of Cash Flows
BAS - 8	Fundamental Errors and Changes in Accounting Policy
BAS - 10	Events after the reporting period
BAS - 12	Income Taxes
BAS - 16	Property, Plant and Equipment
BAS - 18	Revenue
BAS - 21	The effects of changes in foreign exchange rates
BAS - 23	Borrowing Costs
BAS - 28	Investments in associates
BAS - 33	Earnings per Share
BAS - 37	Provisions, Contingent Liabilities and Contingent Assets.
BAS - 39	Financial instruments: Recognition & Measurement

2.02 Other regulatory compliances

In addition to the aforesaid, the Company is also required to comply with the following major legal provisions in addition to the Companies Act 1994 and other applicable laws and regulations:

The Income Tax Ordinance 1984
The Income Tax Rules 1984
The Value Added Tax Act 1991
The Value Added Tax Rules 1991
The Security & Exchange Commission Rules 1987

2.03 Date of authorisation

The Board of Directors has authorised the financial statements for issue on September 5, 2013

2.04 Functional and presentational currency

The financial statements are prepared in Bangladeshi Taka which is the company's functional currency. The figures of financial statements have been rounded off to the nearest integer.

2.05 Reporting period

Financial statements of the company covered one year from 01 July 2012 to 30 June 2013 and is followed consistently.

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 statement

Statement of Financial Position

Income Statement

Statement of Comprehensive Income

Statement of Cash Flows

Statement of Changes in Equity

Notes to the financial statements

3.02 Revenue recognition

Revenue comprises sale of goods by the company . Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, and net of returns, allowances and trade discounts.

Recognition Criteria :

i Significant risk and reward of ownership associated with the goods is transferred to the buyer.
ii Sale of goods of the company usually occurs at the time of delivery of goods along with invoices.
iii The company has no managerial involvement of the ownership of the goods.
iv The amount of revenue and the cost of the transaction can be measured reliably.
v It is probable that the economic benefit associated with the transaction will flow to the company.

3.03 Statement of Cash Flows

Statement of Cash Flows is prepared in accordance with BAS-7 " Statement of Cash Flows". The statement shows the structure of changes in cash and cash equivalents during the financial year. Statement of cash flows has been prepared under direct method.

3.04 Statement of Changes in Equity

Statement of changes in equity is prepared in accordance with BAS-1 " Presentation of Financial Statements". This statement reflects information about the increase or decrease in net assets or wealth.

3.05 Deferred tax liability

During 2010 Matin Spinning Mills Ltd changed its depreciation rates on fixed assets to current rates. As a result differences has been arised between accounting base and tax base on fixed assets. This change in accounting estimate has been accounted for retrospectively. The comparative statements for 2010 have been restated to conform to the changed accounting estimate. Rates applied for the calculation of deferred tax is 15 % for fixed assets other than land and 2 % for land.

3.06 Tax holidays reserves

The company has been granted Tax holiday for the period of four years with effect from 1st October 2006 by the National Board of Revenue (NBR) vide Memo No: 11(87) Anu-1/2006/1097 dated 02 September 2008.Which has been expired on 30 September 2010.

3.07 Inventories

Physical inventory has been taken at year end by the management which are valued at cost or net realizable value which ever 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.

3.08 Finance costs

Finance costs comprise interest expenses on bank loan and other borrowings and are recognised in the income statement using effective interest method.

3.09 Finance income

Finance income comprises of interest income on loan receivable from sister concerns. The rate of interest is 11% on monthly basis as per deed of agreement and realised on the basis of monthly receivable amount.

3.10 Workers profit participation fund

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

3.11 Property, plant and equipment

Property, plant and equipment are stated at cost or revaluation less accumulated depreciation thereon. Depreciation is charged under diminishing balance method on all fixed assets other than land and land development. Depreciation on current year's addition is charged for the full year irrespective of the date of acquisition. No depreciation is charged on disposal made during the year. The costs of the day-to-day servicing of Property, plant and equipment are recognised in the income statement as incurred.

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying amount of the asset and is recognised in the income statement.

Itemised depreciation rates are as follows:

Asset category	Rate of depreciation (%)
Land and land development	0
Factory building	5
Godown	10
Plant and machinery	10
Furniture and fixtures	10
Gas equipment	15
Generator	15
Office equipments	15
Electric installation	15
Deep tubewell	20
Vehicles	20

3.12 Current account with sister concerns

All the transactions with sister concern have been properly accounted for .

3.13 Foreign currency translation:

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

3.14 Provisions:

A provision is recognized in the balance sheet 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.

3.15 Going concern

The company has adequate resources to continue the operation for forseable future and hence, the financial statements has been prepared on going concern basis. Assessed by the management, there are no material uncertainties relating to events or conditions which may cause significant doubt upon the company's ability to continue as a going concern.

3.16 Cash and cash equivalents

Cash and cash equivalents include cash in hand and bank which are held available for use by the company without any restrictions.

3.17 Use of estimates and judgments

The preparation of financial statements in conformity with Bangladesh Financial Reporting Standards (BFRSs) and Bangladesh Accounting Standards (BASs) require management to make judgments, estimates and assumptions that affects the reported amounts of the assets and liabilities and discloser of the contingent assets and liabilities at the date of the financial statements, and revenue and expenses during the year has been reported. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recorded in the period in which the estimates are revised and in any future periods affected.

In particular, information about significant areas of estimation , uncertainty and critical judgment in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements are included in the following notes:

Note – 08	Accounts Receivable
Note – 09	Inventories
Note – 17	Deferred Tax Liability
Note – 18	Accounts Payable
Note – 21	Provision & accruals

		Amounts in Taka	
		At 30 June 2013	**At 30 June 2012**
04	**Property, plant and equipments**		
A	**ASSETS AT COST (Non Revalued Assets):**		
	Opening balance (at cost)	2,021,604,569	1,969,785,886
	Add : Additions	8,019,604	51,818,683
		2,029,624,173	2,021,604,569
	Less: Disposal/Adjustment	-	
	Closing balance (A)	2,029,624,173	2,021,604,569
	Accumulated Depreciation		
	Opening balance	1,089,430,338	990,251,585
	Add : Charges for the year	88,506,283	99,178,753
		1,177,936,621	1,089,430,338
	Less: Disposal/Adjustment	-	
	Closing balance (B)	1,177,936,621	1,089,430,338
	Written Down Value (A-B)	851,687,552	932,174,231
B	**REVALUED ASSETS :**		
	Opening balance (at revalued cost)	1,033,677,512	1,033,677,512
	Add : Additions	-	-
		1,033,677,512	1,033,677,512
	Less: Disposal/Adjustment	-	
	Closing balance (a)	1,033,677,512	1,033,677,512
	Accumulated Depreciation		
	Opening balance	16,822,262	8,638,289
	Add : Charges for the year	7,754,613	8,183,973
		24,576,875	16,822,262
	Less: Disposal/Adjustment	-	
	Closing balance (b)	24,576,875	16,822,262
	Written Down Value of Revaluation Assets (a-b)	1,009,100,637	1,016,855,250
	Total Written Down Value (A+B)	**1,860,788,189**	**1,949,029,481**

Details of fixed assets are shown in Annex i & ii

05 Investment

		2013	2012
Investment in equity of sister concern	5.01	25,000,000	25,000,000
Investment in marketable securities	5.02	21,795,300	28,572,100
Share Money Deposit(DBL Ceramics Ltd)		50,800,000	50,800,000
		97,595,300	104,372,100

5.01 Investment in equity of sister concern

Particular	No. of Share	% of Share	Face Value		
DBL Ceramics Ltd	250,000	25 %	100	25,000,000	25,000,000
				25,000,000	25,000,000

Note 1 : DBL Ceramics ltd is an associate company of Matin spinning mills ltd and the company was not in operation as on 30.06.2013. The capital works of the company is in progress.

Note 2 : Paid up capital of DBL Ceramics ltd is Tk. 100,000,000.

	Amounts in Taka	
	At 30 June 2013	At 30 June 2012
5.02 Investment in marketable securities		
Investment as on July 01,2012	28,572,100	13,500,000
Add: Addition during the year	-	25,560,000
Investment in marketable securities	28,572,100	39,060,000
Less : Realised gain /(loss)	(3,348,835)	(7,568,680)
Less: Unrealised gain /(loss) for fair value adjustment	(3,427,965)	(2,919,220)
Investment in marketable securities as on 30.06.2013	**21,795,300**	**28,572,100**

Particular	No. of Share	Rate	Cost Value	Market rate as on 30 June 2013	Market Value as on 30 June 2013
Al Arafah Bank Ltd	117,000	16.80	1,965,600	15.90	1,860,300
Dhaka Bank Ltd	105,500	23.92	2,523,560	23.90	2,521,450
Eastern Bank Ltd	75,000	31.11	2,333,250	27.00	2,025,000
IFIC Bank	27,500	42.06	1,156,650	21.90	602,250
Mercantile Bank Ltd	302,500	16.45	4,976,125	13.30	4,023,250
Mutual Trust Bank Ltd	132,000	23.73	3,132,360	17.10	2,257,200
One Bank Ltd	149,500	18.00	2,691,000	15.80	2,362,100
Standard Bank Ltd	111,500	16.60	1,850,900	16.30	1,817,450
Trust Bank Ltd	115,500	22.10	2,552,550	21.90	2,529,450
Uttara Bank Ltd	60,500	33.74	2,041,270	29.70	1,796,850
	1,196,500		25,223,265		21,795,300

	At 30 June 2013	At 30 June 2012
06 Capital work-in-process		
Mellange Project:		
Opening balance	1,285,473	1,285,473
Add: Addition during the period	6,431,844	-
Balance as on 30 June 2013	7,717,317	1,285,473
07 Cash and bank balances		
Cash in hand	2,353,938	391,631
Fixed Deposit	198,523,788	-
Bank balances with:		
Islami Bank Bangladesh Ltd		
Current account	4,341,995	12,252,518
Marginal deposit Account (Special)	1,642,383	18,379,601
Marginal deposit Account (Normal)	1,614,089	4,881,570
Marginal deposit Under Reserve	144,466	144,465
Foreign currency account	60,247,753	125,501,640
Exim Bank Ltd, STD account	2,837,796	159,355,286
Mercentile Bank Ltd		
STD account	1,039,547	129,625
Foreign currency account	28,279	24,341
Dhaka Bank Ltd		
STD account	329,963	338,561
HSBC Bank Ltd		
STD account	9,880,004	
Foreign currency account	11,553,772	
City Bank Ltd		
STD account	358,339	
Foreign currency account	80,250,209	3,653,557
Prime Bank Ltd		
STD account	3,412,012	3,576,498
Foreign currency account	63,759,070	
	442,317,404	328,629,294

		Amounts in Taka	
		At 30 June 2013	**At 30 June 2012**
08	**Accounts receivables**	**501,278,510**	**911,731,299**

Debtors have been stated at their nominal value. Debtors are accrued in the ordinary course of business.

Aging of the Debtors is given below:

	1-3 Month	3-6 Month	6 Month above	30 June 2013 Total	30 June 2012 Total
Sale of yarn	52,647,800	432,827,657	15,803,053	501,278,510	911,731,299
	52,647,800	**432,827,657**	**15,803,053**	**501,278,510**	**911,731,299**

I. Debt 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. The details of Accounts receivable are given below:

Particulars		
Bentex Industries Ltd	211,835	-
JK Knit Composite Ltd	105,826	-
Lithium Knit Fabrics Ltd	6,908,666	6,908,663
Virtual Knitwears Ltd	-	331,937
Utah Knitting & Design Ltd.	3,052,453	-
Jointex Knit Wears Ltd.	9,253,665	
Probashi Knitwears Ltd.	1,461,500	
Others	1,708,296	7,619,219
Sub total	**22,702,242**	**14,859,819**
Debts due by companies under the same management:		
Flamingo Fashions Ltd	327,144,981	400,868,114
Jinnat Apparels Ltd	196,659	400,155,421
Jinnat Fashions Ltd	79,475,311	43,808,169
Jinnat Knitwears Ltd	55,755,266	47,779,980
Matin Knitwears Ltd	16,004,051	4,259,796
Sub total	478,576,268	896,871,480
Grand Total	**501,278,510**	**911,731,299**

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

There is no such Accounts receivable in this respect as on 30 June 2013

III. Accounts receivable considered doubtful or bad

The Company does not make any provision for doubtful debts as on 30 June 2013

IV. Accounts receivable due by directors or other officers of the company

There is no such Accounts receivable in this respect as on 30 June 2013

V. Accounts receivable due by Common Management

There has been an amount of Tk 478,576,268 due as accounts receivable under common management.

VI. Reserve 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. Next course of action will be taken on the basis of the final decission of the High Court in this regards.

		Amounts in Taka	
		At 30 June 2013	At 30 June 2012

09 Inventories

	Note		
Raw cotton	9.01	339,027,596	339,655,944
Finished yarn	9.02	127,936,975	154,428,732
Packing materials	9.03	1,256,053	2,502,999
Work-in-process	9.04	20,194,627	24,329,276
		488,415,251	520,916,951
Spare parts	9.05	21,672,345	25,303,202
		510,087,596	546,220,153

Note: Quantity wise detail breakup of Packing Materials and Spare Parts could not be given as it was difficult to quantify each item as a separate and distinct category due to large variety of goods of packing materials and spare parts

09.01 Raw cotton

Raw Cotton Inventory is accounted as follows:

Taka

Particular		
Conventional Cotton	267,920,832	302,185,525
Organic Cotton	38,240,261	8,466,921
Synthetic Fiber	32,866,503	29,003,499
	339,027,596	339,655,944

Qty	**2012-2013**		**2011-2012**	
Particular	Quantity (KG)	Tk. Per Kg	Quantity (KG)	Tk. Per Kg
Conventional Cotton	1,455,377	184.09	1,589,258	190.14
Organic Cotton	242,027	158.00	32,632	259.47
Synthetic Fiber	218,545	150.39	150,412	192.83
Total	1,915,950		1,772,302	

09.02 Finished yarn

Finished goods Inventory is accounted as follows:

Taka

Particular		
Carded	61,867,062	89,131,179
Combed	46,598,635	36,013,616
Slub	4,097,812	4,228,449
Synthetic	15,373,466	25,055,488
Total	**127,936,975**	**154,428,732**

Qty	**2012-2013**		**2011-2012**	
Particular	Quantity (KG)	Tk. Per Kg	Quantity (KG)	Tk. Per Kg
Carded	225,116	274.82	320,383	278.20
Combed	142,560	326.87	115,225	312.55
Slub	12,661	323.66	12,480	338.83
Synthetic	60,617	253.62	90,237	277.66
Total	**440,953**		**538,325**	

		Amounts in Taka	
		At 30 June 2013	**At 30 June 2012**
09.03	**Packing materials**		
	Opening balance	2,502,999	2,867,791
	Purchase during the year	14,801,015	11,266,782
	Packing materials available for consumption	17,304,014	14,134,573
	Consumption during the year	16,047,961	11,631,574
	Closing balance	1,256,053	2,502,999

09.04 Work-in-process

Work-in-process Inventory is accounted as follows:

	Quantity (KG)		Amount in Taka	
Particular	**2012-2013**	**2011-2012**	**2012-2013**	**2011-2012**
Carding	2,816	4,020	481,958	704,827
B. Drawing	2,206	5,085	452,687	966,150
Combing	2,253	3,531	466,387	776,820
F. Drawing	4,404	3,455	919,587	691,000
Simplex	20,543	22,944	4,326,507	4,818,240
Ring Frame	39,600	52,420	8,910,000	12,056,600
Winding	2,600	2,152	650,000	557,368
Packing	15,950	13,964	3,987,500	3,758,271
Total	**90,372**	**107,571**	**20,194,627**	**24,329,276**

09.05	**Spare parts**		
	Opening Balance	25,303,202	13,511,980
	Add: Addition during the year	26,563,882	38,466,420
		51,867,084	51,978,400
	Less: Consumption during the year	30,194,739	26,675,198
	Closing balance	21,672,345	25,303,202

10	**Advances, deposits and prepayments**		
Advance against	**Note**		
Salary & Allowances		263,235	342,500
Construction	10.01	529,581	16,161,500
Expenses	10.02	46,655,752	24,449,297
		47,448,568	40,953,297
Security deposits			
Margin and deposit	10.03	180,335,188	22,390,381
Security deposit for Utilities	10.04	7,865,270	9,213,570
		188,200,458	31,603,951
		235,649,026	72,557,248

10.01	**Construction**		
	Advance against Land purchase	-	16,131,500
	Adv. Noor Nabi Contractor	-	30,000
	Adv. Agt. Local Purchase	176,333	-
	Lohajong Steel Corporation	114,350	-
	Rashida Enterprise	28,379	-
	Adv. Elias - Paint & Polish	10,519	-
	Project consultant & Construction	200,000	-
		529,581	16,161,500

		Amounts in Taka	
		At 30 June 2013	**At 30 June 2012**
10.02	**Expenses**		
	Bangla Trac Ltd	1,145,238	-
	MJL Bangladesh Ltd	202,540	-
	Prime Glass & Aluminium Centre	1,468,411	-
	Sarwar Salamat & Co	-	12,800
	Shahjahan & Brothers	-	460,000
	Trans Bangla Logistic	1,602,100	962,750
	Advance income Tax (10.02.01)	42,237,463	23,013,747
		46,655,752	**24,449,297**

10.02.01 Advance income Tax

Income Tax on Export	(Rule - 53 BBBl Islami Bank Ban Local Office	41,389,717	22,873,398
Tax on Interest Received (Bank)	(Rule - 53 F)	847,745	140,349
		42,237,463	23,013,747

Advance tax represents advance income tax deducted at source 0.8 % on export proceeds and 10 % on interest received from bank.

10.03 Margin and deposit

	Margin against Cotton	11,886,741	16,934,682
	Materials in Transit (Cotton)	167,490,708	365,492
	Machineries in Transit	957,739	5,090,207
		180,335,188	22,390,381
10.04	**Security deposit for Utilities**		
	Margin Against Bank Guarantee (Titas Gas)	7,771,430	7,119,730
	Security Deposit Against Land Rajuk(Uttara)	-	2,000,000
	Security Deposit for Electricity	93,840	93,840
		7,865,270	9,213,570

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

	1-3 Month	3-6 Month
Salary & Allowances	-	263,235
Construction	-	529,581
Expenses	-	46,655,752

a) All the advances & deposit amount are considered good and recoverable

b) Advances due from Employees are regularly being realised from their salaries

c) There is no advances due for payment for more than 6 months from the date of statement of financial position

d) There is no amount due from any Directors or officers 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	
		At	**At**
11	**Due from sister concerns**	**30 June 2013**	**30 June 2012**
(a)	**Due from sister concerns (Principal)**		
	DBL Ceramics Ltd.		
	Opening Balance	192,376,666	192,376,666
	Less: Adjustment during the year	51,556,898	-
	Sub total (a)	140,819,768	192,376,666
(b)	**Due from sister concerns (Interest)**		
	Associate company :		
	DBL Ceramics Ltd.		
	Opening Balance	32,809,489	
	Add: Interest charged during the year	15,490,174	32,809,489
	Sub total (b)	**48,299,663**	**32,809,489**
	Grand total	**189,119,431**	**225,186,155**

a) All the loan amount are considered good and recoverable.

b) Loan given to associate company, DBL Ceramics ltd under deed of agreement between Matin spinning mills ltd and DBL Ceramics ltd. The terms and condition of agreement are as follows.

Name of the company	**Relation of the company**	**Purpose of loan given**	**Tenor**	**Rate of interest**
DBL Ceramics Ltd.	Associate	Project	2 years	11 %

a) All the advances & deposit amount are considered good and recoverable

b) There is no advances due for payment for more than 6 months from the date of statement of financial position

c) There is no amount due from any Directors or officers of the company.

d) Debts considered good in respect of which the company is fully secured.

e) There are no debts due by directors or other officers of the company.

		Amounts in Taka	
		At 30 June 2013	**At 30 June 2012**

12 Share capital

Authorised			
150,000,000 ordinary shares of Taka 10 each		1,500,000,000	1,500,000,000
Issued and paid-up			
63,390,000 ordinary shares of Taka 10 each		633,900,000	422,600,000

Shareholding position is as follows :

Name of shareholder	% of Share	Number of shares	
Abdul Wahed	9.23	5,849,250	2,749,500
M.A. Jabbar	9.23	5,849,250	2,749,500
M.A. Rahim	9.23	5,849,250	2,749,500
M.A. Quader	9.23	5,849,250	2,749,500
Md. Hassan Imam	3.36	2,130,000	13,000
Selina Parvin	3.36	2,130,000	13,000
Tanzeen Rahim	3.36	2,130,000	13,000
Taslima Begum	3.36	2,130,000	13,000
Flamingo Fashions Ltd	3.86	2,448,000	7,360,000
Jinnat Apparels Ltd	45.79	29,025,000	19,350,000
Mymun Textile Ltd	-	-	4,500,000
	100.00	63,390,000	42,260,000

13 Retained earnings

Opening balance	512,652,318	310,070,976
Add: Profit made during the year	251,825,222	205,500,562
Less: Stock Dividend	(211,300,000)	-
Less: Unrealised loss for fair value adjustment	(3,427,965)	(2,919,220)
	549,749,575	512,652,318

14 Tax holiday reserves	86,718,548	86,718,548
	86,718,548	86,718,548

Note: Tax holiday reserve represents % of the net profit for the income years 2009-2010 & 2010-2011(3 month from July 2010 to September 2010) as per provisions of Section 46A(2) (A) of it as follows:-

Income Year 2009 -2010	49,569,824	49,569,824
Income Year 2010 -2011	37,148,724	37,148,724
	86,718,548	**86,718,548**

15 Revaluation reserves:

This balance consists of as follows:

Balance at the beginning of the year		993,650,184	992,422,588
Add: Addition during the year			
		993,650,184	992,422,588
Add: Deferred tax on revaluation reserve	29.01 (ii)	1,163,192	1,227,596
Balance as on 30 June 2013		994,813,376	993,650,184

	Amounts in Taka	
	At 30 June 2013	**At 30 June 2012**
16 Long Term bank loan		
Hire purchase under shirkatul melk - 24300087718	187,269,474	319,833,315
Hire purchase under shirkatul melk - 24300108712	-	4,239,965
Hire purchase under shirkatul melk - 24300133710	6,687,599	8,278,052
Hire purchase under shirkatul melk - 24300139514	-	2,696,273
Hire purchase under shirkatul melk - 24300151710	-	3,211,826
Hire purchase under shirkatul melk - 24300152610	15,573,369	24,297,306
Hire purchase under shirkatul melk - 24300158414	-	1,962,493
Hire purchase under shirkatul melk - 24300169902	10,912,481	14,059,028
	220,442,922	378,578,258

Bank	Loan Account	Particulars
Islami Bank Bangladesh Ltd	HPSM	Nature:HPSM Project investment Limit: Tk.1,095 million Purpose: Import of Machinery & Equipment Tenor: 8 Years excluding gestation period of 12 month from the date of first disbursement Repayment Clasue: 96 equal month installment to be calculated using annuity method. Repayment Period:8 Years Interest Rate:15.20 % P.A. Security Agreement: Primary: Ownership of the proposed machinery and other equipments Collateral: Registered mortgage of 26.69 bigha land and factory building and 6.16 bigha land of Mymun Textiles Ltd.

	Amounts in Taka	
	At 30 June 2013	**At 30 June 2012**

17 Deferred Tax Liability

Deferred tax assets and liabilities have been recognized and measured in accordance with the provision of BAS-12: Income taxes. Related deferred tax expenses/income have been disclosed in note: 3.05 Deferred tax assets and liabilities are attributable to the following:

	At 30 June 2013	At 30 June 2012
A. Deferred tax liability on historical cost		
Carrying amount other than revaluation reserve	851,687,552	932,174,231
Tax base	580,098,776	698,298,037
Taxable Temporary difference	271,588,775	233,876,194
Applicable tax rate	15%	15%
Deferred tax liability on historical cost	**40,738,316**	**35,081,429**
B. Deferred tax liability against revaluation reserve		
(i) **Deferred tax liability against revaluation reserve other than land**		
Carrying amount other than revaluation reserve	143,708,641	151,463,254
Tax base	-	-
	143,708,641	151,463,254
Applicable tax rate	15%	15%
	21,556,296	22,719,488
(ii) **Deferred tax liability on capital gain against revaluation of land**		
Carrying amount other than revaluation reserve	865,391,996	865,391,996
Tax base	-	-
	865,391,996	865,391,996
Applicable tax rate	2%	2%
	17,307,840	17,307,840
Deferred tax liability against revaluation reserve B (i + ii)	**38,864,136**	**40,027,328**
Total Deferred tax liability (A + B)	**79,602,452**	**75,108,757**

	Amounts in Taka	
	At 30 June 2013	At 30 June 2012

18 Accounts payable for

For suppliers- (18.1)	95,472,761	22,121,575
For expenses- (18.2)	12,349,414	13,043,525
For other finance- (18.3)	900,703	344,038
	108,722,878	35,509,138

18.1 Payable for suppliers

This represents amount payable for supply of raw materials, packing materials, utilities and other services. The details of suppliers are given below:

Particulars		
Abarani Electronics	327,299	-
Asgar Trading	2,095,757	1,281,582
M/S Abadi Traders	1,188,135	-
Energy Solutions Engineers	157,800	-
Bashundhara Steel Complex Ltd.	-	1,434,000
Bangla Trac Ltd	1,118,392	
S. I Trading	248,000	
Unique Sound Systems	331,750	-
CDI Cotton Distribution Inc	66,371,424	
Payable for C & F Charge	12,830,175	8,591,381
Payable for Transport Charge	4,671,380	490,524
Mohammadia Packaging.	383,260	323,760
Maa Enterprise	353,000	
Mita Engineering Ltd	-	587,900
Tyre & Battery Bazar	164,474	-
Others	5,231,915	9,412,428
Total	**95,472,761**	**22,121,575**

18.2 Payable for expenses

Salary & allowances	8,135,671	8,977,978
Overtime	545,943	1,049,713
Audit fees	225,000	200,000
Gas bill	2,577,425	2,761,274
Welfare Fund	572,836	54,560
Rent payable	240,000	-
Provident Fund	52,539	-
	12,349,414	13,043,525

18.3 Payable for other finance

Tax deducted at source (Salary)	358,630	195,716
Tax deducted at source (on Suppliers bill)	520,323	68,146
VAT Deducted at source (on Supplies bill)	21,750	80,176
	900,703	344,038

		Amounts in Taka	
		At 30 June 2013	**At 30 June 2012**
19	**Short term bank loan**		
	Margin Murabaha Post Import	-	373,514,845
	Time Loan	-	40,205,856
	Export Development Fund	764,544,347	670,824,906
	Loan against export bills :		
	Islami Bank Bangladesh Ltd	-	198,553,217
	HSBC Bank Ltd	17,428,459	-
		781,972,806	1,283,098,824

Bank	Loan Account	Particulars
Working capital financing in the form of: Global Limit: Tk. 1440 million		
Islami Bank Bangladesh Ltd	Margin Murabaha Post Import	Nature:MPI Purpose:Import of Raw Cotton Tenor: 1 Year on revolving basis Repayment Period:Any time of 1 Years Interest Rate:15.20 % P.A. to be determine by the bank from time to time Security Agreement: Hypo of Inventory,Mortage of land ,Building , Machineries and other equipments. Personal guarantee of all the directors of the company and mortgagors in their capacity, Post dated cheqes, The loans are also secured by registered by first charge on fixed and floating assets including book debts. Mode of financing: LC/Bill/MPI/Murabaha-TR/BG
	Export Development Fund (EDF)	Nature:EDF Purpose:Import of Raw Cotton Tenor: 1 Year on revolving basis Repayment Period:1 Year Interest Rate: 2.5% - 6% % P.A. Security Agreement: Hypo of Inventory,Mortage of land ,Building , Machineries and other equipments. Personal guarantee of all the directors of the company and mortgagors in their capacity, Post dated cheqes, The loans are also secured by registered by first charge on fixed and floating assets including book debts.
	Liability against export bills	Purpose:Working capital finance Tenor:90-120 days Interest Rate: 15.50% P.A to be determined by the bank from time to time Security Agreement: Hypo of Inventory,Mortage of land ,Building , Machineries and other equipments. Personal guarantee of all the directors of the company and mortgagors in their capacity, Post dated cheqes, The loans are also secured by registered by first charge on fixed and floating assets including book debts.

Bank	Loan Account	Particulars
Mercantile Bank Ltd	Time Loan	Nature:Time Loan Limit: Tk.400 million Purpose:Import of Raw Cotton Tenor: At sight Mode of Repayment :By creation of eventual LTR Interest Rate:14.50% - 16.00 % P.A.to be determine by the bank from time to time Security Agreement: Hypo of Inventory, machinery, equipment and other fixed assets. Registered mortgage of 83 decimal land with 12 storied factory building owned by Jinnat Knitwear Ltd.and Registered mortgage of 109 decimal land with construction factory building owned by Mawna Fashions Ltd, Personal Guarantee of all the Directors of the company. The loans are also secured by registered by first charge on fixed and floating assets including book debts.
	Liability against export bills	Purpose:Working capital finance Tenor:90-120 days Interest Rate: 14.00% - 14.50 % P.A to be determine by the bank from time to time Security Agreement: Export LC
The City Bank Limited	Working capital financing in the form of: Global Limit: Tk. 920 million	
	Sight LC	Nature:Sight LC Purpose:Import of Raw Cotton Tenor: At Sight Repayment Period:Any time of 1 Year Security Agreement: Personal Guarantees of key directors, Coporate Guarantee of Flamingo Fashions Ltd, Jinnat Apparels Ltd and Counter Guarantee of Borrowing company (against BG facilities)
	Export Development Fund (EDF)	Nature:EDF Purpose:Import of Raw Cotton Tenor: Maximum 180 days and as per regulatory guidelins. Repayment Period:1 Year Interest Rate: 2.5% plus LIBOR Security Agreement: Personal Guarantees of key directors, Coporate Guarantee of Flamingo Fashions Ltd, Jinnat Apparels Ltd and Counter Guarantee of Borrowing company (against BG facilities), A set of usual charge documents
	Short Term Loan	Nature:Short Term Loan Purpose:Import of Raw Cotton Tenor:Maximum 180 days Interest Rate: 13.00 % - 15.50 % P.A to be determine by the bank Security Agreement: Personal Guarantees of key directors, Coporate Guarantee of Flamingo Fashions Ltd, Jinnat Apparels Ltd and Counter Guarantee of Borrowing company (against BG facilities), A set of usual charge documents
	Bank Guarantee	Nature:Bank Guarantee Purpose:Favoring various shipping lines returing of containers Tenor:Maximum 90 days Security Agreement: Personal Guarantees of key directors, Coporate Guarantee of Flamingo Fashions Ltd, Jinnat Apparels Ltd and Counter Guarantee of Borrowing company (against BG facilities), A set of usual charge documents

Bank	Loan Account	Particulars
Prime Bank Limited	Export Development Fund (EDF)	Nature:EDF Limit: Tk.86.1 million Purpose:Import of Raw Cotton Tenor: At Sight Interest Rate: 2.5% plus LIBOR Security Agreement: Personal Guarantees of all the directors of the company supported by personal net worth statements, L/C related shipping documents, Lien on export L/C,Usual charge documents.
HSBC	Liability against export bills	Purpose:Working capital finance Limit: Tk. 46.60 million Tenor: 120 days Interest Rate: 4.50% P.A plus LIBOR Security Agreement: Export LC

		Amounts in Taka	
		At 30 June 2013	At 30 June 2011
20	**Current portion of long term loan**		
	Hire purchase under shirkatul melk - 24300087718	172,176,451	172,176,451
	Hire purchase under shirkatul melk - 24300108712	-	1,952,481
	Hire purchase under shirkatul melk - 24300133710	3,523,147	3,523,147
	Hire purchase under shirkatul melk - 24300139514	-	2,844,675
	Hire purchase under shirkatul melk - 24300151710	-	2,236,572
	Hire purchase under shirkatul melk - 24300152610	15,731,580	15,731,580
	Hire purchase under shirkatul melk - 24300153510	-	64,496
	Hire purchase under shirkatul melk - 24300158414	-	1,487,194
	Hire purchase under shirkatul melk - 24300169902	6,051,305	6,051,305
		197,482,484	206,067,901
21	**Provision & accruals**		
	Provision for Income Tax (21.01)	139,238,937	108,538,600
	Provision for workers' profit participation and welfare funds (21.02)	51,908,797	36,488,675
		191,147,734	**145,027,275**
21.01	**Provision for Income Tax**		
	Opening Balance	108,538,600	87,269,120
	Less: Income tax paid for the year 2009 -2010	-	(175,000)
	Less: Income tax paid for the year 2010 -2011	-	(19,275,000)
	Less: Income tax paid for the year 2011 -2012	(12,220,000)	
	Less: Income tax paid for the year 2012 -2013	(8,000,000)	
	Restated Balance	**88,318,600**	**67,819,120**
	Add: Provision for taxation		
	Income year (2012 - 2013)		
	For 12 months (Note - 28.02)	50,920,337	40,719,480
		139,238,937	**108,538,600**
21.02	**Provision for workers' profit participation and welfare funds**		
	Opening Balance	36,488,675	23,743,288
	Add: Addition during the year	15,420,122	12,745,387
		51,908,797	**36,488,675**

	Amounts in Taka	
	At 30 June 2013	At 30 June 2012

22 Revenue

	Quantity (Kg)		Taka	
	2012-2013	2011-2012	2012-2013	2011-2012
Export				
Combed Yarn	2,934,870	2,760,647	1,113,267,351	1,166,323,681
Carded Yarn	2,104,486	2,083,688	671,174,851	764,725,252
Synthetic Yarn	1,462,418	1,357,579	430,413,557	513,931,135
Slub Yarn	481,700	529,991	180,926,851	178,635,348
			2,395,782,610	2,623,615,416

Turn over in Quantity (Kg)
2012-2013

Product Type	Opening Stock	Production	Closing Stock	Sales during the year
	a	b	c	(a+b-c)
Combed Yarn	115,225	2,962,455	142,810	2,934,870
Carded Yarn	320,383	2,009,218	225,116	2,104,486
Synthetic Yarn	90,237	1,432,547	60,367	1,462,418
Slub Yarn	12,480	481,881	12,661	481,700
Total	**538,324**	**6,886,102**	**440,953**	**6,983,473**

2011-2012

Product Type	Opening Stock	Production	Closing Stock	Sales during the
	a	b	c	(a+b-c)
Combed Yarn	408,458	2,467,415	115,225	2,760,647
Carded Yarn	293,209	2,110,862	320,383	2,083,688
Synthetic Yarn	91,986	1,355,830	90,237	1,357,579
Slub Yarn	19,818	522,652	12,480	529,991
Total	**813,471**	**6,456,758**	**538,324**	**6,731,905**

23 Cost of goods sold

Raw Material consumption (Note-23.1)	1,590,714,418	1,742,637,226
Packing materials consumption (Note-23.2)	16,047,961	11,631,574
Manufacturing overhead (Note-23.3)	291,753,265	258,936,602
Cost of goods manufacturing	1,898,515,644	2,013,205,402
Opening work-in-process	24,329,276	24,197,003
Closing work-in-process	(20,194,627)	(24,329,276)
Cost of production	1,902,650,293	2,013,073,129
Opening stock of finished yarn	154,428,732	254,907,089
Closing stock of finished yarn	(127,936,975)	(154,428,732)
	1,929,142,051	2,113,551,486

	Amounts in Taka	
	At 30 June 2013	**At 30 June 2012**

23.1 Raw Material consumption

In Quantity (KG)

Opening Stock	1,772,302	1,571,380
Purchase during the year	8,691,019	7,912,232
Raw Material Available for Consumption	10,463,321	9,483,612
Closing Stock	1,856,722	1,772,302
Raw Material Consumed	8,606,598	7,711,310

In Taka

Opening balance	339,655,944	347,706,598
Purchase during the year	1,632,376,948	1,786,152,946
Raw Material available for consumption	1,972,032,892	2,133,859,543
Sale of cotton- local	(42,290,877)	(51,566,373)
Closing balance	(339,027,596)	(339,655,945)
	1,590,714,418	1,742,637,226

23.2 Packing materials consumption

Opening balance	2,502,999	2,867,791
Purchase during the year	14,801,015	11,266,782
Packing materials available for consumption	17,304,014	14,134,573
Closing balance	(1,256,053)	(2,502,999)
	16,047,961	11,631,574

Item wise quantity schedule with value given below:

Particular	Quantity (Pcs) 2012-2013	2011-2012		
Paper Cone	4,062,775	2,944,702	9,628,777	6,978,944
Polythene Bag	224,671	162,842	5,616,786	4,071,051
Sundries	-	-	802,398	581,579
Packing Materials	4,287,446	3,107,544	16,047,961	11,631,574

23.3 Manufacturing overhead

Salary and allowances	67,198,877	57,154,116
Repair and maintenance	21,855,690	16,175,208
BTMA certificate charges	681,387	483,700
Store and spare parts	30,194,739	26,675,198
Travelling & Conveyance	225,132	147,749
Crockeries and Canteen Expences	555,921	6,866
Factory stationeries	76,580	3,540
Fuel and lubricants- fork lift	315,220	659,995
Fuel and lubricants- Generator	41,233,350	17,226,595
Fuel and lubricants- vehicles	2,465,001	1,156,110
Gas bill	34,664,976	34,942,522
Inspection charges	55,800	194,300
Insurance premium	4,691,501	7,100,156
Testing fee	52,935	8,000
Workshop expenses	851,350	376,094
Depreciation	86,634,807	96,626,453
	291,753,265	258,936,602

		Amounts in Taka	
		At 30 June 2013	At 30 June 2012
24	**Other income**		
	Interest on inter company receivable*	15,490,174	21,161,433
	Foreign currency exchange gain/(loss)	8,013,087	(14,437,887)
	Gain / Loss on Investment in marketable securities	(3,348,835)	(7,568,680)
	Bank interest received	7,073,968	509,223
	Profit on sale of raw cotton (24.01)	1,215,175	1,525,529
	Sales of wastage	6,562,261	6,305,746
	Cash Dividend (Share Investment)	430,800	90,000
		35,436,631	7,585,365
24.01	Local sales of raw cotton	43,506,052	53,091,902
	Less : Cost of raw cotton	42,290,877	51,566,373
		1,215,175	**1,525,529**

* Interest has been accrued on inter company balance receivable on 30 June 2013 realizable on monthly basis as per

25	**Administrative expenses**		
	Salary and allowances	33,350,573	23,157,397
	Audit fees	225,000	200,000
	AGM Expenses	129,867	42,483
	Business development expenses	997,275	384,095
	Bank charges and commission	2,907,983	1,911,382
	Ceremonial expense	4,250	3,900
	Certificate and membership fees	283,024	534,294
	Computer repair maintenance	232,325	490,150
	Credit rating expenses	172,500	325,000
	Advertisement	830,110	10,000
	Contribution to Provident Fund	462,192	-
	Directors Remunaration (Note -35)	6,000,000	4,800,000
	Donation and subscription	644,100	66,110
	Entertainment	284,774	490,720
	Garden Expenses	29,148	80,742
	Internet charges	210,944	84,804
	Corporate Advisory Expenses	-	3,090,000
	Legal expenses	596,450	68,512
	Medicine and medical expenses	-	4,650
	Miscellaneous expenses	1,215,343	202,474
	News paper and periodicals	1,070	2,888
	Office maintenance	395,806	276,397
	Photocopy and type expenses	47,540	93,729
	Power and fuel - vehicles	796,658	285,731
	Printing & Stationery	839,811	667,338
	Rates and taxes	196,931	207,150
	Office Rent	240,000	240,000
	Registration and renewal	1,540,821	1,259,998
	Religious expenses	26,200	28,700
	Road toll	1,910	3,620
	Staff welfare	58,000	116,600
	Telephone bill	52,539	38,765
	Travelling expenses	415,246	42,110
	Uniform and levaries	162,600	164,284
	VAT on wastage sale	984,341	1,036,389
	Depreciation	9,626,090	10,736,273
		63,961,420	51,146,685

		Amounts in Taka	
		At 30 June 2013	**At 30 June 2012**
26	**Distribution expenses**		
	Sales commission	401,318	242,955
	Carriage outward	290,350	85,450
		691,668	328,405
27	**Finance cost**		
	Interest expenses		
	Bank Interest on hire purchase loan	47,632,639	64,110,500
	Bank interest on MPI	20,877,961	93,611,155
	Bank interest on Time Loan	213,454	10,547,983
	Bank interest on Export development fund	27,305,453	14,949,971
	Bank Interest loan on export bills	17,572,027	15,301,471
		113,601,534	198,521,080

28 Current Tax

Current tax expenses as per income tax ordinance is 15 % on taxable income during the year . Taxable income has arrived as followes:

		Amounts in Taka	
		At 30 June 2013	At 30 June 2012
28.01	Revenue	2,395,782,610	2,623,615,416
	Cost of sales	(1,929,142,051)	(2,113,551,486)
	Gross profit	**466,640,559**	**510,063,930**
	Other income	35,436,631	7,585,365
	General and administrative expenses	(63,961,420)	(51,146,685)
	Distribution expenses	(691,668)	(328,405)
	Financial expenses	(113,601,534)	(198,521,080)
		323,822,568	**267,653,125**
	Contribution to workers' profit participation and welfare funds	(15,420,122)	(12,745,387)
	Profit before tax	**308,402,446**	**254,907,738**

		Amounts in Taka	
		At **30 June 2013**	At **30 June 2012**
28.02	Profit before tax (01.07.2012 to 30.06.2013) (Note -28.01)	308,402,446	254,907,738
	Less: Other income considered separately	35,436,631	7,585,365
		272,965,815	**247,322,373**
	Add: Accounting Depreciation	96,260,896	107,362,726
	Less: Tax Depreciation	(126,218,865)	(157,096,726)
	Taxable Income	**243,007,847**	**197,588,373**
	Current Tax expenses on Taxable Income	36,451,177	29,638,256
	Income tax on Bank interest received	2,652,738	190,959
	Foreign currency exchange gain/(loss)	3,004,908	-
	Income tax on Interest receivable	5,808,815	7,935,537
	Profit on sale of local cotton	455,691	572,074
	Income tax on wastage sale	2,460,848	2,364,655
	Cash Dividend (Share Investment)	86,160	18,000
	Income Tax expenses	**50,920,337**	**40,719,480**

Provision for income tax has been calculated @ 15% on taxable income from operation under SRO 207 dated 30 June 2008 of NBR, 20 % on dividend income and 37.50 % on taxable other income.

		Amounts in Taka	
		At 30 June 2013	At 30 June 2012
29	**Deferred tax expenses for Income Statement**		
	Fixed assets:		
	Carrying amount	851,687,552	932,174,231
	Tax base	580,098,776	698,298,037
	Taxable Temporary difference	271,588,775	233,876,194
	Tax rate	15%	15%
	Deferred tax liabilities as on 30 June 2013	40,738,316	35,081,429
	Deferred tax liabilities 30 June 2012	35,081,429	26,393,733
		5,656,887	8,687,696
29.01	**Deferred tax for Statement of Comprehensive Income**		
(i)	**Deferred tax liability against revaluation reserve other than land**		
	Carrying amount other than revaluation reserve	143,708,641	151,463,254
	Tax base	-	-
		143,708,641	151,463,254
	Applicable tax rate	15%	15%
		21,556,296	22,719,488
(ii)	**Deferred tax liability on capital gain revaluation of land**		
	Carrying amount other than revaluation reserve	865,391,996	865,391,996
	Tax base	-	-
		865,391,996	865,391,996
	Applicable tax rate	2%	2%
		17,307,840	17,307,840
	Deferred tax liability against revaluation reserve (i + ii)	38,864,136	40,027,328
	Deferred tax liabilities 30 June 2012	40,027,328	41,254,924
	Deferred tax for Statement of Comprehensive Income	(1,163,192)	(1,227,596)
30	**Earnings Per Share (EPS)**		
30.01	**Earnings Per Share (EPS) (weighted average method)**		
	Net profit attributable to ordinary share holders	251,825,222	205,500,562
	Weighted average number of ordinary shares (Note:30.01.01) outstanding during the year	63,390,000	63,390,000
		3.97	3.24

Weighted average number of ordinary shares calculation as per BAS-33

30.01.01 Calculation of weighted average number of ordinary shares (2012-2013)

Date	No.of Shares	Fraction of period	Weighted average of shares
Balance as on 1st July-2010	25,500,000	365	25,500,000
12.10.2010			
Shares allotted in cash	9,110,000	365	9,110,000
25.10.2010			
Bonus shares	7,650,000	365	7,650,000
15.01.2013			
Bonus shares	31,695,000	365	21,130,000
Weighted average number of ordinary shares (2012 - 2013)			63,390,000

30.02 Earnings Per Share (EPS) (Fully diluted basis)

Net profit attributable to ordinary share holders	251,825,222	205,500,562
Fully diluted basis number of ordinary shares outstanding during the year	63,390,000	63,390,000
	3.97	3.24

31 Net Assets Value

31.01 Net Assets Value (With Revaluation reserves)

Total assets	3,844,552,774	4,139,011,203
Less: Total current liabilities	1,279,325,901	1,669,703,138
	2,565,226,873	2,469,308,065
Deduct:		
Long Term & deferred liabilities	300,045,374	453,687,015
	2,265,181,499	**2,015,621,050**
Number of Ordinary Share at Balance Sheet date	63,390,000	42,260,000
NAV - Per Share		
On share at balance sheet date	35.73	47.70

31.02 Net Assets Value (Without Revaluation reserves)

Total assets	3,844,552,774	4,139,011,203
Less: Revaluation Reserves	994,813,376	993,650,184
Less: Total current liabilities	1,279,325,901	1,669,703,138
	1,570,413,497	1,475,657,881
Deduct:		
Long Term & deferred liabilities	300,045,374	453,687,015
	1,270,368,123	**1,021,970,866**
Number of Ordinary Share at Balance Sheet date	63,390,000	42,260,000
NAV - Per Share		
On share at balance sheet date	20.04	24.18

32 Net Operating Cash Flow Per Share

Cash flows from operating activities as per statement of cash	752,712,006	406,367,727
Number of Ordinary Share at Balance Sheet date	63,390,000	42,260,000
Net Operating Cash Flow - Per Share (On share at balance sheet date)	11.87	9.62

Others

33 During the period from 01.07.12 to 30.06.2013 six board meetings were held. The attendance status of all the

Name of Directors	Position	Meeting Held	Attended
Abdul Wahed	Chairman	6	6
M.A. Jabbar	Managing	6	6
M.A. Rahim	Director	6	6
M.A. Quader	Director	6	6
Md. Hassan Imam	Director	6	6
Selina Parvin	Director	6	6
Tanzeen Rahim	Director	6	6
Taslima Begum	Director	6	6

34 Employee position for Matin Spinning Mills Ltd (as at 30 June 2013)

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

Officer & Staff		Worker	Total	Amount in Taka
Head Office	Factory		Employee	
16	167	701	884	106,549,450
-	-	-		
-	-	-	**884**	**106,549,450**

There is no Salary/ Wages/Remuneration below Tk.3000/- per month

35 Payments to Directors and Officers

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

Particular	2012-2013 Directors	2012-2013 Managers & Others	2012-2013 Total	2011-2012 Directors	2011-2012 Managers & Others	2011-2012 Total
Basic Salary	3,671,400	18,326,020	21,997,420	2,937,120	12,724,906	15,662,026
House Rent	1,835,700	9,163,010	10,998,710	1,468,560	6,362,453	7,831,013
Conveyance	492,900	2,460,341	2,953,241	394,320	1,708,369	2,102,689
Bonus/ incentives	-	3,401,203	3,401,203	-	2,361,669	2,361,669
Total Salary and allowances	6,000,000	33,350,573	39,350,573	4,800,000	23,157,397	27,957,397

* Directors include Managing Director only.
* No other benefits other than the monthly emoluments is given to the Managing Director.
* No honorarium or facility was given to the directors for attending board meeting.

36 Contingent Liabilities:

1 Contingent Liability of the Company was Tk. 185,489,941.00 as on June 30,2013 for opening of LCs by the banks in favour of foreign suppliers for raw materials and spares

2 There was no facts and figuers for which the company has contingent liability to any party other than Bank as on June 30,2013

37 Disclosure as per requirement of schedule XI, part II, para 7 of Company Act 1994

	2012-2013	2011-2012
Capacity Installed:		
No of Spindles Installed	39,600	39,600
Capacity Utilised:		
No of Spindles Operated	37,670	37,893
Production Capacity: (In Kg)		
At Equivalent 28' S Count (Ring Yarn)	8,640,000	8,825,000
Actual Production : (In Kg)		
At Equivalent 28' S Count (Ring Yarn)	7,055,940	7,127,872
% of Capacity Utilization:	81.67	80.77

Note: Licensed capacity not mentioned in license.

38 Related party disclosure

During the year, The Company carried out a numbers of transactions with related parties in the normal course of business. The names of the related parties and nature of these transaction have been set out in accordance with the provisions of BAS -24:"Related Party Disclosure".

Name of the related party	Relationship	Nature of transaction	Value of transactions (taka)	Closing balance		Closing balance	
				BDT	Status as at June 30,2013	BDT	Status as at June 30,2012
DBL Ceramics Ltd	Associated Company	Working Capital Finance	51,556,898	140,819,768	Debtor	192,376,666	Debtor
		Interest receivable	15,490,174	48,299,663	Debtor	32,809,489	Debtor
		Share Money Deposit	-	50,800,000	Debtor	50,800,000	Debtor
		Share Capital	-	25,000,000	Debtor	25,000,000	Debtor
Flamingo Fashions Ltd	Sister Concerns	Sale of yarn	1,036,912,404	327,144,981	Debtor	400,868,114	Debtor
Jinnat Fashions Ltd	Sister Concerns	Sale of yarn	467,470,195	79,475,311	Debtor	43,808,169	Debtor
Jinnat knitwears Ltd	Sister Concerns	Sale of yarn	497,779,800	55,755,266	Debtor	47,779,980	Debtor
Jinnat Apparels Ltd	Sister Concerns	Sale of yarn	161,102,005	196,659	Debtor	400,155,421	Debtor
		Office Rent	240,000	-		-	
Matin Knitwears Ltd	Sister Concerns	Sale of yarn	71,917,850	16,004,051	Debtor	4,259,796	Debtor

39 Disclosure as per requirement of schedule XI, part II, para 8 of Company Act 1994

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

CIF Value of Raw Cotton, Spare Parts, Packing Materials and Capital Machinery

(BDT) and Consumption

Particular	Local Purchase	Import	Total Purchase	Consumed	% of Consumption
Raw Cotton	49,101,753	1,585,942,870	1,635,044,623	1,590,714,418	97.18%
Store and Accessories		26,563,882	26,563,882	30,194,739	1.84%
Packing Materials	14,801,015		14,801,015	16,047,961	0.98%
Capital Machinery			-	-	0.00%
Total	63,902,768	1,612,506,752	1,676,409,520	1,636,957,119	100.00%

In the period under review the company did not remit any amount as dividend, technical know -how, royalty, professional consultation fees, interest and other matters either its share holders or others.

FOB Value of export

The FOB value of export for the year 30 June 2013 is as follows:

Particular	In foreign currency $	In BDT
Export	30,519,524	2,395,782,610

40 **Event after Balance Sheet date**

There is no significant event that qualify for reporting between the end of financial year closing date and financial statement issue date other than normal business activities.

41 Figures are rounded off to the nearest Taka.

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

43 These notes form an integral part of the annexed financial statements and accordingly are to be read in conjunction

The accounting policies and explanatory notes form and integral part of the financial statements.

The financial statements were authorized for issue by the board of directors on September 5, 2013

Managing Director	Director	Chief Finance Officer

This is the notes to the financial statements referred to in our annex report

Sd/-

Masih Muhith Haque & Co.
Chartered Accountants

Matin Spinning Mills Ltd

Annex i

Details property, plant and equipment for the half year ended 30 June 2013

i)Non Revalued Assets:

Amounts in Taka

Name of the assets	Cost				Depreciation					Written down
	At 01 July 2012	Addition during the period	Adjustment/disposal during the period	Total at 30 June 2013	Rate %	At 01 July 2012	Charge for the period	Adjustment during the period	Total at 30 June 2013	value at 30 June 2013
Land and land development	69,126,302	5,288,400	-	74,414,702	0%	-	-	-	-	74,414,702
Factory building	176,141,096	365,663	-	176,506,759	5%	77,884,360	4,931,120	-	82,815,480	93,691,279
Godown	16,262,162		-	16,262,162	10%	9,055,545	720,662	-	9,776,206	6,485,956
Plant and machinery	1,490,282,424		-	1,490,282,424	10%	844,030,740	64,625,168	-	908,655,909	581,626,515
Furniture and fixtures	2,308,952	204,536	-	2,513,488	10%	896,257	161,723	-	1,057,980	1,455,508
Gas equipment	1,978,958		-	1,978,958	15%	1,152,535	123,963	-	1,276,499	702,459
Generator	128,958,867		-	128,958,867	15%	80,206,608	7,312,839	-	87,519,447	41,439,420
Office equipments	8,725,044	1,308,905	-	10,033,949	15%	4,591,137	816,422	-	5,407,559	4,626,390
Electric installation	83,683,364	852,100	-	84,535,464	15%	52,584,350	4,792,667	-	57,377,017	27,158,447
Deep tubewell	1,100,000		-	1,100,000	20%	793,619	61,276	-	854,895	245,105
Vehicles	43,037,400		-	43,037,400	20%	18,235,187	4,960,443	-	23,195,630	19,841,770
Total at 30 June 2013	2,021,604,569	8,019,604	-	2,029,624,173		1,089,430,338	88,506,283	-	1,177,936,621	851,687,552

ii) Revalued Assets

Name of the assets	Revaluation				Depreciation					Written down
	At 01 July 2012	Addition during the period	Adjustment/disposal during the period	Total at 30 June 2013	Rate %	At 01 July 2012	Charge for the period	Adjustment during the period	Total at 30 June 2013	value at 30 June 2013
Land and land development	865,391,996			865,391,996	0%	-	-	-	-	865,391,996
Factory building	163,805,258			163,805,258	5%	15,971,013	7,391,712		23,362,725	140,442,533
Godown	4,480,258		-	4,480,258	10%	851,249	362,901	-	1,214,150	3,266,108
Total at 30 June 2013	1,033,677,512	-	-	1,033,677,512		16,822,262	7,754,613	-	24,576,875	1,009,100,637
Total (I + ii) at 30 June 2013	3,055,282,081	8,019,604	-	3,063,301,685		1,106,252,600	96,260,896	-	1,202,513,496	1,860,788,189

Allocation of deprecation:	Year ended 2013
Manufacturing overhead @ 90%	86,634,807
Administrative overhead @ 10%	9,626,090
	96,260,896

Matin Spinning Mills Ltd **Annex ii**

Details property, plant and equipment for the year ended 30 June 2012

i) Cost

Amounts in Taka

	Cost				Depreciation					Written down
Name of the assets	At 01 July 2011	Addition during the year	Adjustment/disposal during the year	Total at 30 June 2012	Rate %	At 01 July 2011	Charge for the year	Adjustment during the year	Total at 30 June 2012	Value at 30 June 2012
Land and land development	64,201,557	4,924,745	-	69,126,302	0%	-	-	-	-	69,126,302
Factory building	159,364,167	16,776,929	-	176,141,096	5%	72,712,953	5,171,407	-	77,884,360	98,256,736
Godown	16,262,162		-	16,262,162	10%	8,254,809	800,735	-	9,055,545	7,206,617
Plant and machinery	1,461,462,507	28,819,917	-	1,490,282,424	10%	772,224,998	71,805,743	-	844,030,740	646,251,684
Furniture and fixtures	2,291,152	17,800	-	2,308,952	10%	739,291	156,966	-	896,257	1,412,695
Gas equipment	1,978,958		-	1,978,958	15%	1,006,696	145,839	-	1,152,535	826,423
Generator	128,891,967	66,900	-	128,958,867	15%	71,603,268	8,603,340	-	80,206,608	48,752,259
Office equipments	7,815,188	909,856	-	8,725,044	15%	3,861,624	729,513	-	4,591,137	4,133,907
Electric installation	83,380,828	302,536	-	83,683,364	15%	47,096,288	5,488,061	-	52,584,350	31,099,014
Deep tubewell	1,100,000		-	1,100,000	20%	717,024	76,595	-	793,619	306,381
Vehicles	43,037,400		-	43,037,400	20%	12,034,634	6,200,553	-	18,235,187	24,802,213
Total at 30 June 2012	1,969,785,886	51,818,683	-	2,021,604,569		990,251,585	99,178,753	-	1,089,430,338	932,174,231

ii) Revaluation

	Revaluation				Depreciation					Written down
Name of the assets	At 01 July 2010	Addition during the year	Adjustment/disposal during the year	Total at 30 June 2011	Rate %	At 01 July 2010	Charge for the year	Adjustment during the year	Total at 30 June 2011	value at 30 June 2011
Land and land development	865,391,996			865,391,996	0%	-	-	-	-	865,391,996
Factory building	163,805,258			163,805,258	5%	8,190,263	7,780,750		15,971,013	147,834,245
Godown	4,480,258		-	4,480,258	10%	448,026	403,223	-	851,249	3,629,009
Total at 30 June 2012	1,033,677,512	-	-	1,033,677,512		8,638,289	8,183,973	-	16,822,262	1,016,855,250
Total (I + ii) at 30 June 2012	3,003,463,398	51,818,683	-	3,055,282,081		998,889,874	107,362,726	-	1,106,252,600	1,949,029,481

Allocation of deprecation:	Year ended 2012
Manufacturing overhead @ 90%	96,626,453
Administrative overhead @ 10%	10,736,273
	107,362,726

Matin Spinning Mills Ltd

BGMEA Complex (12th Floor)

23/1 Panthapath Link Road

Karwan Bazar, Dhaka - 1215

Auditors' Report under Section 135(I), Para 24(I), of Part-II Of Schedule III to Companies Act 1994

As required under section 135(I), Para 24(I), Part-II of Schedule III to Companies Act 1994,Matin Spinning Mills Ltd. prepared the following statements of its assets and liabilities, operating results, cash flows and changes in equity for the years ended June 30, 2013,2012, 2011, 2010 and 2009 and submitted those to us for our working and for issuance of our confirmation thereon.

We, accordingly, have reviewed the relevant audited financial statements and hereby confirm that the following information has been correctly extracted from those audited financial statements.

A. Statement of Assets and Liabilities

	At						
	30 June 2013	30 June 2012	30 June 2011	30 June 2010		30 June 2009	
Assets	Audited	Audited	Audited	Re-Stated	Audited	Re-Stated	Audited
Non - Current assets							
Property, plant and equipment	1,860,788,189	1,949,029,481	2,004,573,524	1,804,995,129	1,749,428,698	994,380,711	932,640,230
Investment	97,595,300	104,372,100	89,300,000	1,250,000	1,250,000	-	-
Capital work-in-process	7,717,317	1,285,473	15,448,403	4,168,386	-	-	-
Deferred revenue expenses	-	-	-	9,324,190	37,697,574	16,783,542	67,855,631
	105,312,617	105,657,573	104,748,403	14,742,576	38,947,574	16,783,542	67,855,631
Total non - current assets	1,966,100,806	2,054,687,054	2,109,321,927	1,819,737,705	1,788,376,272	1,011,164,253	1,000,495,861
Current assets							
Cash and bank balances	442,317,404	328,629,294	22,621,237	11,217,295	10,842,413	60,337,858	60,337,858
Account receivable	501,278,510	911,731,299	864,643,345	564,187,430	564,187,430	417,215,210	417,215,210
Inventories	510,087,596	546,220,153	643,190,461	293,838,106	293,838,106	348,914,967	348,914,967
Advances, deposits and prepayments	235,649,026	72,557,248	101,645,197	80,729,177	85,272,445	53,221,760	53,221,760
Current account with sister concern		-	-	-	293,965,103	-	-
Due from sister sister concerns	189,119,431	225,186,155	337,421,042	424,333,986	-	138,456,294	
Total current assets	1,878,451,967	2,084,324,149	1,969,521,282	1,374,305,994	1,248,105,497	1,018,146,089	879,689,795
Total assets	**3,844,552,774**	**4,139,011,203**	**4,078,843,209**	**3,194,043,699**	**3,036,481,769**	**2,029,310,342**	**1,880,185,656**
Equity and liabilities							
Share capital	633,900,000	422,600,000	422,600,000	255,000,000	255,000,000	150,000,000	150,000,000
Share money deposit	-	-	-	91,100,000	91,100,000	-	-
Proposed Bonus Share	-	-	-	-	-	105,000,000	105,000,000
Retained earnings	549,749,575	512,652,318	310,070,976	142,452,081	93,907,666	68,097,346	18,850,941
Tax holiday reserves	86,718,548	86,718,548	86,718,548	49,569,823	132,605,111	-	82,567,295
Revaluation reserve	994,813,376	993,650,184	992,422,588	808,230,721	840,462,029	-	-
Total equity	2,265,181,499	2,015,621,050	1,811,812,112	1,346,352,626	1,413,074,806	323,097,346	356,418,236
Non-current liabilities							
Long Term Loans	220,442,922	378,578,258	509,910,417	616,831,544	787,999,523	723,536,281	887,288,683
Directors and others		-	-	48,267,150	48,267,150	52,267,150	52,267,150
Deferred tax liability	79,602,452	75,108,757	67,648,657	47,045,821	-	-	-
Total non-current liabilities	300,045,374	453,687,015	577,559,074	712,144,515	836,266,673	775,803,431	939,555,833
Current liabilities							
Accounts payable	108,722,878	35,509,138	68,544,218	96,201,044	403,424,206	250,583,534	250,583,534
Short term bank loan	781,972,806	1,283,098,824	1,316,280,115	684,684,525	377,461,357	229,030,353	229,030,353
Current portion of term loans	197,482,484	206,067,901	193,635,282	171,167,979	-	163,752,402	
Inter Company loan	-	-	-	-	-		104,597,700
Due to sister concerns	-	-	-	130,368,883	-	243,053,994	-
Provision & accruals	191,147,734	145,027,275	111,012,408	53,124,127	6,254,727	43,989,282	-
Total current liabilities	1,279,325,901	1,669,703,138	1,689,472,023	1,135,546,558	787,140,290	930,409,565	584,211,587
Total equity and liabilities	**3,844,552,774**	**4,139,011,203**	**4,078,843,209**	**3,194,043,699**	**3,036,481,769**	**2,029,310,342**	**1,880,185,656**

*** Balances of property,plant and equipment , retained earnings,tax holiday reserve, deferred tax libility and provisions & accruals have been restated to give effect of the changes in accounting policy.**

Matin Spinning Mills Ltd
BGMEA Complex (12th Floor)
23/1 Panthapath Link Road
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B. Statement of Operating Result

Amounts in Taka

	July 2012 to June 2013	July 2011 to June 2012	July 2010 to June 2011	July 2009 to June 2010		July 2008 to June 2009	
	Total	Total	Total	Total		Total	
	Audited	Audited	Audited	Re-stated*	Audited	Re-stated*	Audited
Revenue	2,395,782,610	2,623,615,416	2,458,002,913	1,600,557,219	1,604,864,758	1,687,834,198	1,687,834,198
Cost of sales	1,929,142,051	2,113,551,486	1,910,334,630	1,296,578,957	1,290,204,194	1,398,679,343	1,384,787,735
Gross profit	**466,640,559**	**510,063,930**	**547,668,283**	**303,978,261**	**314,660,564**	**289,154,855**	**303,046,463**
Operating expenses							
Administrative expenses	63,961,420	51,146,685	57,798,713	45,413,199	67,494,493	51,391,435	71,222,195
Distribution expenses	691,668	328,405	181,437	172,500	172,500	431,800	431,800
	64,653,088	**51,475,090**	**57,980,150**	**45,585,699**	**67,666,993**	**51,823,235**	**71,653,995**
Operating Income	**401,987,471**	**458,588,840**	**489,688,133**	**258,392,562**	**246,993,571**	**237,331,620**	**231,392,468**
Finance cost	(113,601,534)	(198,521,080)	(173,847,121)	(116,100,595)	(116,100,595)	(142,695,242)	(144,019,675)
	288,385,937	**260,067,760**	**315,841,012**	**142,291,967**	**130,892,976**	**94,636,378**	**87,372,793**
Other income	35,436,631	7,585,365	34,894,108	5,581,951	456,292	706,277	706,277
	323,822,568	**267,653,125**	**350,735,120**	**147,873,918**	**131,349,268**	**95,342,655**	**88,079,070**
Workers' profit participation and welfare funds	15,420,122	12,745,387	16,701,672	7,041,615	6,254,727	-	
Net profit before tax	**308,402,446**	**254,907,738**	**334,033,448**	**140,832,303**	**125,094,541**	**95,342,655**	**88,079,070**
Income Tax expenses	50,920,337	40,719,480	41,186,608	2,093,232	-	14,159,456	-
Deferred tax liabilities expenses	5,656,887	8,687,696	11,579,220	14,814,513		-	
Net profit(loss) after tax	**251,825,222**	**205,500,562**	**281,267,620**	**123,924,558**	**125,094,541**	**81,183,199**	**88,079,070**
Earning per share (EPS) for the year	3.97						
Earning per share (EPS) Basic	3.97	3.24	7.09	48.60	49.06	54.12	58.72
Earning per share (EPS) - Reastated Basic	3.97	3.24	4.44	1.95	1.97	1.28	1.39

*Changes in line items have taken place to give effect of the changes in accounting policy.

Matin spinning mills ltd
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(C) STATEMENT OF CHANGES IN EQUITY

Particulars	Share capital	Share Money Deposit	Retained earnings	Tax Holiday Reserve	Revaluation Surplus	Proposed Bonus	Total
Year ended :							
June. 30, 2013							
Balance as on July 01, 2012	422,600,000	-	512,652,318	86,718,548	993,650,184	-	**2,015,621,050**
Net profit for the year			251,825,222				**251,825,222**
Bonus Dividend	211,300,000		(211,300,000)				**-**
Unrealised loss for fair value adjustment			(3,427,965)				**(3,427,965)**
Other comprehensive income net of tax					1,163,192		**1,163,192**
Balance as onJune 30,2013	**633,900,000**	**-**	**549,749,575**	**86,718,548**	**994,813,376**	**-**	**2,265,181,499**
Year ended :							
June. 30, 2012							
Balance as on July 01, 2011	422,600,000	-	310,070,976	86,718,548	992,422,588	-	**1,811,812,112**
Net profit for the year			205,500,562				**205,500,562**
Bonus Dividend							**-**
Unrealised loss for fair value adjustment			(2,919,220)				**(2,919,220)**
Other comprehensive income net of tax					1,227,596		**1,227,596**
Balance as onJune 30,2012	**422,600,000**	**-**	**512,652,318**	**86,718,548**	**993,650,184**	**-**	**2,015,621,050**
Year ended :							
June. 30, 2011							
Balance as on July 01, 2010	255,000,000	91,100,000	142,452,081	49,569,823	808,230,721	-	**1,346,352,626**
Net profit for the year			281,267,620				**281,267,620**
Transfer to Tax holiday reserve			(37,148,724)	37,148,724			**-**
Bonus Dividend	76,500,000		(76,500,000)				**-**
Share money deposits	91,100,000	(91,100,000)					**-**
Other comprehensive income net of tax					184,191,867		**184,191,867**
Balance as onJune 30,2011	**422,600,000**	**-**	**310,070,976**	**86,718,548**	**992,422,588**	**-**	**1,811,812,112**

Matin spinning mills ltd

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(C) STATEMENT OF CHANGES IN EQUITY

Particulars	Share capital	Share Money Deposit	Retained earnings	Tax Holiday Reserve	Revaluation Surplus	Proposed Bonus	Total
Year ended : **June. 30, 2010 (Re-stated)**							
Balance as on July 01, 2009	150,000,000		68,097,346	-	-	105,000,000	**323,097,346**
Net profit for the year			123,924,558				**123,924,558**
Transfer to Tax holiday reserve			(49,569,823)	49,569,823			**-**
Bonus Dividend	105,000,000					(105,000,000)	-
Share money deposits		91,100,000					**91,100,000**
Other comprehensive income net of tax			-		808,230,721		**808,230,721**
Balance as on June. 30, 2010	**255,000,000**	**91,100,000**	**142,452,081**	**49,569,823**	**808,230,721**	**-**	**1,346,352,626**
Year ended : **June. 30, 2010 (Audited)**							
Balance as on July 01, 2009	150,000,000		18,850,941	82,567,295	-	105,000,000	**356,418,236**
Net profit for the year			125,094,541				**125,094,541**
Transfer to Tax holiday reserve			(50,037,816)	50,037,816			-
Bonus Dividend	105,000,000					(105,000,000)	-
Share money deposits		91,100,000					**91,100,000**
Other comprehensive income net of tax			-		840,462,029		**840,462,029**
Balance as on June. 30, 2010	**255,000,000**	**91,100,000**	**93,907,666**	**132,605,111**	**840,462,029**	**-**	**1,413,074,806**

Matin spinning mills ltd

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(C) STATEMENT OF CHANGES IN EQUITY

Particulars	Share capital	Share Money Deposit	Retained earnings	Tax Holiday Reserve	Revaluation Surplus	Proposed Bonus	Total
Year ended : June. 30, 2009 (Re-stated)							
Balance as on July 01, 2008	150,000,000		75,349,379	16,564,768	-	-	**241,914,147**
Net profit for the year			81,183,199				**81,183,199**
Transfer to Tax holiday reserve			(35,231,628)	35,231,628			-
Reversal of tax holiday reserve			51,796,396	(51,796,396)			-
Proposed Dividend	-		(105,000,000)			105,000,000	-
Balance as on June. 30, 2009	**150,000,000**		**68,097,346**	**-**	**-**	**105,000,000**	**323,097,346**
Year ended : June. 30, 2009 (Audited)							
Balance as on July 01, 2008	150,000,000		71,003,499	47,335,667			**268,339,166**
Net profit for the year			88,079,070				**88,079,070**
Transfer to Tax holiday reserve			(35,231,628)	35,231,628			-
Reversal of tax holiday reserve							-
Proposed Dividend	-		(105,000,000)			105,000,000	-
Balance as on June. 30, 2009	**150,000,000**		**18,850,941**	**82,567,295**	**-**	**105,000,000**	**356,418,236**

Matin Spinning Mills Ltd

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D. Statement of Cash Flows:

Amounts in Taka

		For the year				
		30-06-2013	**30-06-2012**	**30-06-2011**	**30-06-2010**	**30-06-2009**
A.	**Cash Flows from Operating Activities**					
	Collection from customers	2,806,235,399	2,576,527,462	2,157,546,998	1,453,584,999	1,802,158,233
	Cash paid to suppliers and employees	(1,996,998,566)	(2,016,207,047)	(2,295,081,858)	(1,366,300,040)	(1,526,606,025)
	Cash generated from operations	**809,236,833**	**560,320,415**	**(137,534,860)**	**87,284,959**	**275,552,208**
	Interest/share of profit paid on loans	(113,601,534)	(198,521,080)	(173,847,121)	(116,100,595)	(142,695,242)
	Sale of Cotton(local)	43,506,052	53,091,902	-	15,979,350	-
	Other Income	33,790,656	10,926,490	(2,782,035)	4,615,103	5,704,887
	Income tax paid	(20,220,000)	(19,450,000)			
	Net cash from operating activities	**752,712,006**	**406,367,727**	**(314,164,016)**	**(8,221,183)**	**138,561,853**
B.	**Cash Flow from Investing Activities**					
	Acquisition of property, plant and equipment	(8,019,604)	(36,370,280)	(122,434,495)	(72,352,523)	(11,275,419)
	Purchase of share from DBL Ceramics Ltd			(23,750,000)	(1,250,000)	-
	Capital work-in-process	(6,431,844)	(1,285,473)	(11,280,017)	(4,168,386)	-
	Sale proceeds from property, plant & equipment			-	148,728	-
	Devidend Income	430,800				
	Share Money Deposit (DBL Ceramics Ltd.)			(50,800,000)	-	-
	Share Purchase from Listed companies	6,776,800	(17,991,320)	(13,500,000)	-	-
	Net cash used in investing activities	(7,243,848)	(55,647,073)	(221,764,512)	(77,622,181)	(11,275,419)
C.	**Cash Flows from Financing Activities**					
	Long term loan	(166,720,753)	(118,899,540)	(78,483,324)	(111,468,568)	(119,739,705)
	Short term loan from/repaid to) bank	(501,126,018)	(33,181,291)	631,595,590	455,654,172	(25,386,398)
	Inter-company debts received	36,066,724	141,472,368	228,748,839	995,748	100,448,775
	Inter-company debts paid		(34,104,135)	(234,528,635)	(399,558,551)	(77,934,598)
	Share money deposit			-	91,100,000	-
	Net cash from/(used in) financing activities	(631,780,048)	(44,712,597)	547,332,470	36,722,801	(122,611,926)
D.	**Net increase/(decrease) in cash and cash equivalents (A+B+C)**	113,688,110	306,008,057	11,403,942	(49,120,563)	4,674,508
E.	**Opening cash and cash equivalents**	328,629,294	22,621,237	11,217,295	60,337,858	55,663,350
F.	**Closing cash and cash equivalents (D+E)**	442,317,404	328,629,294	22,621,237	11,217,295	60,337,858

Matin spinning mills ltd

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E. Dividend:

The company has declared dividend as follows:

	Year ended June 30'2013	Year ended June 30'2012	Year ended June 30'2011	Year ended June 30'2010	Year ended June 30'2009
Cash dividend	Nill	Nill	Nill	Nill	Nill
Stock dividend	Nill	50%	Nill	30 %	70%

F. Matin spinning mills ltd was incorporated as a private limited company on 15th september,2002 vide certificate of incorporation no.C-47083(3562) under the Companies Act 1994 and converted into public limited company on 4th November ,2010 . The share of the company is denominated from Tk.100/- to Tk.10/- per share as on 5th August, 2010.

G. The company has no subsidiary company.

Sd/-

Dhaka
Dated : 11th December , 2013

(Masih Muhith Haque & Co.)
Chartered Accountants

Matin Spinning mills Ltd.

Statement of Ratio Analysis

BGMEA Complex (12th Floor)

23/1 Panthapath Link Road

Karwan Bazar, Dhaka - 1215

Ratio Analysis

Auditors Certificate on Calculation of Various Accounting Ratios for the Years ended 30 June. 2013, 2012, 2011, 2010, and 2009.

We have examined the following accounting ratio of **Matin Spinning Mills Limited** for the years ended June 30, 2013, 2012, 2011, 2010, and 2009 as submited to us by its management. The preparation of these ratios is the responsibility of the company's management Our responsibility is to review them and certify as to whether they have been properly prepared using acceptable principles on the basis of audited financial statements for the year ended June. 30. 2013, 2012, 2011, 2010, and 2009.

Based on our review, we hereby certify that the Company has properly prepared the following ratios for the years as stated below:

Name of Ratio	Equation	2012-2013	2011-2012	2010-2011	2009-2010		2008-2009	
		Result	Result	Result	**Result**		**Result**	
		Audited	Audited	Audited	Re-stated	Audited	Re-stated	Audited
A. Liquidity Ratios								
Current Ratio (Times)	Current Assets / Current Liability	1.47	1.25	1.17	1.21	1.59	1.09	1.51
Quick Ratio (Times)	Current assets-Inventory / Current Liability	1.07	0.92	0.79	0.95	1.21	0.72	0.91
Times Interest Earned Ratio (Times)	Profit before interest / Net Interest Expenses	4.42	2.59	3.61	2.23	2.13	1.67	1.61
Debt to Equity Ratio (Times)	Interest bearing debts / Total Share holder's Equity	0.53	0.93	1.11	1.09	0.82	3.46	3.13
B. Operating Ratios								
Accounts Receivable Turnover Ratio	Sales / Average Receivables	3.39	2.95	3.44	3.26	3.27	3.54	3.54
Inventory Turnover Ratio (Times)	Cost of Goods Sold / Average Inventory	3.65	3.55	4.08	4.03	4.01	3.65	3.62
Assets Turnover Ratio (Times)	Sales / Average Total Assets	0.60	0.64	0.69	0.61	0.65	0.75	0.81
C. Profitability Ratios								
Gross Margin Ratio (%)	Gross profit / Sales	19.48	19.44	22.28	18.99	19.61	17.13	17.95
Operating Income Ratio(%)	Operating Profit / Sales	16.78	17.48	19.92	16.14	15.39	14.06	13.71
Net Income Ratio (%)	Profit after Tax / Sales	10.51	7.83	11.44	7.74	7.79	4.81	5.22
Return on Assets Ratio (%)	Profit after Tax / Average Total Assets	6.31	5.00	7.73	4.75	5.09	3.59	4.21
Return on Equity Ratio (%)	Profit after Tax / Shareholders' Equity	11.12	10.19	15.52	9.20	8.85	25.13	24.71
Earning per share (EPS) Basic		3.97	3.24	7.09	48.60	49.06	54.12	58.72
Earning per share (EPS) -Reastated Basic		3.97	3.24	4.44	1.95	1.97	1.28	1.39

Sd/-

(Masih Muhith Haque & Co.)

Chartered Accountants

Dhaka

Dated : 11th December , 2013

Management Disclosure as per rule 8.B.(20)(e), (i) & (g) of the Securities and Exchange Commission(Public Issue) Rules, 2006

1. Earnings Per Share (EPS) on fully diluted basis:

Particulars	2012 -2013(BDT)	2011 -2012(BDT)
Net Profit After Tax	251,825,222	205,500,562
Pre-IPO no. of Shares	63,390,000	63,390,000
EPS on fully diluted basis	**3.97**	**3.24**

2. Net profit excluding extra-ordinary income or non-recurring income coming from other than core operations:

Particulars	2012 -2013 (BDT)	2011 -2012 (BDT)
Net Profit before workers' profit participation funds & Tax	323,822,568	267,653,125
Less: Other Income	35,436,631	7,585,365
Net Profit before Tax & WPPF except other income	**288,385,937**	**260,067,760**
Less: Contribution to WPPF	13,732,664	12,384,179
Net Profit before Tax	**274,653,273**	**247,683,581**
Less: Income Tax on operating Income	36,451,177	29,638,256
Less: Deferred Tax Expesne	5,656,887	8,687,696
Net profit excluding extra-ordinary income	**232,545,209**	**209,357,629**

3. Earnings Per Share (EPS) excluding extra-ordinary income or non-recurring income coming from other than core operations:

Particulars	2012 -2013 (BDT)	2011 -2012 (BDT)
Net Profit excluding extra-ordinary income	**232,545,209**	**209,357,629**
Pre-IPO no. of Shares*	63,390,000	63,390,000
EPS on fully diluted basis	**3.67**	**3.30**

4. Net Asset Value Per Share (Consideration with and without revaluation reserve)

Particulars	As on June 30, 2013 (BDT)	As on June 30, 2012 (BDT)
Share Capital	633,900,000	422,600,000
Retained Earnings	549,749,575	512,652,318
Tax Holiday Reserve	86,718,548	86,718,548
Revaluation Reserve	994,813,376	993,650,184
Total Shareholder's Equity	**2,265,181,499**	**2,015,621,050**
No. of shares as on balance sheet date*	63,390,000	42,260,000
NAV per share with revaluation reserve	**35.73**	**47.70**
NAV per share without revaluation reserve	**20.04**	**24.18**

Section XVI

Credit Rating Report

This is a credit rating report as per the provisions of the Credit Rating Companies Rules 1996. CRISL's entity rating is valid one year for long-term rating and 6 months for short term rating. CRISL's Bank loan rating (blr) is valid one year for long term facilities and up-to 365 days (according to tenure of short term facilities) for short term facilities. After the above periods, these ratings will not carry any validity unless the entity goes for surveillance.

Date of Rating	September 30, 2013	
	Long Term	**Short Term**
Entity Rating	AA-	ST-3
Outlook	Stable	
Bank Facilities Rating		
Bank/FI	Mode of Exposures (Figures in million)	Ratings
Islami Bank Bangladesh Limited	TLO* Tk. 390.45 million WCL** Tk. 837.32 million	*Regular*
The City Bank Limited	WCL Tk. 418.96 million	
HSBC	WCL Tk. 46.60 million	

*Term Loan Outstanding **Working Capital Limit ****CRISL rated the short term facilities under long term scale in view of their revolving nature*

Address:
CRISL
Nakshi Homes
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Tel: 9530991-4
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Analysts:
Tanzirul Islam
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Entity Rating
Long Term: AA-
Short Term: ST-3

Outlook: Stable

MATIN SPINNING MILLS LIMITED

ACTIVITY
Yarn Manufacturer

DATE OF INCORPORATION
September 15, 2002

CHAIRMAN
Md. Abdul Wahed

MANAGING DIRECTOR
M.A. Jabbar

EQUITY
Tk.2,265.18 million

TOTAL ASSETS
Tk.3,844.55 million

Public Limited Company

1.0 RATIONALE

CRISL has upgraded the Long term rating to 'AA-' (pronounced as double A minus) and Short Term rating to 'ST-3' of Matin Spinning Mills Limited ('MSML') based on both relevant qualitative and quantitative information up-to the date of rating.

The rating affirmations reflect the company's equity based capital structure, good financial performance, sound production facilities, good quality control mechanism, experienced management team, sound Group reputation etc. Risk factors include moderate liquidity moderate debt service coverage, exposure to raw material supply risk etc.

MSML's net profit increased to Tk.251.38 million in FY2012-13 from Tk. 205.50 million in FY2011-12 though revenue has decreased slightly. It is evident from DSCR and ICR that above ratios have been moderate and stood at 1.62X and 3.71X respectively in FY2012-13.

The long term rating implies that entities rated in this category are adjudged to be of high quality, offer higher safety and have high credit quality. This level of rating indicates a corporate entity with a sound credit profile and without significant problems. Risks are modest and may vary slightly from time to time because of economic conditions. The Short term rating indicates good certainty of timely payment. Liquidity factors and company fundamentals are sound. Although ongoing funding needs may enlarge total financing requirements, access to capital and financial markets is good with small risk factors.

CRISL also views the company with "Stable Outlook" for its steady business growth and consistent fundamentals and believes that the company will able to maintain its fundamentals with the same trend in foreseeable future.

2.0 CORPORATE PROFILE

2.1 Background

Matin Spinning Mills Limited is a prime business unit of DBL Group (DBL). DBL is a Group of several business units having exposure in textile, readymade garments, printing and packaging sectors. The Group started its venture in early 1991 with a knit garment manufacturing unit with the vision of being one of the vertically integrated leaders in export of garments and textile products in Bangladesh. In the process of expansion, MSML was incorporated as a private limited company on September 15, 2002 under the Companies Act 1994 to set up a top quality cotton yarn producing mill. Subsequently the company was converted into a public limited company on 4th November 2010. The company is presently operating with a paid-up capital of Tk. 633.90 million against an authorized capital of Tk.1,500.00 million. Since its commercial inception, MSML has been operating with 39,600 spindles having a production capacity of 25,000 KG per day. The management is led by Mr. Abdul Wahed as its Chairman. The factory has been set up on around 1962.91 decimal of land having a factory space of around 2 lac sft with State Of The Art production facilities. The company has been operating from its head office located at BGMEA Complex, 12th Floor, 23/1, Karwan Bazar, Dhaka.

CRISL rated MSML in the previous year based on its fundamentals and it was assigned 'A+' (pronounced as single A plus) in the Long Term and ST-3 rating in the Short Term. The company carried rating comforts such as balanced capital structure, moderate financial performance, sound production facilities, good quality control mechanism, experienced management team, good credit profile etc. with some concerns. This report is being prepared as a part of rating surveillance, which covers the changes that took place in the fundamentals of the company, which might have an impact on the above ratings.

2.2 Business Operation

High Quality Product

During the surveillance period there were few changes in the business operation of MSML especially in the reduction of revenue though net profit after tax has increased; significant increase in share capital as well as enhancement of bank liabilities especially short term liabilities (EDF) from last year to meet up the working capital requirement. Currently MSML has been availing total Tk.1302.88 million as short term loan limits which was Tk. 876.29 million in previous year. However, though MSML enhanced its short term facilities, it has settled its term loan liabilities by Tk.162.89 million which ultimately reduced the term loan outstanding to Tk.390.45 million. Key raw materials of the company include conventional cotton, organic cotton and synthetic fiber. MSML imports raw cotton from various countries like Zimbabewe, Turkeminestan, USA, Brazil, India etc. and viscose fiber mainly from Thailand. Product portfolio of the company consists of top quality cotton yarn ranging from 10/s to 55/s counts both combed and carded yarn and a number of high margin value added items like slub yarn and synthetic yarn. All of its buyers are local companies and the finished products are usually supplied against back to back L/C. MSML maintains sufficient stock of cotton and other accessories for smooth operation of the business. The company is operating with a State-Of-The Art production facility located at Gobindobari under Gazipur district on 1962.91 decimal land. MSML has its own sources of utilities supports like electricity and water. At present the company uses seven gas generators and three Caterpillar (USA) diesel-driven generators (1056 KVA) to ensure in-house uninterrupted power supply.

3.0 INDUSTRY ANALYSIS

By earning significant foreign exchange, the textile and RMG industries have become the main drivers of growth in Bangladesh's rapidly developing economy. Bangladesh is second only to China, being the world's second-largest apparel exporter of western brands where 60% of the export contracts of western brands are with European buyers and about forty percent with American buyers. The export earnings of textile & clothing increased from $0.12 billion in 1994 to around $12.55 billion in FY2012-13 (July, 2012 to January, 2013). The sector also has remarkable contribution to national income (around 17%) as around 77% of the export earnings come from this sector. At this moment the spinning, weaving and knitting sector are now providing full support to the garments as deemed export industry. Since after liberation, the number of spinning mills, weaving mills and knitting mills has gradually increased over the years. Among the textile factories, only 5% of textile factories are owned by foreign investors, with most of the production being controlled by local investors. In 2013, about 4 million people are working in Bangladesh's $19 billion-a-year industry. Besides creation of employment opportunities and supporting government policy of poverty alleviation, textile sector has become the accelerator of economic growth.

Largest Industry

Spinning mills of our country produces polyester, synthetic, acrylic, filament, viscose, woolen and blended yarn. The increase in production is slowly reducing the dependency on imported yarn although the Government is yet to formulate any policy on banning of import. Total installed capacity of 8.70 million in ring spinning along with 0.23 million in rotor spinning section accumulated production capacity of 8.93 million with 0.04 million manpower (around 5.0 million jobs for textile sector of which 80% are women) as per the latest record. Considerable size of backward linked industry has been established for which woven sector, knit sub sector also achieved phenomenal growth. The primary materials used in the spinning sector are raw cotton and man-made fibers such as viscose and polyester staple fibers. Unfortunately, none of these raw materials are produced in Bangladesh. Most of the raw cotton of our country is imported from Uzbekistan, India, USA, Pakistan etc. Bangladesh Primary Textile Sector (PTS) meets around 100% of domestic yarn and fabric requirements, 85-90% yarn requirements for export oriented knitwear and 34-40% yarn requirement for woven ready-made garments. In FY2012-13, consumption of yarn was estimated at 3.7 million bales which is 15.6% higher from FY2011-12 consumption which have been forecasted to reach 3.8 million bales in FY2013-14 due to strong demand from weaving and knitting sub-sectors in the country as well as lower international price. The achievement so far made was possible due to permitting textile machinery at zero duty/tax and other incentives. Spinning and weaving mills in recent years are capable of supplying quality yarns and fabrics required for the export oriented RMG sector.

Last year cotton price increased dramatically for speculative buying, devastating floods in Pakistan resulting to crop damage and ban imposed by India to export its cotton. When the price of cotton were moving forward our local spinners booked a lot of cotton at an average price $2.20 per pound but later the price started declining from March-April period of the year. The present price of cotton ranges between $0.98 to $1.3 per pound and price of yarn ranges between $3.65 to $3.75 per kg for 30 count yarn on the international market. The main reason for the drop in cotton price is because of slowing demand from cotton spinners due to high raw material prices, problem with credit access and increased switch to chemical fibers. The local spinners of our country bought cotton at higher prices from the international market and are now facing severe difficulties in selling their products at a price much lower than their manufacturing cost, following the fall in the cotton prices in the global market. To overcome the vulnerability, few factories increased sales and production of value added items and decreased production and sales of carded yarn. In addition to above the knitters and garments manufacturers has increased dependency on imported yarn (mostly on Indian cotton) rather than local yarn, as they get the duty waiver facilities under GSP in European Union (EU). Indian yarn is available at lower price than the local ones and as such knitters and garments manufacturers are willing to buy more which ultimately resulted to unsold local yarn (around Tk.80000 million). Local spinning mills are unable to compete with the Indian yarn as Indian manufacturer and enjoying more incentive facilities than our local spinners and they do not have to import cotton (second largest cotton manufacture) and capital intensive machinery.

However, the world economy is passing a crucial time due to economic recession as such our Textile Sector as a whole is gradually being affected by the global financial crisis. This has further been magnified by the actions in currency depreciation of our competing countries like Pakistan and India. The present economic slowdown has affected our market mechanism as well as our factories. Moreover, this sector in its journey has faced also several critical problems like quota omission, death of workers due to fire, building collapse and unrest for wages increment. The industry has kept its positive growth even after such major hurdles. However, the recent five deadly incidents from November 2012 through May 2013, brought worker safety and labor violations in Bangladesh to world attention putting pressure on big global clothing brands such as Primark, Loblaw, Joe Fresh, Gap, Wal-Mart, Nike, Tchibo, Calvin Klein and Tommy Hilfiger, and retailers to respond by using their economic weight to enact change.

4.0 PERFORMANCE ANALYSIS

The audit has been conducted by the "Masih Muhith Haque & Co." and it has been found that books of account are in line with the Bangladesh Accounting Standard (BAS) and financial statements have been prepared with sufficient level of disclosure.

Section	Installed Capacity		Actual Production 2013		Actual Production 2012	
	Per Day(Kg)	Per Year	Per Day(Kg)	Yearly	Per	Yearly

		(Million Kg)		(Million Kg)	Day(Kg)	(Million Kg)
Combed yarn	15,000	5.08	8464	2.96	6990	2.47
Carded yarn	10,000	3.33	5740	2.01	5980	2.11
Synthetic Yarn		N/A	4093	1.43	3841	1.36
Slub Yarn		N/A	1377	0.48	1480	0.52

Calculation based on 350 working days

Key Operating Performance	FY2012-13	FY2011-12
Total Production (In million Kg)	6.89	6.46
Turnover (Tk. In million)	2395.78	2623.62
Turnover growth (%)	(8.68)	6.70
COGS (Tk. In million)	1929.14	2113.55
COGS Growth (%)	9.56	10.64
Profit After Tax (Tk. In million)	251.38	205.50
PAT Growth (%)	22.32	(26.94)
Return on Average Assets After Tax (ROAA)%	6.31	4.96
Return on Average Equity After Tax (ROAE)%	11.77	10.20
Return on Average Capital Employed (ROACE)%	10.00	10.32
Gross Profit Margin%	19.48	19.44
Operating Profit Margin%	16.78	17.48
Net Profit Margin%	10.51	7.83
Cost to Revenue Ratio (%)	80.52	80.56
Finance Cost to Revenue Ratio %	4.74	7.57
Administrative & Selling Exp to Revenue Ratio %	2.67	1.93

Good Financial Performance

During the period under surveillance overall financial performance of MSML has been found to be good. The company's revenue has decreased from last year due to decrease in unit sales price. Overall yarn price in the industry was almost stable in the last year but slightly below previous year. Though the gross profit margin and operating profit margin slightly reduced but net profit margin has increased from Tk. 205.50 million to Tk. 251.83 million (22.54% growth over previous year).This has happened due to income from other sources (foreign currency exchange gain, interest on inter-company receivables as well as bank interest received on fixed deposit) and decrease in financial costs. The capacity utilization of MSML has remained almost same in FY2012-13.

The overall operating efficiency of MSML for the FY2012-13 has been found to be good. Though the cost to revenue ratio of MSML has also remained same during the year. Total administrative expenses to revenue ratio of MSML have been increased due to lower revenue earned during the year. Finance cost to revenue ratio improved due to paying off the bank loan which stood at Tk. 113.60 million in the current year from Tk. 198.52 million.

5.0 FINANCIAL STRENGTH AND SOLVENCY

(Tk. in Million)

Particulars	FY 2012-13	FY 2011-12
Current Assets	1878.45	2,084.32
Less: Current Liabilities:		
Short Term Bank borrowing	979.45	1,489.17
Other Current Liabilities	299.87	180.53
Net current assets	**599.13**	**414.62**
Non Current Assets	1966.10	2,054.69
Net Capital Employed	**2565.23**	**2,469.31**
Financed by:		

Non-current liability - Bank Loan & other non-current liabilities	300.05	453.69
Shareholders' Equity:		
Share Capital	633.90	422.60
Other Reserve	1081.53	1,080.37
Retained Earnings	549.75	512.65

Equity Based Capital Structure

MSML has been operating with equity based capital structure with 59% equity and 41% debt (81% short term debt and 19% long term debt). The shift towards more equity based capital structure is mainly due to the increase in equity i.e. share capital. By issuing bonus share in the year 2013, the company has increased its share capital to Tk.633.90 million from Tk.422.60 million. The capital structure revealed that 88% of the net capital employed (TK. 2565.23 million) was financed by shareholders equity i.e. Tk.2265.18 million. The equity pie is composed of 28% paid up capital, 48% other reserve and24% retained earnings. However, in addition to long term financing the company has also availed short term bank loan to support working capital as a part of its working capital planning.

Solvency Indicators	FY 2012-13	FY 2011-12
Leverage Ratio (X)	0.70	1.05
Bank Borrowing to Equity(X)	0.53	0.93
Equity Multiplier(X)	1.70	2.05
Debt Service Coverage Ratio (X)	1.62	1.39
Interest Coverage Ratio (X)	3.71	2.28

Moderate Debt Service Coverage

The leverage ratio of MSML stood at 0.70 times (consisting as short term gearing 0.56 and long term gearing 0.13) in FY2012-13 against leverage of 1.05 times in FY2011-12 due to increase in shareholders' equity and decreased in bank loan. Again debt service coverage ratio and interest coverage ratio have improved in FY2012-13 due to decrease in interest expense. To improve the solvency, the company is focused on investment in FDR (Tk.198.52 million) which ultimately increased the interest income by Tk.6.56 million during the year.

6.0 LIQUIDITY AND FUND FLOW ANALYSIS

Liquidity Indicators	FY 2012-13	FY 2011-12
Current ratio (X)	1.47	1.25
Quick ratio (X)	1.07	0.92
Operating Cash Flow (in Million Taka)	752.71	406.37

Moderate Liquidity

The company has been operating with moderate liquidity with an improving trend over the last few years which have been reflected in its current ratio and quick ratio. In addition, strong Group support and good working capital management helped the company to manage liquidity. While analyzing the cash flow from operations it appears that the company has generated sufficient fund from its operation (Tk.752.71 million) to discharge the fixed financial burden. Being an export oriented company; early realization of receivables through bill discounting against export L/C supports the company in managing liquidity to a great extent. Again being a business unit of the renowned Group, MSML enjoys sufficient funding flexibility.

7.0 CREDIBILITY AND BANKING RELATIONSHIP

7.1 Liability position

MSML has currently been enjoying term loan and working capital facilities from Islami Bank Bangladesh Limited (IBBL), The City Bank Limited (CBL), Mercantile Bank Limited (MBL), Prime Bank Limited (PBL), HSBC. In the opinion of the banks, the transactions and repayment behavior of MSML is satisfactory. There has been no default/rescheduled/restructure/forced loan or dishonor of any cheque in the banking history of the client. MSML has given adequate security in various modes in favor of banks to avail the credit facilities from bank. The details of the liability position are shown below:

Bank/FI	Loan/Investment Type	Purpose	Disbursement Amount/Limit	Outstanding 23.09.2013	Status
IBBL	HPSM (Project Investment)	Establishment of cotton mill	1147.05	390.45	Regular
	LC/MFCI/BG/MDB	Meeting up different WC requirement	837.32	280.72	
CBL	EDF	Importation of raw materials	418.96	418.96	
HSBC	EDF	Working Capital finance	46.60	1.24	

7.2 Security Arrangements

Name of the Bank/FIs	Investment Mode	Security Arrangement
IBBL *(Local Office, Investment Department)*	*Term Investment & Working Capital Facility*	**Primary Security:** i) L/C/Bills: Lien on Related documents ii) MPI/Bai-Murabaha: Pledge of Bai-Murabaha goods including prescribed cash security. iii) TR against MPI/Bai-Murabaha: Lien on goods to be released under TR till disposal & deposit of sale. iv) Bank Guarantee: Counter Guarantee from client. **Cash/Goods Security:** i) Import LC: For WC: 10% cash security on CFR value at L/C stage. For HPSM: Minimum 20% cash on CFR value of machinery. ii) MPI/ Bai-Murabaha: 10% cash security on cost price. iii) BG: 10% cash security on the value of bank Guarantee, 100% in case of customs authority. **Collateral:** Registered mortgage of the properties worth of Tk. 1087.37 million with registered power of attorney to sale property in case of default. **Others Security:** i) Personal Guarantee of all the Directors. ii) Post dated cheques. iii) Creation of 1st charge on present and future assets. iv) All charge documents.
CBL *(Gulshan Branch)*	*Working Capital Facility*	**Primary Security:** Personal Guarantees of key Directors, Corporate Guarantee of Flamingo Fashions Ltd, Jinnat Apparels Ltd and Counter Guarantee of Borrowing company (against BG facilities)
HSBC	*Working Capital Facility*	Export LC

The value of land, building and machineries stood at Tk. 1860.79 million which is 4.76 times higher than outstanding term loan/investment of Tk.390.45 million. Ownership pattern of the mortgaged project land reveals that 100% of lands mortgaged are registered under the name of Company. The inventory was valued at Tk. 510.08 million and book debts were Tk.501.29 million as on June 30, 2013. The aggregate value of inventories and book debt (Tk.1011.37 million) was 0.77 times higher than that of the working capital loan/investment limit of Tk.1302.88 million. Repayment record of the company reveals that the company is regular in repayment.

8.0 RISK ANALYSIS

8.1 Operation and Maintenance Risk

MSML follows a well-developed production flow chart. Performance in each of the production steps are properly documented which assists to identify any variation in the process or fault in the process against its estimated quality. In order to maintain the standard level of quality, the management personnel both in head office and production premises seem to be competent and experienced to run the operation effectively. The well experienced management team of MSML is capable of ensuring the smooth functioning of the operation of the company. So MSML is less exposed to operational and maintenance risk.

8.2 Regulatory risk

The Government is timely monitoring the work environment and often fixing the minimum wage rate. Non-compliance of this can give rise to worker unrest. In spite of the promulgation of laws by the Government, the majority of garment and textile mills workers remain deprived of their legal rights. Some of the issues which still remain neglected including minimum basic salary, working hours, overtime calculation, off day in a week and yearly increment. In addition to that the Company operates under export/import policy, taxation policy adopted by NBR and rules adopted by other regulatory organizations. Any unexpected changes in the policies formed by those bodies will impact the business of the company adversely. So considering the above CRISL views that, MSML is exposed to regulatory risk to some extent.

8.3 Exchange Rate Risk

MSML is 100% export oriented yarn manufacturer. If Bangladeshi Taka is devalued and/or foreign currency is revalued then the price of imported cotton and chemicals will go up which will decrease the overall profit margin. On the other hand, export value will increase for devaluation of Taka. At the moment Bangladeshi currencies are getting appreciated against USD, which can affect the company’s profitability significantly. As MSMLs imports and exports are both through foreign currency, it benefits from the effect of natural hedging, as such the impact of exchange fluctuation is minimum.

8.4 Raw Material Supply Risk

Bangladesh, being an insufficient cotton producing country for bulk production, has dependency on cotton which is required to be imported from abroad, mainly from Zimbabwe and USA. However, the importers do not enjoy control over pricing of raw cotton. Thus, like other companies in the industry, MSML is exposed to raw material supply risk.

8.5 Price Fluctuation Risk

Price of raw cotton as well as finished goods fluctuates in international market. In 2012-13 the cotton price fell to $1.26 per pound from $2.60 per pound. Bangladesh mostly depends on Indian cotton import. But Indian government is unwilling to export raw cotton to Bangladesh which has put tedious pressure on overall raw cotton price and time benefit. On the contrary, yarn price remained stagnant and the price of it came down equal to cotton price. It created another pressure on the spinning industry. To overcome the above backdrop, MSML had to cut their production down and shift to higher count yarn for protection.

9.0 OBSERVATION SUMMARY:

Rating Comfort:	**Rating Concern:**
• Equity based capital structure • Good financial performance • Sound production facilities • Good quality control mechanism • Experienced management team • Sound Group reputation	• Moderate liquidity • • Moderate debt service coverage • Exposed to raw material supply risk
Business Prospects:	**Business Challenges:**
• Wide local market development • Largest industry of Bangladesh • Wide export market • Further Expansion	• Political instability • Increased global competition • Global economic meltdown • Quality maintenance

END OF THE REPORT

(Information used herein is obtained from sources believed to be accurate and reliable. However, CRISL does not guarantee the accuracy, adequacy or completeness of any information and is not responsible for any errors or omissions or for the results obtained from the use of such information. Rating is an opinion on credit quality only and is not a recommendation to buy or sell any securities. All rights of this report are reserved by CRISL. Contents may be used by news media and researchers with due acknowledgement)

[We have examined, prepared, finalized and issued this report without compromising with the matters of any conflict of interest. We have also complied with all the requirements, policy procedures of the BSEC rules as prescribed by the Bangladesh Securities and Exchange Commission.]

10.0 CORPORATE INFORMATION

Date of incorporation **:** September 15, 2002

Start of Commercial operation: October 1, 2006

Board of Directors:

Mr. Abdul Wahed	Chairman
Mr. Mohammed Abdul Jabbar	Managing Director
Mr. Mohammed Abdur Rahim	Director
Mr. Mohammed Abdul Quader	Director
Mr. Mohammed Hassan Imam	Director
Ms. SelinaParvin	Director
Tanzeen Rahim	Director
Taslima Begum	Director

Statutory Auditor: **Masih Muhith Haque & Co.**
Chartered Accountants

11) FINANCIAL INFORMATION

A) Balance Sheet As On June 30th

Balance Sheet	2013	2012
Non-Current Assets:		
Property, Plant & Equipment	1860.79	1,949.03
Capital work in progress	7.72	1.29
Investment	97.60	104.37
Total Non-Current Assets	**1966.10**	**2,054.69**
Current Assets:		
Inventories	510.09	546.22
Trade Debtors	501.28	911.73
Adv. Deposits & Prepayments	235.65	72.56
Other Current Assets	189.12	225.19
Total Current Assets Other than Cash	1436.13	1,755.69
Cash & Bank Balances	442.32	328.63
Total Current Assets	**1878.45**	**2,084.32**
Current Liabilities:		
Short Term Loan	781.97	1,283.10
Long Term Loan-Current Portion	197.48	206.07
Trade Creditors	108.72	35.51
Liabilities For Expenses	191.15	145.03
Total Current Liabilities	**1279.33**	**1,669.70**
Net Current Assets	**599.13**	**414.62**
Net Assets(Capital Employed)	**2565.23**	**2,469.31**
Non-Current Liabilities:		
Long Term Loan	220.44	378.58
Deferred Liabilities	79.60	75.11
Total Non-Current Liabilities	**300.05**	**453.69**
Shareholders' Equity:		
Share Capital	633.90	422.60
Capital Reserve		-
Other Reserve	1081.53	1,080.37
Retained Earnings	549.75	512.65
Total Shareholder's Equity	**2265.18**	**2,015.62**
Total Equity and Long Term Liabilities	**2565.23**	**2,469.31**
Total Assets	**3844.55**	**4,139.01**

B) Income Statement for the year ended on June 30th

Income Statement	**2013**	**2012**
Sales Revenue	2395.78	2,623.62
Cost of Goods Sold Excluding Depreciation	1842.51	2,016.93
Depreciation-Manufacturing	86.63	96.63
Cost of Goods Sold	**1929.14**	**2,113.55**
Gross Profit	**466.64**	**510.06**
Salary & Allowances	39.35	27.96
Depreciation-Administration	9.63	10.74
Other Administration Expenses	14.98	12.06
Total Administration	**63.96**	**50.75**
Selling & Distribution Expenses	0.69	0.72
Profit from Operation	**401.99**	**458.59**
Financial Cost	113.60	198.52
Non Operating Income	35.44	7.59
Other Non-Operating Expenses	15.42	12.75
Profit Before Tax	**308.40**	**254.91**
Income Tax	50.92	40.72
Deferred tax liabilities expenses	5.65	8.69
Profit After Tax	**251.83**	**205.50**

CRISL RATING SCALES AND DEFINITIONS

LONG-TERM RATINGS OF CORPORATE

RATING	DEFINITION
AAA Triple A (Highest Safety)	**Investment Grade** Entities rated in this category are adjudged to be of best quality, offer highest safety and have highest credit quality. Risk factors are negligible and risk free, nearest to risk free Government bonds and securities. Changing economic circumstances are unlikely to have any serious impact on this category of companies.
AA+, AA, AA- (Double A) (High Safety)	Entities rated in this category are adjudged to be of high quality, offer higher safety and have high credit quality. This level of rating indicates a corporate entity with a sound credit profile and without significant problems. Risks are modest and may vary slightly from time to time because of economic conditions.
A+, A, A- Single A (Adequate Safety)	Entities rated in this category are adjudged to offer adequate safety for timely repayment of financial obligations. This level of rating indicates a corporate entity with an adequate credit profile. Risk factors are more variable and greater in periods of economic stress than those rated in the higher categories.
BBB+, BBB, BBB- Triple B (Moderate Safety)	Entities rated in this category are adjudged to offer moderate degree of safety for timely repayment of financial obligations. This level of rating indicates that a company is under-performing in some areas. Risk factors are more variable in periods of economic stress than those rated in the higher categories. These entities are however considered to have the capability to overcome the above-mentioned limitations.
BB+, BB, BB- Double B (Inadequate Safety)	**Speculative Grade** Entities rated in this category are adjudged to lack key protection factors, which results in an inadequate safety. This level of rating indicates a company as below investment grade but deemed likely to meet obligations when due. Overall quality may move up or down frequently within this category.
B+, B, B- Single B (Risky)	Entities rated in this category are adjudged to be with high risk. Timely repayment of financial obligations is impaired by serious problems which the entity is faced with. Whilst an entity rated in this category might be currently meeting obligations in time through creating external liabilities.
CCC+,CCC, CCC- Triple C (Vulnerable)	Entities rated in this category are adjudged to be vulnerable and might fail to meet its repayments frequently or it may currently meeting obligations in time through creating external liabilities. Continuance of this would depend upon favorable economic conditions or on some degree of external support.
CC+,CC, CC- Double C (High Vulnerable)	Entities rated in this category are adjudged to be very highly vulnerable. Entities might not have required financial flexibility to continue meeting obligations; however, continuance of timely repayment is subject to external support.
C+,C,C- Single C (Extremely Speculative)	Entities rated in this category are adjudged to be with extremely speculative in timely repayment of financial obligations. This level of rating indicates entities with very serious problems and unless external support is provided, they would be unable to meet financial obligations.
D (Default)	**Default Grade** Entities rated in this category are adjudged to be either already in default or expected to be in default.

Note: For long-term ratings, CRISL assigns + (Positive) sign to indicate that the issue is ranked at the upper-end of its generic rating category and - (Minus) sign to indicate that the issue is ranked at the bottom end of its generic rating category. Long-term ratings without any sign denote mid-levels of each group.

SHORT-TERM RATINGS OF CORPORATE

ST-1	**Highest Grade** Highest certainty of timely payment. Short-term liquidity including internal fund generation is very strong and access to alternative sources of funds is outstanding. Safety is almost like risk free Government short-term obligations.
ST-2	**High Grade** High certainty of timely payment. Liquidity factors are strong and supported by good fundamental protection factors. Risk factors are very small.
ST-3	**Good Grade** Good certainty of timely payment. Liquidity factors and company fundamentals are sound. Although ongoing funding needs may enlarge total financing requirements, access to capital markets is good. Risk factors are small.
ST-4	**Moderate Grade** Moderate liquidity and other protection factors qualify an entity to be in investment grade. Risk factors are larger and subject to more variation.
ST-5	**Non-Investment/Speculative Grade** Speculative investment characteristics. Liquidity is not sufficient to ensure discharging debt obligations. Operating factors and market access may be subject to a high degree of variation.
ST-6	**Default** Entity is in default or is likely to default in discharging its short-term obligations. Market access for liquidity and external support is uncertain.

CRISL RATING SCALES AND DEFINITIONS

BANK LOAN/ FACILITY RATING SCALES AND DEFINITIONS- LONG-TERM

RATING	DEFINITION
blr **AAA** (*blr* Triple A) (Highest Safety)	**Investment Grade** Bank Loan/ Facilities enjoyed by banking clients rated in this category are adjudged to have highest credit quality, offer highest safety and carry almost no risk. Risk factors are negligible and almost nearest to risk free Government bonds and securities. Changing economic circumstances are unlikely to have any serious impact on this category of loans/ facilities.
blr **AA+**, *blr* **AA**, *blr* **AA-** (Double A) (High Safety)	Bank Loan/ Facilities enjoyed by banking clients rated in this category are adjudged to have high credit quality, offer higher safety and have high credit quality. This level of rating indicates that the loan / facilities enjoyed by an entity has sound credit profile and without any significant problem. Risks are modest and may vary slightly from time to time because of economic conditions.
blr **A+,** *blr* **A,** *blr* **A**- Single A (Adequate Safety)	Bank Loan/ Facilities rated in this category are adjudged to carry adequate safety for timely repayment/ settlement. This level of rating indicates that the loan / facilities enjoyed by an entity have adequate and reliable credit profile. Risk factors are more variable and greater in periods of economic stress than those rated in the higher categories.
blr **BBB+,** *blr* **BBB,** *blr* **BBB-** Triple B (Moderate Safety)	Bank Loan/ Facilities rated in this category are adjudged to offer moderate degree of safety for timely repayment /fulfilling commitments. This level of rating indicates that the client enjoying loans/ facilities under-performing in some areas. However, these clients are considered to have the capability to overcome the above-mentioned limitations. Cash flows are irregular but the same is sufficient to service the loan/ fulfill commitments. Risk factors are more variable in periods of economic stress than those rated in the higher categories.
blr **BB+**, *blr* **BB**, *blr* **BB-** Duble B (Inadequate Safety)	**Speculative/ Non investment Grade** Bank Loan/ Facilities rated in this category are adjudged to lack key protection factors, which results in an inadequate safety. This level of rating indicates loans/ facilities enjoyed by a client are below investment grade. However, clients may discharge the obligation irregularly within reasonable time although they are in financial/ cash problem. These loans / facilities need strong monitoring from bankers side. There is possibility of overcoming the business situation with the support from group concerns/ owners. Overall quality may move up or down frequently within this category.
blr **B+**, *blr* **B**, *blr* **B-** Single B (Somewhat Risk)	Bank Loan/ Facilities rated in this category are adjudged to have weak protection factors. Timely repayment of financial obligations may be impaired by problems. Whilst a Bank loan rated in this category might be currently meeting obligations in time, continuance of this would depend upon favorable economic conditions or on some degree of external support. Special monitoring is needed from the financial institutions to recover the installments.
blr **CCC+**, *blr* **CCC**, *blr* **CCC-** Triple C (Risky)	**Risky Grade** Bank Loan/ Facilities rated in this category are adjudged to be in vulnerable status and the clients enjoying these loans/ facilities might fail to meet its repayments frequently or it may currently meeting obligations through creating external support/liabilities. Continuance of this would depend upon favorable economic conditions or on some degree of external support. These loans / facilities need strong monitoring from bankers side for recovery.
blr **CC+,** *blr* **CC,** *blr* **CC**- Double C (High Risky)	Bank Loan/ Facilities rated in this category are adjudged to carry high risk. Client enjoying the loan/ facility might not have required financial flexibility to continue meeting obligations; however, continuance of timely repayment is subject to external support. These loans / facilities need strong monitoring from bankers side for recovery.
blr **C+,** *blr* **C,** *blr* **C-** (Extremely Speculative)	Bank Loan/ Facilities rated in this category are adjudged to be extremely risky in timely repayment/ fulfilling commitments. This level of rating indicates that the clients enjoying these loan/ facilities are with very serious problems and unless external support is provided, they would be unable to meet financial obligations.
blr **D** (Default)	**Default Grade** Entities rated in this category are adjudged to be either already in default or expected to be in default.

SHORT-TERM RATINGS

blr ST-1	**Highest Grade** Highest certainty of timely payment. Short-term liquidity including internal fund generation is very strong and access to alternative sources of funds is outstanding, Safety is almost like risk free Government short-term obligations.
blr ST-2	**High Grade** High certainty of timely payment. Liquidity factors are strong and supported by good fundamental protection factors. Risk factors are very small.
blr ST-3	**Good Grade** Good certainty of timely payment. Liquidity factors and company fundamentals are sound. Although ongoing funding needs may enlarge total financing requirements, access to capital markets is good. Risk factors are small.
blr ST-4	**Satisfactory Grade** Satisfactory liquidity and other protection factors qualify issues as to invest grade. Risk factors are larger and subject to more variation.
blr ST-5	**Non-Investment Grade** Speculative investment characteristics. Liquidity is not sufficient to insure against disruption in debt service. Operating factors and market access may be subject to a high degree of variation.
blr ST-6	**Default** Institution failed to meet financial obligations

"শেয়ারবাজারে বিনিয়োগ ঝুঁকিপূর্ণ, জেনে ও বুঝে বিনিয়োগ করুন।"

"Interested persons are entitled to a prospectus, if they so desire, and that copies of prospectus may be obtained from the issuer and the issue manager"

Matin Spinning Mills Limited

Application Form

APPLICATION FOR SHARES BY INVESTORS OTHER THAN NON-RESIDENT BANGLADESHI(S)

Warning: Please read the instructions at the back of this form. Incorrectly filled applications or applications failing to comply with any of the instructions therin may be rejected.

The Managing Director
Matin Spinning Mills Limited
BGMEA Complex (12th Floor)
23/1 Panthapath Link Road
Kawran Bazar, Dhaka 1215

Banker's Sl no:

Dear Sir,

I/we apply for and request you to allot me/us the ……….number of Shares and I/we agree to accept the same or any smaller number that may be allotted to me/us upon the terms of the Company's Prospectus approved by the Bangladesh Securities and Exchange Commission and subject to the Memorandum and Articles of Association of the Company. Further, I/we authorize you to place my/our name(s) on the Register of Members of the Company and deposit the said ordinary shares to my/our BO (Beneficiary Owner) Account and/or a Crossed (Account Payee only) Cheque in respect of any application money refundable to me/us by post/courier at my/our risk to the first applicant's address stated below:-

1. No. of Ordinary Shares ………………… of BDT 37/- each including a premium of BDT 27/- per share.

2. Total subscription money of the amount of BDT (in figure), ………………, Taka (in words) ……………………………………………………………only deposited vide Cash/Cheque/DD/PO No…………………………dated ……………… on ……………………………………………..Bank………………………………… Branch.

3. Beneficiary Owner (B/O) Account Number

[If you do not mention your valid BO (Beneficiary Owner) account number, your application will be treated as invalid]

4. I/we agree to fully abide by the instructions given herein.

5. Particulars of Applicant(s):

a) Sole/First Applicant

Name: Mr./Mrs./Ms.		
Father's/Husband's Name:		
Mother's Name:		
Mailing Address:		
Occupation:	Nationality:	Telephone No. (If any):
For refund warrant: Please write the correct and full name of bank and branch. (Application will not be treated as valid if anyone uses a non-scheduled bank. To avoid this complication, investors are requested not to use the name of any non-scheduled bank)		
For Refund Purpose: I/We want refund through □ Bank Account* □ Courier/Hand Delivery (Please put tick mark in which refund will be made)		
The applicant shall provide with the same bank account number in the application form as it is in the BO account of the applicant.		
In case of deposit into the applicants bank account, the applicant will bear the applicable service charge, if any, of the applicants banker and the issuer shall simultaneously issue a letter of intimation to the applicant containing, among others, the date and amount remitted with details of the bank through and to which bank such remittance has been effected.		
Applicant's Bank A/C No.:		
Name of the Bank:		Branch:

b) Second Applicant

Name: Mr./Mrs./Ms.		
Father's/Husband's Name:		
Mother's Name:		
Mailing Address:		
Occupation:	Nationality:	Telephone No. (If any):

6. I/We hereby declare that I/We have read the Prospectus of Matin Spinning Mills Limited and have willingly subscribed for ……………… no. of ordinary shares of BDT 37 each including a premium of BDT 27 each.

7. Specimen Signature(s):

1st Applicant: Name (in Block Letters)	Signature:
2nd Applicant: Name (in Block Letters)	Signature:

……

BANK'S ACKNOWLEDGEMENT

Certified that this Bank has received BDT (in figure) …………………… (in words) ……………………………………………… only from Mr./Mrs./Ms. ………………………………………………………being the application money for …………….. nos. of ordinary shares of **Matin Spinning Mills Limited**.

Bankers Sl. No. **Seal & Date** **Authorized Signature (Name & Designation)**

INSTRUCTIONS

1. As per provision of the Depository Act, 1999 and regulations made there under shares will only be issued in dematerialized condition. Please mention your BO (Beneficiary Owner) account number in the Application Form. If you do not mention your valid BO (Beneficiary Owner) Account, your application will be treated as invalid.

2. All information must be typed or written in full (in block letters) in English or in Bengali and must not be abbreviated.

3. Application must be made on the Company's printed form/photocopy or on typed copy/hand written form thereof.

4. Application must not be for less than **200** ordinary shares and must be for a multiple of **200** ordinary shares. Any application not meeting these criterions will not be considered for allotment purpose.

5. Remittance for the full amount of the shares must accompany each application and must be forwarded to any of the Bankers' to the Issue. Remittance should be in the form of cash/cheque/bank draft/pay order payable to one of the Bankers' to the Issue favoring **"Matin Spinning Mills Limited"** and crossed **"A/C Payee only"** and must be drawn on a bank in the same town as the bank to which the application form has been sent.

6. In the case of a joint application form, the Allotment letter will be dispatched to the person whose name appears first on this application form and where any amount is refundable in whole or in part the same will be refunded by Account Payee Cheque by post/courier service to the person named first on this Application Form in the manner prescribed in the Prospectus.

7. Joint application form for more than two persons will not be accepted. In case of joint application, each party must sign the application form.

8. Applications must be in the full name of individuals or companies or societies or trusts and not in the name of firms, minors or persons of unsound mind. Application from financial and market intermediary companies must be accompanied by Memorandum of Association and Articles of Associations and Certificate of Incorporation.

9. An applicant cannot submit more than two applications, one in his/her own name and another jointly with another person. In case an applicant makes more than two applications, all applications will be treated as invalid and will not be considered for allotment purpose. In addition, 15% (fifteen) of the application money will be forfeited by the Commission and the balance amount will be refunded to the applicant.

10. No receipt will be issued for the payment made with application, but the bankers will issue a provisional acknowledgement to the issue for application lodged with them.

11. In the case of non-allotment of securities, if the applicants' bank accounts as mentioned in their IPO Application Forms are maintained with the Bankers to the Issue, refund amount of those applicants will be directly credited into the respective bank accounts as mentioned in their IPO Application Forms. Otherwise, refund will be made only through "Account Payee" cheque(s) showing bank account number and name of bank and branch as mentioned in the application payable at Dhaka or Chittagong, as the case may be.

12. Allotment shall be made solely in accordance with the instructions of the Bangladesh Securities and Exchange Commission.

13. Making of any false statement in the application or supplying of incorrect information therein or suppressing any relevant information shall make the application liable to rejection and subject to forfeiture of application money and / or forfeiture of share (unit) before or after issuance of the same by the issuer. The said forfeited Application money or share (unit) will be deposited in account specified by the Bangladesh Securities and Exchange Commission (BSEC). This may be in addition to any other penalties as may be provided for by the law.

14. Applications which do not meet the above requirements, or applications, which are incomplete, shall not be considered for allotment purpose.

15. The Bankers' to the Issue shall be obliged to receive the A/C Payee Cheque(s) on the closing day of the subscription.

16. No sale of securities shall be made nor shall any money be taken from any person, in connection with such sale until twenty five days after the prospectus have been published.

17. The applicants who have applied for more than two applications using bank account, their application will not be considered for lottery and the Commission will forfeit 15% (fifteen) of their subscription money too.

BANKERS TO THE ISSUE

Brac Bank Limited

Asad Gate Br. Dhaka	Donia Br. Dhaka	Khulna Br. Khulna	Rampura Br. Dhaka
Agrabad Br. Chittagong	Eskaton Br. Dhaka	Manda Br. Dhaka	Rajshahi Br. Rajshahi
Banani Br. Dhaka	Grapics Building Br. Dhaka	Mirpur Br. Dhaka	Shyamoli Br. Dhaka
Bashundhara Br. Dhaka	Gulshan Br. Dhaka	Momin Road Br. Chittagong	Uttara Br. Dhaka
Barisal Br. Barisal	Halishohor Br. Chittagong	Narayangonj Br. Narayangonj	Zindabazar Br. Sylhet
Bogra Br. Bogra	Jessore Br. Jessore	Nawabpur Br. Dhaka	
CDA Avenue Br. Chittagong	Kazirdeuri Br. Chittagong	Patia Br. Chittagong	

Dhaka Bank Limited

Barisal Br. Barisal	Cox's Bazar Br. Cox's Bazar	KDA anvenue Br. Khulna	Rangpur Br. Rangpur
Bogra Br. Bogra	Foreign Exchange Br. Dhaka	Khilgaon Br. Dhaka	Uttara Br. Dhaka
CDA Aveneue Br. Chittagong	Imamgonj Br. Dhaka	Mirpur Br. Dhaka	
Comilla Br. Comilla	Kawran Bazar Br. Dhaka	Rajshahi Br. Rajshahi	

First Security Islami Bank Limited

Agrabad Br. Chittagong	College Gate Br. Gazipur	Jubilee Road Br. Chittagong	Rajshahi Br. Rajshahi
Ambarkhana Br. Sylhet	Comilla Br. Comilla	Khatungonj Br. Chittagong	Rangpur Br. Rangpur
Andar Killah Br. Chittagong	Cox's Bazar Br. Cox's Bazar	Khulna Br. Khulna	Ring Road Br. Dhaka
Azampur Br. Dhaka	Dhanmondi Br. Dhaka	Mirpur Br. Dhaka	Satkhira Br. Satkhira
Banani Br. Dhaka	Dilkusha Br. Dhaka	Mohakhali Br. Dhaka	Savar Br. Dhaka
Bangshal Br. Dhaka	Dinajpur Br. Dinajpur	Motijheel Br. Dhaka	Senanibash Br. Dhaka
Barisal Br. Barisal	Donia Br. Dhaka	Moulovibazar Br. Moulovibazar	Sylhet Br. Sylhet
Biswa Road Br. Dhaka	Faridpur Br. Faridpur	Mymensingh Br. Mymensingh	Taltola Br. Sylhet
Bogra Br. Bogra	Gobindagonj Br. Sunamgonj	Narayangonj Br. Narayangonj	Topkhana Road Br. Dhaka
Bohaddarhat Br. Chittagong	Gulshan Br. Dhaka	Pabna Br. Pabna	Uttara Br. Dhaka
Bonoshree Br. Dhaka	Hat Hazari Br. Chittagong	Patiya Br. Chittagong	Zirabo Br. Dhaka
Chawkbazar Br. Chittagong	Islampur Br. Dhaka	Patuakhali Br. Patuakhali	
Chokoria Br. Cox's Bazar	Jessore Br. Jessore	Probartak Mor Br. Chittagong	

Investment Corporation of Bangladesh

Barisal Br. Barisal	Chittagong Br. Chittagong	Khulna Br. Khulna	Rajshahi Br. Rajshahi
Bogra Br. Bogra	Head Office, Dhaka	Local Office, Nayapaltan, Dhaka	Sylhet Br. Sylhet

Islami Bank BangladeshLimited

Agrabad Br. Chittagong	Farmgate Br. Dhaka	Kushtia Br. Kushtia	New Market Br. Dhaka
Barisal Br. Barisal	Feni Br. Feni	Local Office, Dhaka	Pabna Br. Pabna
Bogra Br. Bogra	Foreign Exchange Br. Dhaka	Mirpur Br. Dhaka	Rajshahi Br. Rajshahi
Chawk Mugaltuly Br. Dhaka	Gulshan Br. Dhaka	Motijheel Br. Dhaka	Shyamoli Br. Dhaka
Chowmuhani Br. Noakhali	Jatrabari Br. Dhaka	Mouchak Br. Dhaka	Sylhet Br. Sylhet
Comilla Br. Comilla	Jessore Br. Jessore	Moulvi Bazar Br. Moulvi Bazar	Uttara Br. Dhaka
Cox's Bazar Br. Cox's Bazar	Khatunganj Br. Chittagong	Narayangonj Br. Narayangonj	
Dinazpur Br. Dinajpur	Khulna Br. Khulna	Nawabpur Road Br. Dhaka	

Mercantile Bank Limited

Aganagar Br. Dhaka	Dholaikhal Br. Dhaka	Khulna Br. Khulna	Nayabazar Br. Dhaka
Agrabad Br. Chittagong	Dinajpur Br. Dinajpur	Madam Bibir Hat Br. Chittagong	O. R. Nizam Road Br. Chittagong
Banani Br. Dhaka	Elephant Road Br. Dhaka	Main Br. Dhaka	Progati Sarani Br. Dhaka
Barishal Br. Barishal	Engineers' Institution Br. Dhaka	Mazar Road Br. Dhaka	Rajshahi Br. Rajshahi
BeaniBazar Br. Sylhet	Feni Br. Feni	Mirpur Br. Dhaka	Rangpur Br. Rangpur
Bijoynagor Br. Dhaka	Green Road Br. Dhaka	Moghbazar Br. Dhaka	Ring Road Br. Dhaka
Board Bazar Br. Gazipur	Gulshan Br. Dhaka	Mohakhali Br. Dhaka	Satmasjid Road Br. Dhaka
Bogra Br. Bogra	Jessore Br. Jessore	Motijheel Br. Dhaka	Sheikh Mujib Road Br. Chittagong
Chittagong EPZ Br. Chittagong	Jubilee Road Br. Chittagong	Moulvibazar Br. Moulvibazar	Sylhet Br. Sylhet
Comilla Br. Comilla	Kawran Bazar Br. Dhaka	Naogaon Br. Naogaon	Uttara Br. Dhaka
Dhanmondi Br. Dhaka	Khatunganj Br. Chittagong	Narayangonj Br. Narayangonj	

Mutual Trust Bank Limited

Agrabad Br. Chittagong	Elephant Road Br. Dhaka	Kushtia Br. Kushtia	Progati Sarani Br. Dhaka
Alankar Mour Br. Chittagong	Feni Br. Feni	Mohammadpur Br. Dhaka	Rajshahi Br. Rajshahi
Babu Bazar Br. Dhaka	Fulbaria Br. Dhaka	Moulvi Bazar Br. Sylhet	Rangpur Br. Rangpur
Banani Br. Dhaka	Gournadi Br. Barisal	MTB Corporate Centre Br. Dhaka	Savar Br. Dhaka
Bogra Br. Bogra	Gulshan Br. Dhaka	Narayanganj Br. Narayanganj	Shanir Akhra Br. Dhaka
CDA Avenue Br. Chittagong	Habigonj Br. Hobigonj	Pabna Br. Pabna	Sonargaon Br. Narayanganj
Dhanmondi Br. Dhaka	Jessore Br. Jessore	Pallabi Br. Dhaka	Sylhet Br. Sylhet
Dholaikhal Br. Dhaka	Jubilee Road Br. Chitatgong	Panthapath Br. Dhaka	Tongi Br. Dhaka
Dilkusha Br. Dhaka	Khatunganj Br. Chittagong	Principal Br. Dhaka	Uttara Model Town Br. Dhaka

National Bank Limietd

Agrabad Br. Chittagong	Elephant Road Br. Dhaka	Lake Circus Br. Dhaka	Pahartali Br. Chittagong
Anderkillah Br. Chittagong	Faridpur Br.	Malibagh Br. Dhaka	Pragati Sarani Br. Dhaka
Asadgate Br. Dhaka	Feni Br.	Mirpur Br. Dhaka	Rajshahi Br.
Babubazar Br. Dhaka	Foreign Ex. Br. Dhaka	Mohakhali Br. Dhaka	Rangpur Br.
Banani Br. Dhaka	Gazipur Br. Gazipur	Mohammadpur Br. Dhaka	Rifles Square Br. Dhaka
Bandura Br. Dhaka	Gulshan Br. Dhaka	Motijheel Br. Dhaka	Rokeya Sarani Br. Dhaka
Bangshal Road Br. Dhaka	Halishahar Br. Chittagong	Moulvibazar Br. Moulvibazar	S.K. Mojib Road Br.
Barisal Br. Barisal	Imamganj Br. Dhaka	Muradpur Br. Chittagong	Savar Bazar Br. Dhaka
Bogra Br. Bogra	Islampur Br. Dhaka	Mymensingh Br. Mymensingh	Sunamgonj Br. Sunamgonj
CDA Avenue Br. Chittagong	Jatrabari Br. Dhaka	Narayangonj Br. Narayangonj	Sylhet Br. Sylhet
Chawk Bazar Br. Chittagong	Jessore Br. Jessore	Narsingdi Br. Narsingdi	Tangail Br. Tangail
Chowmuhani Br.	Jubille Road Br. Chittagong	Netaigonj Br. Narayanganj	Tongi Br. Gazipur
Comilla Br. Comilla	Kawran Bazar Br. Dhaka	New Eskaton Br. Dhaka	Uttra Br. Dhaka
Dhanmondi Br. Dhaka	Khantungonj Br. Chittagong	North Brook Hall Br. Dhaka	Z. H. Sikder MC Br. Dhaka

Dilkusha Br. Dhaka	Khulna Br. Khulna	Pagla Bazar Br.	Zindabazar Br. Sylhet
One Bank Limited			
Agrabad Br. Chittagong	Elephant Road Br. Dhaka	Khatunganj Br. Chittagong	Raipur Br. Laxmipur
Banani Br. Dhaka	Feni Br. Feni	Laksham Br. Comilla	Rajshahi Br. Rajshahi
Banasree Br. Dhaka	Ganakbari (EPZ) Br. Dhaka	Laldighipar Br. Sylhet	Ramganj Br. Laxmipur
Bangshal Br. Dhaka	Gulshan Br. Dhaka	Madhabdi Br. Narsingdi	Rangamati Br. Rangamati
Basabo Br. Dhaka	Imamganj Br. Dhaka	Maijdee Court Br. Noakhali	Satkhira Br. Satkhira
Bogra Br. Bogra	Islampur Br. Sylhet	Mirpur Br. Dhaka	Shahjadpur Br. Sirajgonj
CDA Avenue Br. Chittagong	Jagannathpur Br. Dhaka	Moghbazar Br. Dhaka	Sherpur Br. Moulvi bazar
Chandragonj Br. Lakshmipur	Jatrabari Br. Dhaka	Motijheel Br. Dhaka	Sirajgonj Br. Sirajgonj
Chowmuhuni Br. Noakhali	Jessore Br. Jessore	Nanupur Bazar Br. chittagong	Sitakunda Br. Chittagong
Comilla Br. comilla	Joypara Br. Dhaka	Narayanganj Br. Narayanganj	Sylhet Br. Sylhet
Cox's Bazar Br. Cox's Bazar	Jubilee Road Br. Chitatgong	Nawabgonj Br. Dhaka	Tongi Br. Gazipur
Dagon bhuiyan Br. Feni	Kakrail Br. Dhaka	Principal Br. Dilkusha, Dhaka	Uttara Br. Dhaka
Dhanmondi Br. Dhaka	Kawran Bazar Br. dhaka	Progoti Sharani Br. Dhaka	
Southeast Bank Limited			
Aganagar Br. Dhaka	Chowmuhani Br. Noakhali	Khatunganj Br. Chittagong	New Eskaton Br. Dhaka
Agrabad Br. Chittagong	Comilla Br. Comilla	Khulna Br. Khulna	Pahartali Br. Chittagong
Ashulia Br. Dhaka	Corporate Br. Dhaka	Konabari Br. Gazipur	Pathantula Br. Sylhet
Banani Br. Dhaka	Cox'x Bazar Br. Cosx's Bazar	Kulaura Br. Moulvibazar	Pragati Sarani Br. Dhaka
Bandar Bazar Br. Sylhet	Dhanmondi Br. Dhaka	Laldighipaar Br.Sylhet	Principal Br. Dhaka
Bangshal Br. Dhaka	Feni Br. Feni	Madambibir Hat Br. Chittagong	Rajshahi Br. Rajshahi
Barisal Br. Barisal	Gulshan Br. Dhaka	Madhabdi Br. Narshingdi	Rangpur Br. Rangpur
Bashundhara Br. Dhaka	Halishahar Br. Chittagong	Mohammadpur Br. Dhaka	Sat Mashjid Road Br. Dhaka
Bashurhat Br. Noakhali	Hetimgonj Br. Sylhet	Momin Road Br. Chittagong	Savar Br. Dhaka
Bogra Br. Bogra	Imamganj Br. Dhaka	Mouchak Br. Dhaka	Shahjalal Uposhahar Br. Sylhet
Brammon Baria Br. B. Baria	Joypara Br. Dhaka	Moulvibazar Br. Moulvibazar	Shaymoli Br. Dhaka
CDA Avenue Br. Chittagong	Jubilee Road Br. Chittagong	Naogaon Br. Naogaon	Tongi Br. Gazipur
Chhagalnaiya Br. Feni	Kakrail Br. Dhaka	Narayanganj Br. Narayanganj	Uttara Br. Dhaka
Chouhatta Br. Sylhet	Karwan Bazar Br. Dhaka	New Elephant Road Br. Dhaka	
Shahjalal Islami Bank Limited			
Agrabad Br. Chittagong	Dhanmondi Br. Dhaka	Jubilee Road Br. Chittagong	Motijheel Br. Dhaka
Banani Br. Dhaka	Foreign exchange Br. Dhaka	Kawran Bazar Br. Dhaka	Satmasjid Road Br. Dhaka
Bijoynagar Br. Dhaka	Gulshan Br. Dhaka	Khatungonj Br. Chittagong	Sylhet Br. Sylhet
Dhaka Main Br. Dhaka	Gulshan South Avenue Br. Dhaka	Mirpur Br. Dhaka	Uttara Br. Dhaka
The City Bank Limited			
Agrabad Br. Chittagong	Comilla Br. Comilla	Khatungonj Br. Chittagong	Principal office Br. Dhaka
Amborkhana Br. Sylhet	Cox's Bazar Br. Chittagong	Khulna Br. Khulna	Rajshahi Br. Rajshahi
Andarkilla Br. Chittagong	Dhanmondi Br. Dhaka	Moulvi Bazar Br. Sylhet	Rangpur Br. Rangpur
Bandar Bazar Br. Sylhet	Imamgonj Br. Dhaka	Narsingdi Br. Narsingdi	Shaymoli Br. Dhaka
Bangabandhu Road Br. N. Gonj	Islampur Br. Dhaka	Nawabgonj Br. Dhaka	Sirajgonj Br. Sirajgonj
Barisal Br. Barisal	Jessore Br. Jessore	Nawabpur Br. Dhaka	Tongi Br. Gazipur
B. B. Avenue Br. Dhaka	Johnson Road Br. Dhaka	New Market Br. Dhaka	VIP Road Br. Dhaka
Bogra Br. Bogra	Jubilee Road Br. Chittagong	Pahartoli Br. Chittagong	Zinda Bazar Br. Sylhet
Chawkbazar Br. Chittagong	Kawran Bazar Br. Dhaka	Pragati Sarani Br. Dhaka	Zinzira Br. Dhaka
Trust Bank Limited			
Ashugonj Br. Brahmanbaria	Elephant Road Br. Dahaka	Kawran Bazar Br. Dhaka	Rajshahi Br. Rajshahi
Ashulia Br. Dhaka	Feni Br. Feni	Khulna Br. Khulna	Rangpur Cantonment Br. Rangpur
Barishal Br. Barishal	Halishahar Br. Chittagong	Khwaja Y. Ali Medical Br. Sirajgonj	S.S. Cantonment Br. Tangail
Bogra Cantonment Br. Bogra	Jalalabad Cant. Br. Sylhet	Mirpur Br. Dhaka	Savar Cantonment Br. Dhaka
Chowmohoni Br. Chowmohoni	Jessore Cantonment Br. Jessore	Momenshahi Cantoment Br.	Shahjalal Uposhohor Br. Sylhet
Comilla Br. Comilla	Joydebpur Br. Gazipur	Narayangonj Br. Narayangonj	Tongi Br. Gazipur
Comilla Cantonment Br. Comilla	Joypara Br. Dhaka	Narsingdi Br. Narsingdi	Uttara Corporate Br. Dhaka
Dhanmondi Br. Dhaka	Kadamtali Br. Chittagong	Principal Br. Dhaka	
Dilkusha Corp. Br. Dhaka	Kafrul Br. Dhaka	Radisson Garden Hotel Br. Dhaka	

"শেয়ারবাজারে বিনিয়োগ ঝুঁকিপূর্ণ, জেনে ও বুঝে বিনিয়োগ করুন।"

"Interested persons are entitled to a prospectus, if they so desire, and that copies of prospectus may be obtained from the issuer and the issue manager"

Matin Spinning Mills Limited

Application Form

APPLICATION FOR SHARES BY NON-RESIDENT BANGLADESHI(S)

(TO BE SENT DIRECTLY TO THE COMPANY'S CORPORATE OFFICE)

Warning: Please read the instructions at the back of this form. Incorrectly filled applications or applications failing to comply with any of the instructions therin may be rejected.

The Managing Director
Matin Spinning Mills Limited
BGMEA Complex (12th Floor)
23/1 Panthapath Link Road
Kawran Bazar, Dhaka 1215

Dear Sir,

I/we apply for and request you to allot me/us …….. number of Shares and I/we agree to accept the same or any smaller number that may be allotted to me/us upon the terms of the Company's approved Prospectus and subject to the Memorandum and Articles of Association of the Company. Further, I/we authorize you to place my/our name(s) on the Register of Members of the Company and credit the said ordinary shares to my/our BO (Beneficiary Owner) Account and/or a Crossed (Account Payee only) Cheque in respect of any application money refundable by post/courier at my/our risk to the first applicant's address stated below:

1. No. of Ordinary Shares ……………………………. of BDT 37 each including a premium of BDT 27 per share.

2. Total subscription money of the amount of BDT (in figure)………….. BDT (in words) ……………………..……...…………………..……………………….. only convertible into USD 1=BDT …………, GBP 1 =BDT…………. and EURO 1=BDT…………..

3. Payment by Cheque/ Draft No.…………………………..date………………………for USD or GBP or EURO or BDT…………………………………..drawn on ………………………………………………………………..Bank…………………………………Branch

4. Depository (BO) Account Number

(If you do not mention your valid BO (Beneficiary Owners) account number, your application will be treated as invalid)

5. I/ We agree to fully abide by the instructions given herein.

6. Particulars of Applicant(s)

a. Sole/First Applicant

Name: Mr./Mrs./Ms.		
Father's/Husband's Name:		
Mother's Name:		
Mailing Address:		
Occupation:	Nationality:	Telephone No. (If any):
Passport No.	Valid up to:	Date of Birth:
The applicant shall provide with the same bank account number in the application form as it is in the BO account of the applicant.		
For Refund Warrant: Please write the correct and full name of bank and branch. (Application will not be treated as valid if anyone uses a non-scheduled bank. To avoid this complication, investors are requested not to use the name of any non-scheduled bank)		
For Refund: **Applicant's Bank A/C No.:**		
Name of the Bank:		Branch:

The applicant shall provide the same Bank Account Number in the application from as it is in the BO Account of the applicant.

b. Second Applicant

Name: Mr./Mrs./Ms.		
Father's/Husband's Name:		
Mother's Name:		
Mailing Address:		
Occupation:	Nationality:	Telephone No. (If any):
Passport No.	Valid up to:	Date of Birth:

Nominee:

Name:
Mailing Address:

7. I/ We hereby declare that I/we have read the Prospectus of Matin Spinning Mills Limited and have willingly subscribed for …………………….. No. of Ordinary Shares of BDT 37/- each including a premium of BDT 27/-each.

8. Specimen Signature(s)

1st Applicant: Name (in Block Letters)	Signature:
2nd Applicant: Name (in Block Letters)	Signature:
Nominee Name (in Block Letters)	Signature:

Please see the instructions in paragraphs 14 & 15 for the evidence required to establish Non-Resident Bangladeshis Status.

INSTRUCTIONS

1. As per provision of the Depository Act, 1999 and regulations made there under shares will only be issued in dematerialized condition. Please mention your BO (Beneficiary Owner) account number in the Application Form. If you do not mention your valid BO (Beneficiary Owner) account, your application will be treated as invalid.

2. All information must be written or typed in block letters in English and must not be abbreviated.

3. An application must not be for less than **200** ordinary shares and must be for a multiple of **200** ordinary shares. Any application not meeting this criterion will not be considered for allotment purpose.

4. An application must be accompanied by a foreign demand draft drawn on a bank payable at Dhaka or cheque drawn out of foreign currency deposit account maintained in Bangladesh for the full value of shares favoring "**Matin Spinning Millls Limited**" and crossed "**A/C Payee only**".

5. An application shall be sent by the applicant directly to the Company within January 30, 2014 so as to reach the Company within February 8, 2014 Any applications sent after January 30, 2014 or received by the Company after February 08, 2014 will not be considered for allotment purpose.

6. Refund against over-subscription shall be made in the currency in which the value of shares was paid for by the applicant at the same rate as stated on the application form through Account Payee cheque payable at Dhaka with bank account number, Bank's name and Branch as indicated in the securities application form.

7. In case of over-subscription, allotment shall be made by lottery solely in accordance with the instructions of the Bangladesh Securities and Exchange Commission.

8. Money receipt on clearance of draft or cheque, as the case may be, shall be sent by post to the applicant by the Company.

9. Joint Application by two persons will be acceptable. In such a case, allotment of refund shall be made to the first applicant. Note that a non-resident Bangladeshi (NRB) applicant cannot submit more than two applications, one in his/her own name and another jointly with another person by one cheque/DD/PO by USD/GBP/Euro/BDT (supported by a foreign currency encashment certificate). More than two applications by one cheque/DD/PO by USD/GBP/Euro/BDT (supported by a foreign currency encashment certificate) will not be allowed.

10. Application must be made by an individual, a corporation or company, a trust or a society and not by a firm, minor or persons of unsound mind.

11. Making of any false statement in the application or supplying of incorrect information therein or suppressing any relevant information in the application shall make the Application liable to rejection and subject to forfeiture of application money and/or forfeiture of share (unit) before or after issuance of the same by the issuer. The said forfeited application money or share (unit) will be deposited in account specified by the Bangladesh Securities and Exchange Commission (BSEC). This may be in addition to any other penalties as may be provided for by the law.

12. The intending NRB applicants shall deposit share subscription money by USD/GBP/EURO draft drawn on any Bank and payable in Dhaka, Bangladesh, or through a nominee by paying out of foreign currency deposit account maintained in Bangladesh or in BDT, supported by foreign currency encashment certificate issued by the concerned bank, for the value of securities applied for through crossed bank cheque marking "Account Payee only". So that the issuer's collecting bank can clear the proceeds and deposit the same into issuer bank's account in time.

13. The spot buying rate (TT Clean) in USD, GBP and EURO of Sonali Bank on the day of subscription opening will be applicable for the Non Resident Bangladeshi (NRB) applicants.

14. The applicant shall furnish photocopies of relevant pages of valid passports in support of his being a NRB, dual citizenship or of the foreign passport bearing an endorsement from the concerned Bangladeshi Embassy to the effect that no visa is required for him/her to travel to Bangladesh.

15. In case of joint NRB application, the joint applicants shall also submit supporting papers /documents in support of their being a NRB as mentioned in para-14 (above).

16. An applicant cannot submit more than two applications, one in his/her own name and the other jointly with another person. In case an applicant makes more than two applications, all applications will be treated as invalid and will not be considered for allotment purpose. In addition, 15% (fifteen) of the application money will be forfeited by the Commission and the balance amount will be refunded to the applicant.

17. No issue of ordinary shares shall be made nor shall any money be taken from any person, in connection with such issue and subscription until (25) twenty five days after the prospectus have been published.

18. In case of non-allotment of the ordinary shares, if the applicants' bank accounts as mentioned in their application forms are maintained with any of the bankers to the issue, refund amount of those applicants will be directly credited into their respective bank accounts as mentioned in their application forms. Otherwise, refunds will be made only through "Account Payee" cheque(s) with bank account number and name of the bank branch as mentioned in the application form, payable at Dhaka, Chittagong, Khulna, Barisal, Rajshahi or Sylhet as the case may be.

19. The applicants who have applied for more than two applications using same bank account, their application will not be considered for lottery and the Commission will forfeit 15% (fifteen) of their subscription money too.

THE NRB APPLICATION ALONG WITH THE FOREIGN CURRENCY DRAFT, AS ABOVE, IS TO BE SUBMITTED TO THE COMPANY'S HEAD OFFICE DIRECTLY WITHIN THE STIPULATED TIME MENTIONED IN PARA 5.

"শেয়ারবাজারে বিনিয়োগ ঝুঁকিপূর্ণ, জেনে ও বুঝে বিনিয়োগ করুন।"

"Interested persons are entitled to a prospectus, if they so desire, and that copies of prospectus may be obtained from the issuer and the issue manager"

Matin Spinning Mills Limited

Application Form

APPLICATION FOR SHARES BY AFFECTED SMALL INVESTORS (ক্ষতিগ্রস্ত ক্ষুদ্র বিনিয়োগকারী)

Warning: Please read the instructions at the back of this form. Incorrectly filled applications or applications failing to comply with any of the instructions therin may be rejected.

The Managing Director
Matin Spinning Mills Limited
BGMEA Complex (12th Floor)
23/1 Panthapath Link Road
Kawran Bazar, Dhaka 1215

Banker's Sl no:

Dear Sir,

I/we apply for and request you to allot me/us the ……….number of Shares and I/we agree to accept the same or any smaller number that may be allotted to me/us upon the terms of the Company's Prospectus approved by the Bangladesh Securities and Exchange Commission and subject to the Memorandum and Articles of Association of the Company. Further, I/we authorize you to place my/our name(s) on the Register of Members of the Company and deposit the said ordinary shares to my/our BO (Beneficiary Owner) Account and/or a Crossed (Account Payee only) Cheque in respect of any application money refundable to me/us by post/courier at my/our risk to the first applicant's address stated below:-

1. No. of Ordinary Shares ………………… of BDT 37/- each including a premium of BDT 27/- per share.

2. Total subscription money of the amount of BDT (in figure), ………………, Taka (in words) …………………………………………………………….only deposited vide Cash/Cheque/DD/PO No………………………….dated ……………… on ……..……………………………...………..........Bank………………………………… Branch.

3. Beneficiary Owner (B/O) Account Number

[If you do not mention your valid BO (Beneficiary Owner) account number, your application will be treated as invalid]

4. I/we agree to fully abide by the instructions given herein.

5. Particulars of Applicant(s):

c) Sole/First Applicant

Name: Mr./Mrs./Ms.		
Father's/Husband's Name:		
Mother's Name:		
Mailing Address:		
Occupation:	Nationality:	Telephone No. (If any):
For refund warrant: Please write the correct and full name of bank and branch. (Application will not be treated as valid if anyone uses a non-scheduled bank. To avoid this complication, investors are requested not to use the name of any non-scheduled bank)		
For Refund Purpose: I/We want refund through □ Bank Account* □ Courier/Hand Delivery (Please put tick mark in which refund will be made)		
The applicant shall provide with the same bank account number in the application form as it is in the BO account of the applicant.		
In case of deposit into the applicants bank account, the applicant will bear the applicable service charge, if any, of the applicants banker and the issuer shall simultaneously issue a letter of intimation to the applicant containing, among others, the date and amount remitted with details of the bank through and to which bank such remittance has been effected.		
Applicant's Bank A/C No.:		
Name of the Bank:		Branch:

d) Second Applicant

Name: Mr./Mrs./Ms.		
Father's/Husband's Name:		
Mother's Name:		
Mailing Address:		
Occupation:	Nationality:	Telephone No. (If any):

6. I/We hereby declare that I/We have read the Prospectus of Matin Spinning Mills Limited and have willingly subscribed for ……………… no. of ordinary shares of BDT 37/- each including a premium of BDT 27/-each.

7. Specimen Signature(s):

1st Applicant: Name (in Block Letters)	Signature:
2nd Applicant: Name (in Block Letters)	Signature:

………

BANK'S ACKNOWLEDGEMENT

Certified that this Bank has received BDT (in figure) …………………… (in words) ……………………………………………… only from Mr./Mrs./Ms. ………………………………………………………being the application money for …………….. nos. of ordinary shares of **Matin Spinning Mills Limited**.

Bankers Sl. No. **Seal & Date** **Authorized Signature (Name & Designation)**

INSTRUCTIONS

1. As per provision of the Depository Act, 1999 and regulations made there under shares will only be issued in dematerialized condition. Please mention your BO (Beneficiary Owner) account number in the Application Form. If you do not mention your valid BO (Beneficiary Owner) Account, your application will be treated as invalid.

2. All information must be typed or written in full (in block letters) in English or in Bengali and must not be abbreviated.

3. Application must be made on the Company's printed form/photocopy or on typed copy/hand written form thereof.

4. Application must not be for less than **200** ordinary shares and must be for a multiple of **200** ordinary shares. Any application not meeting these criterions will not be considered for allotment purpose.

5. Remittance for the full amount of the shares must accompany each application and must be forwarded to any of the Bankers' to the Issue. Remittance should be in the form of cash/cheque/bank draft/pay order payable to one of the Bankers' to the Issue favoring **"Matin Spinning Mills Limited"** and crossed **"A/C Payee only"** and must be drawn on a bank in the same town as the bank to which the application form has been sent.

6. In the case of a joint application form, the Allotment letter will be dispatched to the person whose name appears first on this application form and where any amount is refundable in whole or in part the same will be refunded by Account Payee Cheque by post/courier service to the person named first on this Application Form in the manner prescribed in the Prospectus.

7. Applications must be in the full name of individuals or companies or societies or trusts and not in the name of firms, minors or persons of unsound mind. Application from financial and market intermediary companies must be accompanied by Memorandum of Association and Articles of Associations and Certificate of Incorporation.

8. An applicant cannot submit more than two applications, one in his/her own name and another jointly with another person. In case an applicant makes more than two applications, all applications will be treated as invalid and will not be considered for allotment purpose. In addition, 15% (fifteen) of the application money will be forfeited by the Commission and the balance amount will be refunded to the applicant.

9. No receipt will be issued for the payment made with application, but the bankers will issue a provisional acknowledgement to the issue for application lodged with them.

10. In the case of non-allotment of securities, if the applicants' bank accounts as mentioned in their IPO Application Forms are maintained with the Bankers to the Issue, refund amount of those applicants will be directly credited into the respective bank accounts as mentioned in their IPO Application Forms. Otherwise, refund will be made only through "Account Payee" cheque(s) showing bank account number and name of bank and branch as mentioned in the application payable at Dhaka or Chittagong, as the case may be.

11. Allotment shall be made solely in accordance with the instructions of the Bangladesh Securities and Exchange Commission.

12. Making of any false statement in the application or supplying of incorrect information therein or suppressing any relevant information shall make the application liable to rejection and subject to forfeiture of application money and / or forfeiture of share (unit) before or after issuance of the same by the issuer. The said forfeited Application money or share (unit) will be deposited in account specified by the Bangladesh Securities and Exchange Commission (BSEC). This may be in addition to any other penalties as may be provided for by the law.

13. Applications which do not meet the above requirements, or applications, which are incomplete, shall not be considered for allotment purpose.

14. The Bankers' to the Issue shall be obliged to receive the A/C Payee Cheque(s) on the closing day of the subscription.

15. No sale of securities shall be made nor shall any money be taken from any person, in connection with such sale until 25 (twenty five) days after the prospectus have been published.

16. The applicants who have applied for more than two applications using same bank account, their application will not be considered for lottery and the Commission will forfeit 15% (fifteen) of their subscription money too.

17. ক্ষতিগ্রস্থ ক্ষুদ্র বিনিয়োগকারীগণ সকল পাবলিক ইসুতে একক অথবা যৌথ হিসাবের যে কোনটি অথবা উভয়টি হতে সংরক্ষিত ২০ % কোটায় আবেদন করতে পারবেন। তবে তারা ইচ্ছা করলে ক্ষতিগ্রস্থ সংরক্ষিত ২০% কোটায় আবেদন না করে সাধারণ বিনিয়োগকারীদের জন্য নির্ধারিত কোটায়ও আবেদন করতে পারবেন।

BANKERS TO THE ISSUE

Brac Bank Limited

Asad Gate Br. Dhaka
Agrabad Br. Chittagong
Banani Br. Dhaka
Bashundhara Br. Dhaka
Barisal Br. Barisal
Bogra Br. Bogra
CDA Avenue Br. Chittagong
Donia Br. Dhaka
Eskaton Br. Dhaka
Grapics Building Br. Dhaka
Gulshan Br. Dhaka
Halishohor Br. Chittagong
Jessore Br. Jessore
Kazirdeuri Br. Chittagong
Khulna Br. Khulna
Manda Br. Dhaka
Mirpur Br. Dhaka
Momin Road Br. Chittagong
Narayangonj Br. Narayangonj
Nawabpur Br. Dhaka
Patia Br. Chittagong
Rampura Br. Dhaka
Rajshahi Br. Rajshahi
Shyamoli Br. Dhaka
Uttara Br. Dhaka
Zindabazar Br. Sylhet

Dhaka Bank Limited

Barisal Br. Barisal
Bogra Br. Bogra
CDA Aveneue Br. Chittagong
Comilla Br. Comilla
Cox's Bazar Br. Cox's Bazar
Foreign Exchange Br. Dhaka
Imamgonj Br. Dhaka
Kawran Bazar Br. Dhaka
KDA anvenue Br. Khulna
Khilgaon Br. Dhaka
Mirpur Br. Dhaka
Rajshahi Br. Rajshahi
Rangpur Br. Rangpur
Uttara Br. Dhaka

First Security Islami Bank Limited

Agrabad Br. Chittagong
Ambarkhana Br. Sylhet
Andar Killah Br. Chittagong
Azampur Br. Dhaka
Banani Br. Dhaka
Bangshal Br. Dhaka
Barisal Br. Barisal
Biswa Road Br. Dhaka
Bogra Br. Bogra
Bohaddarhat Br. Chittagong
Bonoshree Br. Dhaka
Chawkbazar Br. Chittagong
Chokoria Br. Cox's Bazar
College Gate Br. Gazipur
Comilla Br. Comilla
Cox's Bazar Br. Cox's Bazar
Dhanmondi Br. Dhaka
Dilkusha Br. Dhaka
Dinajpur Br. Dinajpur
Donia Br. Dhaka
Faridpur Br. Faridpur
Gobindagonj Br. Sunamgonj
Gulshan Br. Dhaka
Hat Hazari Br. Chittagong
Islampur Br. Dhaka
Jessore Br. Jessore
Jubilee Road Br. Chittagong
Khatungonj Br. Chittagong
Khulna Br. Khulna
Mirpur Br. Dhaka
Mohakhali Br. Dhaka
Motijheel Br. Dhaka
Moulovibazar Br. Moulovibazar
Mymensingh Br. Mymensingh
Narayangonj Br. Narayangonj
Pabna Br. Pabna
Patiya Br. Chittagong
Patuakhali Br. Patuakhali
Probartak Mor Br. Chittagong
Rajshahi Br. Rajshahi
Rangpur Br. Rangpur
Ring Road Br. Dhaka
Satkhira Br. Satkhira
Savar Br. Dhaka
Senanibash Br. Dhaka
Sylhet Br. Sylhet
Taltola Br. Sylhet
Topkhana Road Br. Dhaka
Uttara Br. Dhaka
Zirabo Br. Dhaka

Investment Corporation of Bangladesh

Barisal Br. Barisal
Bogra Br. Bogra
Chittagong Br. Chittagong
Head Office, Dhaka
Khulna Br. Khulna
Local Office, Nayapaltan, Dhaka
Rajshahi Br. Rajshahi
Sylhet Br. Sylhet

Islami Bank BangladeshLimited

Agrabad Br. Chittagong
Barisal Br. Barisal
Bogra Br. Bogra
Chawk Mugaltuly Br. Dhaka
Chowmuhani Br. Noakhali
Comilla Br. Comilla
Cox's Bazar Br. Cox's Bazar
Dinazpur Br. Dinajpur
Farmgate Br. Dhaka
Feni Br. Feni
Foreign Exchange Br. Dhaka
Gulshan Br. Dhaka
Jatrabari Br. Dhaka
Jessore Br. Jessore
Khatunganj Br. Chittagong
Khulna Br. Khulna
Kushtia Br. Kushtia
Local Office, Dhaka
Mirpur Br. Dhaka
Motijheel Br. Dhaka
Mouchak Br. Dhaka
Moulvi Bazar Br. Moulvi Bazar
Narayangonj Br. Narayangonj
Nawabpur Road Br. Dhaka
New Market Br. Dhaka
Pabna Br. Pabna
Rajshahi Br. Rajshahi
Shyamoli Br. Dhaka
Sylhet Br. Sylhet
Uttara Br. Dhaka

Mercantile Bank Limited

Aganagar Br. Dhaka
Agrabad Br. Chittagong
Banani Br. Dhaka
Barishal Br. Barishal
BeaniBazar Br. Sylhet
Bijoynagor Br. Dhaka
Board Bazar Br. Gazipur
Bogra Br. Bogra
Chittagong EPZ Br. Chittagong
Comilla Br. Comilla
Dhanmondi Br. Dhaka
Dholaikhal Br. Dhaka
Dinajpur Br. Dinajpur
Elephant Road Br. Dhaka
Engineers' Institution Br. Dhaka
Feni Br. Feni
Green Road Br. Dhaka
Gulshan Br. Dhaka
Jessore Br. Jessore
Jubilee Road Br. Chittagong
Kawran Bazar Br. Dhaka
Khatunganj Br. Chittagong
Khulna Br. Khulna
Madam Bibir Hat Br. Chittagong
Main Br. Dhaka
Mazar Road Br. Dhaka
Mirpur Br. Dhaka
Moghbazar Br. Dhaka
Mohakhali Br. Dhaka
Motijheel Br. Dhaka
Moulvibazar Br. Moulvibazar
Naogaon Br. Naogaon
Narayangonj Br. Narayangonj
Nayabazar Br. Dhaka
O. R. Nizam Road Br. Chittagong
Progati Sarani Br. Dhaka
Rajshahi Br. Rajshahi
Rangpur Br. Rangpur
Ring Road Br. Dhaka
Satmasjid Road Br. Dhaka
Sheikh Mujib Road Br. Chittagong
Sylhet Br. Sylhet
Uttara Br. Dhaka

Mutual Trust Bank Limited

Agrabad Br. Chittagong
Alankar Mour Br. Chittagong
Babu Bazar Br. Dhaka
Banani Br. Dhaka
Bogra Br. Bogra
CDA Avenue Br. Chittagong
Dhanmondi Br. Dhaka
Dholaikhal Br. Dhaka
Dilkusha Br. Dhaka
Elephant Road Br. Dhaka
Feni Br. Feni
Fulbaria Br. Dhaka
Gournadi Br. Barisal
Gulshan Br. Dhaka
Habigonj Br. Hobigonj
Jessore Br. Jessore
Jubilee Road Br. Chitatgong
Khatunganj Br. Chittagong
Kushtia Br. Kushtia
Mohammadpur Br. Dhaka
Moulvi Bazar Br. Sylhet
MTB Corporate Centre Br. Dhaka
Narayanganj Br. Narayanganj
Pabna Br. Pabna
Pallabi Br. Dhaka
Panthapath Br. Dhaka
Principal Br. Dhaka
Progati Sarani Br. Dhaka
Rajshahi Br. Rajshahi
Rangpur Br. Rangpur
Savar Br. Dhaka
Shanir Akhra Br. Dhaka
Sonargaon Br. Narayanganj
Sylhet Br. Sylhet
Tongi Br. Dhaka
Uttara Model Town Br. Dhaka

National Bank Limietd

Agrabad Br. Chittagong
Anderkillah Br. Chittagong
Asadgate Br. Dhaka
Babubazar Br. Dhaka
Banani Br. Dhaka
Bandura Br. Dhaka
Bangshal Road Br. Dhaka
Barisal Br. Barisal
Bogra Br. Bogra
CDA Avenue Br. Chittagong
Chawk Bazar Br. Chittagong
Chowmuhani Br.
Comilla Br. Comilla
Dhanmondi Br. Dhaka
Elephant Road Br. Dhaka
Faridpur Br.
Feni Br.
Foreign Ex. Br. Dhaka
Gazipur Br. Gazipur
Gulshan Br. Dhaka
Halishahar Br. Chittagong
Imamganj Br. Dhaka
Islampur Br. Dhaka
Jatrabari Br. Dhaka
Jessore Br. Jessore
Jubille Road Br. Chittagong
Kawran Bazar Br. Dhaka
Khantungonj Br. Chittagong
Lake Circus Br. Dhaka
Malibagh Br. Dhaka
Mirpur Br. Dhaka
Mohakhali Br. Dhaka
Mohammadpur Br. Dhaka
Motijheel Br. Dhaka
Moulvibazar Br. Moulvibazar
Muradpur Br. Chittagong
Mymensingh Br. Mymensingh
Narayangonj Br. Narayangonj
Narsingdi Br. Narsingdi
Netaigonj Br. Narayanganj
New Eskaton Br. Dhaka
North Brook Hall Br. Dhaka
Pahartali Br. Chittagong
Pragati Sarani Br. Dhaka
Rajshahi Br.
Rangpur Br.
Rifles Square Br. Dhaka
Rokeya Sarani Br. Dhaka
S.K. Mojib Road Br.
Savar Bazar Br. Dhaka
Sunamgonj Br. Sunamgonj
Sylhet Br. Sylhet
Tangail Br. Tangail
Tongi Br. Gazipur
Uttra Br. Dhaka
Z. H. Sikder MC Br. Dhaka

Dilkusha Br. Dhaka	Khulna Br. Khulna	Pagla Bazar Br.	Zindabazar Br. Sylhet
One Bank Limited			
Agrabad Br. Chittagong	Elephant Road Br. Dhaka	Khatunganj Br. Chittagong	Raipur Br. Laxmipur
Banani Br. Dhaka	Feni Br. Feni	Laksham Br. Comilla	Rajshahi Br. Rajshahi
Banasree Br. Dhaka	Ganakbari (EPZ) Br. Dhaka	Laldighipar Br. Sylhet	Ramganj Br. Laxmipur
Bangshal Br. Dhaka	Gulshan Br. Dhaka	Madhabdi Br. Narsingdi	Rangamati Br. Rangamati
Basabo Br. Dhaka	Imamganj Br. Dhaka	Maijdee Court Br. Noakhali	Satkhira Br. Satkhira
Bogra Br. Bogra	Islampur Br. Sylhet	Mirpur Br. Dhaka	Shahjadpur Br. Sirajgonj
CDA Avenue Br. Chittagong	Jagannathpur Br. Dhaka	Moghbazar Br. Dhaka	Sherpur Br. Moulvi bazar
Chandragonj Br. Lakshmipur	Jatrabari Br. Dhaka	Motijheel Br. Dhaka	Sirajgonj Br. Sirajgonj
Chowmuhuni Br. Noakhali	Jessore Br. Jessore	Nanupur Bazar Br. chittagong	Sitakunda Br. Chittagong
Comilla Br. comilla	Joypara Br. Dhaka	Narayanganj Br. Narayanganj	Sylhet Br. Sylhet
Cox's Bazar Br. Cox's Bazar	Jubilee Road Br. Chitatgong	Nawabgonj Br. Dhaka	Tongi Br. Gazipur
Dagon bhuiyan Br. Feni	Kakrail Br. Dhaka	Principal Br. Dilkusha, Dhaka	Uttara Br. Dhaka
Dhanmondi Br. Dhaka	Kawran Bazar Br. dhaka	Progoti Sharani Br. Dhaka	
Southeast Bank Limited			
Aganagar Br. Dhaka	Chowmuhani Br. Noakhali	Khatunganj Br. Chittagong	New Eskaton Br. Dhaka
Agrabad Br. Chittagong	Comilla Br. Comilla	Khulna Br. Khulna	Pahartali Br. Chittagong
Ashulia Br. Dhaka	Corporate Br. Dhaka	Konabari Br. Gazipur	Pathantula Br. Sylhet
Banani Br. Dhaka	Cox'x Bazar Br. Cosx's Bazar	Kulaura Br. Moulvibazar	Pragati Sarani Br. Dhaka
Bandar Bazar Br. Sylhet	Dhanmondi Br. Dhaka	Laldighipaar Br.Sylhet	Principal Br. Dhaka
Bangshal Br. Dhaka	Feni Br. Feni	Madambibir Hat Br. Chittagong	Rajshahi Br. Rajshahi
Barisal Br. Barisal	Gulshan Br. Dhaka	Madhabdi Br. Narshingdi	Rangpur Br. Rangpur
Bashundhara Br. Dhaka	Halishahar Br. Chittagong	Mohammadpur Br. Dhaka	Sat Mashjid Road Br. Dhaka
Bashurhat Br. Noakhali	Hetimgonj Br. Sylhet	Momin Road Br. Chittagong	Savar Br. Dhaka
Bogra Br. Bogra	Imamganj Br. Dhaka	Mouchak Br. Dhaka	Shahjalal Uposhahar Br. Sylhet
Brammon Baria Br. B. Baria	Joypara Br. Dhaka	Moulvibazar Br. Moulvibazar	Shaymoli Br. Dhaka
CDA Avenue Br. Chittagong	Jubilee Road Br. Chittagong	Naogaon Br. Naogaon	Tongi Br. Gazipur
Chhagalnaiya Br. Feni	Kakrail Br. Dhaka	Narayanganj Br. Narayanganj	Uttara Br. Dhaka
Chouhatta Br. Sylhet	Karwan Bazar Br. Dhaka	New Elephant Road Br. Dhaka	
Shahjalal Islami Bank Limited			
Agrabad Br. Chittagong	Dhanmondi Br. Dhaka	Jubilee Road Br. Chittagong	Motijheel Br. Dhaka
Banani Br. Dhaka	Foreign exchange Br. Dhaka	Kawran Bazar Br. Dhaka	Satmasjid Road Br. Dhaka
Bijoynagar Br. Dhaka	Gulshan Br. Dhaka	Khatungonj Br. Chittagong	Sylhet Br. Sylhet
Dhaka Main Br. Dhaka	Gulshan South Avenue Br. Dhaka	Mirpur Br. Dhaka	Uttara Br. Dhaka
The City Bank Limited			
Agrabad Br. Chittagong	Comilla Br. Comilla	Khatungonj Br. Chittagong	Principal office Br. Dhaka
Amborkhana Br. Sylhet	Cox's Bazar Br. Chittagong	Khulna Br. Khulna	Rajshahi Br. Rajshahi
Andarkilla Br. Chittagong	Dhanmondi Br. Dhaka	Moulvi Bazar Br. Sylhet	Rangpur Br. Rangpur
Bandar Bazar Br. Sylhet	Imamgonj Br. Dhaka	Narsingdi Br. Narsingdi	Shaymoli Br. Dhaka
Bangabandhu Road Br. N. Gonj	Islampur Br. Dhaka	Nawabgonj Br. Dhaka	Sirajgonj Br. Sirajgonj
Barisal Br. Barisal	Jessore Br. Jessore	Nawabpur Br. Dhaka	Tongi Br. Gazipur
B. B. Avenue Br. Dhaka	Johnson Road Br. Dhaka	New Market Br. Dhaka	VIP Road Br. Dhaka
Bogra Br. Bogra	Jubilee Road Br. Chittagong	Pahartoli Br. Chittagong	Zinda Bazar Br. Sylhet
Chawkbazar Br. Chittagong	Kawran Bazar Br. Dhaka	Pragati Sarani Br. Dhaka	Zinzira Br. Dhaka
Trust Bank Limited			
Ashugonj Br. Brahmanbaria	Elephant Road Br. Dahaka	Kawran Bazar Br. Dhaka	Rajshahi Br. Rajshahi
Ashulia Br. Dhaka	Feni Br. Feni	Khulna Br. Khulna	Rangpur Cantonment Br. Rangpur
Barishal Br. Barishal	Halishahar Br. Chittagong	Khwaja Y. Ali Medical Br. Sirajgonj	S.S. Cantonment Br. Tangail
Bogra Cantonment Br. Bogra	Jalalabad Cant. Br. Sylhet	Mirpur Br. Dhaka	Savar Cantonment Br. Dhaka
Chowmohoni Br. Chowmohoni	Jessore Cantonment Br. Jessore	Momenshahi Cantoment Br.	Shahjalal Uposhohor Br. Sylhet
Comilla Br. Comilla	Joydebpur Br. Gazipur	Narayangonj Br. Narayangonj	Tongi Br. Gazipur
Comilla Cantonment Br. Comilla	Joypara Br. Dhaka	Narsingdi Br. Narsingdi	Uttara Corporate Br. Dhaka
Dhanmondi Br. Dhaka	Kadamtali Br. Chittagong	Principal Br. Dhaka	
Dilkusha Corp. Br. Dhaka	Kafrul Br. Dhaka	Radisson Garden Hotel Br. Dhaka	

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