



MAKSONS SPINNING MILLS LIMITED

THE NAME YOU CAN TRUST FOR BEST QUALITY YARN



**ANNUAL
REPORT
2021-2022**



VISION

We see Business as a means to the well being of Shareholders, Stakeholders and Society at a large keeping in line with the Nation's interest.

MISSION

Our Corporate Mission is to provide world class products to our valued Customers, maintaining high Ethical Standards while we conduct Business.





OBJECTIVE

Our Primary Business Objective is to conduct transparent Business Operations within Legal and Social framework, aiming to attain the mission with qualitative/quantitative targets while we operate.

FINANCIAL MANAGEMENT POLICY

All Financial Policies like Investments, Dividend disbursement and other related Financial Policies are aimed to maximize the value of the organization within.



CORPORATE FOCUS

Our vision is to polestar to our mission that fulfils our objectives with emphasis on the quality of product process and services blended with good governance that help build the image of the most venerable corporate citizenship at home and abroad.

1

To Provide top quality product at least possible prices

2

To protect Shareholder's Capital, ensuring highest return with promising growth

3

To Fulfill CSR and pay regular Taxes, Duties and claims by various public agencies like Municipalities, Port Authorities, etc.

4

To Practice good Corporate Governance by not being limited to disclosures and reporting to Shareholders

5

To compensate all employees properly for they are core in driving the business forward

6

To avail an environment free from pollution and poisoning for all citizens

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LETTER OF TRANSMITTAL

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

Subject: **Annual Report for the Year Ended on 30 June, 2022.**

Dear Sir/Madam (s),

We are pleased to enclose a copy of the Annual Report together with the Audited Financial Statements including Statement of Financial Position as on June 30, 2022 and Income Statements, Statement of Cash Flow and Statement of Changes in Equity for the Year Ended on 30 June, 2022 along with notes thereon of Maksons Spinning Mills Limited for your reference and record.

Yours sincerely,



Noor Mohammad
Company Secretary

NOTICE OF THE 18TH ANNUAL GENERAL MEETING

Notice is hereby given that the 18th Annual General Meeting of the Shareholders of Maksons Spinning Mills Limited will be held on **Monday, 06 February, 2023 at 11.30 am by using Digital Platform** through the Link **<https://maksonsspining.bdvirtualagm.com>** to transact the following Business:

- Agenda- 1: To Receive, Consider and Adopt the Audited Financial Statements of the Company for the Year Ended on 30 June, 2022 and Report of the Auditor and Director thereon for the said Year.
- Agenda- 2: To Declare 10% Cash Dividend for the year ended 30 June, 2022 as recommended by the Board of Directors.
- Agenda- 3: To elect/re-elect Directors
- Agenda- 4: To extend the tenure/reappoint Independent Director.
- Agenda- 5: To approve Appointment of Auditors of the Company for the term until the next Annual General Meeting and to fix their remuneration.
- Agenda- 6: To approve Appointment of Compliance Auditor and to fix their remuneration.
- Agenda- 7: To subscribe further 1,20,00,000 nos. of ordinary shares of Tk. 10 each of 'MAKSONS TEXTILES LTD' and 1,20,00,000 nos. of ordinary shares of Tk. 10 each of 'GARDENIA WEARS LTD'.
- Agenda- 8: To transact any other Business of the Company with permission of the Chair.

BY ORDER OF THE BOARD OF DIRECTORS,



Noor Mohammad
Company Secretary

Dated: Dhaka - 27 October, 2022.

Notes:

1. Tuesday, 06 December, 2022 is the "Record Date" for entitlement of Dividend. The Shareholders, whose names will appear in the Depository (CDBL) Register on that date, shall be entitled to participate in the AGM through digital platform.
2. A Shareholder is entitled to participate and vote at this virtual AGM, may appoint a Proxy to participate and vote. The Proxy form, a specimen of which is enclosed, dully filled, signed and stamped at Tk. 20 (Revenue stamp) must be sent through email to noor@maksonsgroup.com.bd not later than 48 hours before commencement of AGM.
3. The Shareholders will join the virtual AGM through the Link <https://maksonsspining.bdvirtualagm.com>. The shareholders will be able to submit their questions/comments electronically before 24 (twenty four) hours of commencement of the AGM through this link and during the AGM, for logging into the system the Members need to put their 16 digit Beneficiary Owners (BO) Account Number.
4. We encourage the Members to log into the system prior to the meeting start time of 11.30 am. Please contact +8801841166170, +8801841166122, +8801841166223, for technical difficulties in accessing the virtual meeting.
5. The Annual Report-2022 along with attendance slip, Proxy form and Notice of the AGM are being sent to all members through email address available as per CDBL record. The Annual Report is also available in the company's web site at www.maksonsgroup.com.bd

No benefit or gift in cash or kind shall be given to the Shareholders for attending the AGM as per Bangladesh Securities and Exchange Commission's Circular No. SEC/CMRRC/2009-193/154 dated October 24, 2013.

CORPORATE GOVERNANCE

Corporate Governance involves decision-making process for all corporate bodies as an ongoing concern for the benefit of the whole race existing and for the future. These decisions may be categorized as policy and strategy, operation and execution, performance and evaluation and sharing of accretion assets between present and future cohorts. The involvement of the entrepreneur in all these area invokes decision making governance on a continual basis. The degree of involvement being a variable with the extent of delegation of authority top down and reporting for accountability bottom up of the management is a requirement. The Board of Directors, Executive Management Authority and Operational participants inclusive of workers and others share these aspects of governance in order to fulfill the common goal that converges in increasing the benefit of the stakeholders at the highest level. Till this time the entire corporate governance efforts are blended with **“Good Governance Practice”** as ethically and morally acceptable standards under a given socio political environmental phenomenon as per societal need we operate and exist with consistency.

Corporate Governance is a key to its sustenance. Good Corporate Governance is a key to successful sustenance. Our Corporate Governance is as follows:

CORPORATE GOVERNANCE

Corporate Governance is the system through which the Company is directed, guided and controlled by the Board, keeping in view with its accountability to the shareholders. Now in accordance with the requirement of the Securities and Exchange Commission, “Corporate Governance Compliance Report” is also annexed. Additionally, the Status Report that is required to be presented by the Company in pursuance to Notification No. BSEC/CMRRCD/2006-158/207/Admin/80 of 03 June, 2018 issued by Securities & Exchange Commissions is attached as Annexure-C.

Board of Directors:

Constitution:

The Board of Directors, Top Management echelon, consisting of the founder entrepreneurs, successors and the inclusion of an Independent Director and Nominee Directors, provide the policy making and strategic support followed with direction for the entire range of the corporate activities. The Board of Directors consist of Nine (9) Members including the Independent Directors with varied educational qualification & diversified experience, provides a balancing character in the decision making process. As the Board is reconstituted every year before each Annual General Meeting when one-third of the members retires and seeks re-election. A director is liable to be removed if the conditions of the Articles of Association and if the provisions of the Company Act 1994 are not fulfilled.

Roles and Responsibilities:

The main role of the Board of Directors, considered the highest authority in the Company, is to provide general superintendence, oversee the operations and control the affairs of the Company through appropriate delegation and accountability process via the chain of command. The Board of Directors however, holds the ultimate responsibility and looks out for the Shareholders’ interest. They also look out for the best interest of the Stakeholders, the society at large including the country’s overall benefit in terms of economy. The Board of

Directors in respect of fulfilling its full responsibilities holds periodic meetings, at least once a quarter and delivers appropriate decisions and gives directions to the Executive Management Body. Such meetings usually are based on operational performances, financial results, and review of overall allocated and actual budget, capital expenditure, and proposals for BMRE or new project/ division/ product lines, collection of funds through issuance of shares or borrowing, procurement of raw materials, plant and machineries, pricing of product/ discounts, recruitment, training and promotion of officers, approval of audited accounts and distribution of dividends and other interest of the stakeholders including the employees and workers. The Board of Directors takes special care in designing and articulating productivity and compensation plans of the employees and workers. Company employees are rewarded appropriately on the basis of quantity measures and quality of performance as an incentive. The Board also remains responsible for removal of operational hazards towards their life and care regarding their wellbeing of health, provided friendly and cordial work environment and favorable social relation as demanded by a good citizen operating as a separate business entity in a country like Bangladesh.

Appointment or re-appointment of Directors:

In accordance with Article nos. 124 & 125 Section 91(2) of Company Act 1994 Mr. Mohammad Ali Khokon and Mr. Mohd. Ferdous Kawser Masud both are due to Retirement by rotation from the Board of Directors and being eligible, offer them for re-election. Board of Directors have re-elected both the Directors for the next term.

Independent Director

The Company has complied with the notification of the Bangladesh Securities and Exchange Commission with regard to appointment of independent Director to the Board. Maksons Spinning Mills Limited has two independent directors namely Mr. Haider Ahmed Khan, FCA and Mr. Md. Khurshed Hossain.

Board Committees

The Board has established different Board Committees to which it has delegated some of its responsibilities which are given below:

🕒 Audit Committee

The Board of Directors has constituted an Audit Committee of the Board consisting of three Directors and a Member Secretary. The Audit Committee is headed by the Independent Director Mr. Md. Khurshed Hossain and accompanying him the other members are respectively Mr. Haider Ahmed Khan, FCA, Independent Director and Dr. Mohammed Mizanur Rahman, Nominated Director and Mr. Noor Mohammad, Company Secretary.

The Audit Committee carries out its responsibilities as per the provisions of law and subsequently submits its report to the Board of Directors in stipulated time. The Audit Committee synchronizes with the Internal and External Auditors as and when required. The Audit Committee ensures that adequate internal check & balance is maintained by adequate Management Information System that is in place for detection of errors, frauds and other deficiencies.

Other responsibilities comprise of inter alia, not being limited to, the anticipation of conflict of interests between the Company and its Directors, Officials, Customers, Suppliers, Government and any other Interested Groups, that may be present, and detect or eliminate possibilities of internal trading of the Company's stocks, which is strictly considered as a malpractice within the scope of compliance issue. The Audit Committee guarantees SEC and other Agencies, relevant compliance issues as regulations and requirement.

Nomination and Remuneration Committee (NRC)

The Nomination and Remuneration Committee consists of two independent Directors 1) Mr. Md. Khurshed Hossain 2) Mr. Haider Ahmed Khan, FCA and one Nominated Director Dr. Mohammed Mizanur Rahman. Independent Director Mr. Md. Khurshed Hossain is the Chairperson and Noor Mohammad is the Member Secretary of the Nomination and Remuneration Committee. The Committee will act as per the terms and conditions of the Corporate Governance Code of BSEC.

Other Committees:

- Internal Audit Committee
- Purchase Committee
- Performance Evaluation Committee
- Product Planning & Development Committee
- Research & Development Committee
- Product and Inventory Management Committee
- Social/ Environmental Committee
- Export Promotion Committee

Board Meetings

The meetings of the Board of Directors of Maksons Spinning Mills Ltd. are generally held at the Registered /Corporate Office of the Company. The meetings are held frequently at least once in a quarter, to discharge its responsibilities and functions as mentioned above. Meeting is scheduled well in advance and the notice of each Board Meeting is given in writing to each Director by the Company Secretary. The Board meets for both scheduled meetings and on other occasions to deal with urgent and important matters that require attention. The details of Board Meeting and attendance are given in the Directors' Report.

Relationship with Shareholders and Public:

The shareholders as owners of the company are to be provided with material information of Company operations such as 1st Quarterly, Half-yearly, 3rd Quarterly unaudited and Annually audited financial statements published and distributed prior to and on the day of AGM. The Company Secretary, in this regard, outlined some routine services according to the prevailing rules and regulation and guide line of regulatory authorities. The Board is however obligated to the Shareholders for the publication of any Price Sensitive Information as per SEC Regulations. In order to better comply with all these responsibilities a qualified and efficient Company Secretary have been working diligently.

Relationship with Government:

In its role on accountability to the government, the Board of Directors have to ensure up to date payment of all dues of Governmental Fees in the form of Import Duty, Custom Duty and Port Charges, VAT, Corporate Taxes and other tariffs. In case these fees are pending, on the basis of actual operations, it is then vital to make sure that corruption is avoided with highest priority. These practices have enabled the Company to enhance its contribution to the National Exchequer on a progressive rate since its commencement and are committed to do so in future.

Relationship with Financiers/Bankers:

The Board oversees the financial transactions and ensures that those who are the lenders are being well taken care of and treated well, as per commitment, to meet Company's obligation to the lenders without making any default.

Relationship with Suppliers:

As the Company has to import plant and machinery and almost all the raw materials from abroad, therefore the company makes sure that the international suppliers are well communicated at all times. Additionally the company maintains cordial and mutually beneficial interest with its local suppliers. This has enabled the company to attain reduced number of legal disputes in both the international and local courts and thus enhanced the Company's illustration as a superior client to suppliers.

Corporate Social Responsibilities (CSR):

As Corporate Social Responsibility is a mandatory part of any artificial entity as per Company law. Now being a public limited company the stake at this point is higher. The Board of Directors realizes this fact and concentrates on the Corporate Social Responsibilities (CSR) activities especially in the areas outlined below:

- 1) Encourages Gender equality within organization structure,
- 2) Discourages Racism within the workplace,
- 3) Demoralizes Religious distinguishing trend,
- 4) Highly discourages Child-labor in the facility layout locations,
- 5) Exercises Human Rights policy set at internal level,
- 6) Raise voice from time to time for emitting Environmental Pollution and also avoids operating on such values and
- 7) Aiming to capitalize high on Social-Marketing and Social Welfare activities even more in future.
- 8) Equal Employment Opportunity providing employer.

Website

The Company has an official website linked with the website of the stock exchanges. All Financial results and information are posted on the Investor Relations section of the Company's website: www.maksonsgroup.com.bd

INTRODUCING BOARD OF DIRECTORS



Mr. Mohammad Ali Khokon

Chairman

Mr. Mohammad Ali Khokon is the Chairman of the Company and under his dynamic and sincere leadership, the Company has reached to its present status. He has become one of the business icons in the country within 36 years of his business experience through his outstanding leadership. His outstanding decision brought the company many successes within a very short period of time.

He has visited many countries in regards to business and became well experienced in modern methods, technology, production, marketing and management techniques in respect of textile sector. His profound leadership helps the Company to formulate Strategic Policy and route to its implementation. He has undertaken various sustainability initiatives that have created positive impact on the company and society. He has been elected twice as President of Bangladesh Textile Mills Associations (BTMA) for his efficient & effective leadership, sincerity, honesty, hard work and electrifying personality. He is also involved with many financial institutions, government regulatory bodies, international vendors, legal bodies, and other concerned department. He is also engaged in various social activities like Dhaka Club Ltd., Gulshan Club Ltd., Uttara Club Ltd., Rotary Club and many other sports & social organizations who are working for the deprived people under the company's Corporate Social Responsibility (CSR). His academic brilliance and decision-making ability capacitated him to become one of the successful iconic business magnates of the country.

Mr. Mohd. Ferdous Kawser Masud

Managing Director

Mohd. Ferdous Kawser Masud is an MBA Graduate in Finance from Chittagong University and holds the position of Managing Director of the company. He joined the business in the year 2000 and aims to set high standards for the performance of the Company. He visited many countries and gathered knowledge in modern methods and technology.

He has implemented new vast ideas in latest business tactics in production, sales and accounting in respect of textile sectors by being associated with his family business. He is involved in strategic planning and implementing financial strategy and at the same time leading the R&D team to speed up financial elevation, expansion, growth and exploring new business avenue for the company. He injected operational superiority in key areas, which helps the company to grow significant revenue and profitability. He is also associated with number of social organizations and activities.





Mr. Mohd. Showkot Ali

Nominated Director

Mr. Mohd. Showkot Ali is the Nominated Director by Metro Spinning Limited. He has 32 years vast experience in textile sector. He is also experienced in administration, Production, Supply Chain Management, export-import, control and maintenance and overall affairs of the company. His vast field of knowledge in spinning sector made positive impact in the company. He completed Post Graduation from Jagannath University. He has visited many countries and attended seminars, workshop, etc. which helped him gather knowledge in the textile sector.



Mrs. Laila Ali

Director

Mrs. Laila Ali has the role of Director of the Company. She is a dynamic & hard-working team leader and bagged knowledge by attending several training courses, seminars and visiting similar industrial concerns. She is engaged in monitoring overall organizational performance and aids the Managing Director to develop organizational strategy for attaining Company's goal.



Mr. Amzad Ali Badal

Director

Mr. Amzad Ali Badal, has graduated from Jagannath University, after which he undertook some on the job-training imparting basic knowledge of Textile Industry having associated with the Textiles Mills. He is the Director and head for the Procurement Department of the Company. His field of expertise involves in supply chain management, import-export, he remains associated in strategic decision involving procurement of Capital Machinery, Raw Materials, Spare and Accessories for more than 21 years in the company. He visited lot of countries to gain and learn about capital machinery and different technologies which are used in textile and spinning sectors.



Mr. Sanjid Hasan Amit

Director (Audit & MIS)

Mr. Sanjid Hasan Amit has the role of Director of the Company. Mr. Sanjid Hasan Amit shares his vast knowledge in consideration and recommendation of any decision of the board. He is also involved in business planning, financial strategic planning, setting up marketing policies, procurement policies, dividend policies and many other affairs of the company. He has gathered his knowledge in modern methods, technology, and production, marketing and management techniques of the textile industry being associated with his family business. He has completed BBA (Finance) from York University, Canada.



Mr. Haider Ahmed Khan, FCA

Independent Director

Mr. Haider Ahmed Khan, FCA is holding the position of Independent Director of the company. He is a Chartered Accountant and proprietor of Ahmed Khan & Co. He shares his vast knowledge in consideration and recommendation of any decision by the Board. He is also involved to set business planning, financial planning, marketing policy, procurement policy, dividend policy and other business affairs of the company.



Mr. Md. Khurshed Hossain

Independent Director

Mr. Md. Khurshed Hossain is the Independent Director of the Company. He retired from Sonali Bank Limited as Deputy Managing Director. He also served as General Manager of Agrani Bank Ltd and Investment Corporation of Bangladesh. He was also the Chairman of ICB Asset Management Company Limited. He was Project Director on 'Enhancement of Corporate Governance and capacity of ICB' (ADB and Govt. of Bangladesh Financed) and served as Nominated Director in different organizations including Islami Bank (BD) Ltd.

Mr. Md. Khurshed Hossain obtained M.Com in Marketing and LLB degree from Dhaka University. He also obtained MBA majoring in International Trade and Commerce from U.S.A. He has 34 years of working experiences in the field of Govt. service, investment and Commercial Banking. He has attended several training program in home and abroad including NIBM India. He has various research paper and publications on Industrial Venture and Capital Market. He was also associated with 'C.V.Starr Centre for Applied Economics', Newyork University,USA in the project titled 'The effect of source of finance on choice of techniques'.



Dr. Mohammed Mizanur Rahman

Nominated Director

Dr. Mohammed Mizanur Rahman is the Nominated Director of Makson's Knit & Rotor Spinning Ltd. He is currently working as Professor at Department of Applied Chemistry and Chemical Engineering, University of Dhaka. He obtained his PhD in Materials and Life Sciences from Kumamoto University, Japan. Dr. Mohammed Mizanur received honors includes Alexander von Humboldt (AvH) Fellowship for Experiences Researcher, Japan Society for the Promotion of Science (JSPS) Fellowship, Young Researcher Award-2009 (Gold Medalist in Physical Sciences), Young Scientist Prize, Japanese Government Monbukagakusho Scholarship, and Primary Scholarship Award (1983) by the Ministry of Education, Bangladesh. He has published 7 peer reviewed books, 55 articles in peer review journals, and 22 conference proceedings contributed as author/co-author.

INTRODUCING THE SENIOR EXECUTIVES

Mr. Mohd. Mohsin Adnan
Dy. Managing Director



Mr. Noor Mohammad
Company Secretary

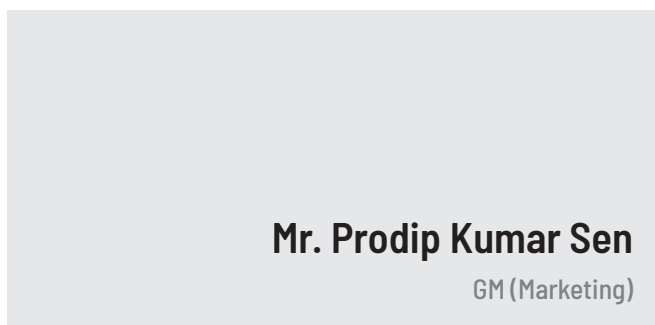
Mr. Mohd. Younus Bhuiyan
Chief Financial Officer & Sr.GM (Finance)



Ms. Farhana Haque
Head of Internal Audit & Compliance



Md. Humayun Kabir
GM (Factory)



Mr. Prodip Kumar Sen
GM (Marketing)



Mr. Md. Mahmudul Hasan
GM (Group Utility Head)

CORPORATE DIRECTORY

LEGAL STATUS - Public Limited Company Listed with Dhaka Stock Exchange Limited & Chittagong Stock Exchange Limited in 2008.
Year of Incorporation 25 September, 2003

Chairman

Mohammad Ali Khokon

Managing Director

Mohd. Ferdous Kawser Masud

Directors

Mrs. Laila Ali
Amzad Ali Badal
Sanjid Hasan Amit
Mohd. Showkot Ali- Nominated Director
Dr. Mohammed Mizanur Rahman- Nominated Director

Independent Director

Haider Ahmed Khan, FCA
Md. Khurshed Hossain

Senior Executives

Mohd. Mohsin Adnan
Prodip Kumar Sen
Md. Humayun Kabir
Md. Mahmudul Hasan

Company Secretary

Noor Mohammad

Chief Financial Officer

Mohd. Younus Bhuiyan

Head of Internal Audit & Compliance

Ms. Farhana Haque

Audit Committee

Md. Khurshed Hossain - Chairman
Haider Ahmed Khan, FCA- Member
Dr. Mohammed Mizanur Rahman- Member
Noor Mohammad - Member Secretary

Nomination & Remuneration Committee (NRC)

Md. Khurshed Hossain- Chairman
Haider Ahmed Khan, FCA- Member
Dr. Mohammed Mizanur Rahman- Member
Noor Mohammad - Member Secretary

Bankers & Financial Institution

SOUTHEAST BANK LTD
DUTCH BANGLA BANK LTD
JAMUNA BANK LTD.
BAY LEASING & INVESTMENT LIMITED
UTTARA FINANCE & INVESTMENT LIMITED

Insurers

PROGATI INSURANCE LTD.
ASIA INSURANCE CO. LTD.
PRIME INSURANCE CO. LTD.

Authorized Capital

TK 500,00,00,000

Paid up Capital

TK 238,23,25,380

Capacity

100,680 SPINDLES

Brand

DOLPHIN, WOLF

Product Variety

20 TO 40 COUNT OF 100% COTTON CARD, COMBED, SLUB, SUPIMA, ORGANIC AND BCI YARN.

Legal Advisor

Chowdhury Mokimuddin KJ Ali
Barrister-at-Law & Head of Chambers
Advocate, Supreme Court of Bangladesh
M/s. Chowdhury Mokimuddin & Associates

Statutory Auditor

M/S. G. Kibria & Co. Chartered Accountants,
Sadharan Bima Sadan,
24-25 Dilkusha C/A, Dhaka-1000.

Corporate Governance Auditor

M/S. Saifur Enayet & Associate
House # 53, Road # 03, Sector # 3
Uttara, Dhaka-1230,

Registered Office

House-01, (5th Floor), Road-05, Sector-1, Uttara,
Dhaka-1230.

Corporate & Share Office

HOUSE # 17, ROAD # 6, SECTOR # 1, UTTARA
MODEL TOWN, DHAKA-1230.

Location of the Factory

HOLDING # 87, WARD # 5, BLOCK # B, ROAD #
SHAHID MINNAT ALI ROAD #4, B-BANGLA,
GOURIPUR, ASHULIA, SAVAR, DHAKA.



CHAIRMAN'S MESSAGE



Dear Shareholders,
Assalamu Alaikum.

It is a great pleasure for me to welcome you all, on behalf of the Board of Directors to the 18th Annual General Meeting of your company "Maksons Spinning Mills Limited" and to present the Annual Report for the Year Ended 30 June 2022. We are delighted at your participation in this Annual General Meeting virtually.

The textile sectors and readymade garments (RMG) of Bangladesh provides the major source of growth in the economy of Bangladesh. Since the long period of time, textiles and garments exports are the 2nd principal source of foreign earnings. As you may be aware of the textile sector specially, spinning sectors had faced numerous external and internal challenges including unstable raw materials price, shipment delays, decrease of yarn price, misused of bonded facility, hike of utility tariff, which all had direct impact on cost of production and overall profitability of the industry. Since the beginning of Covid-19 the activities of entire manufacturing sector of the world has gone stagnant. Our textile industry is not any exception.

It is obvious that due to world-wide Covid-19 pandemic a large volume of readymade garments order has been cancelled. Eventually, our export oriented spinning and weaving mills faced similar situation. But the situation has started to improve from the beginning of year 2021, textile sectors started to get orders from the buyers. It was our sincere efforts to identify the challenges and take steps accordingly to overcome the uncertainty. Despite various adverse situation our Sales revenue for the year 2021-22 was Tk. 6,362,796,844/-, Gross Profit Tk. 1,213,171,738 Net profit after tax is Tk. 503,289,597/- and earnings per share is Tk. 2.11/-. As you know, the export oriented spinning sector fully depends on RMG sector. It is mentionable here that through the improvement of pandemic situation a significant amount of RMG orders came to Bangladesh which in resulted positive impact on spinning sector of the country. As a result, we were able to make considerable amount of sales and profit compare to the previous year.

The Board of Directors is committed to establish the highest standard of corporate governance such as integrity, transparency, accountability and responsible business conduct to safeguard the interest of its shareholders and stakeholders. I would like to assure you that, our firm efforts to increase the shareholders' interest will continue like before.

I would also like to take this opportunity to show my utmost gratitude to all the valued shareholders, customers, well-wishers for their continuous support and my deepest gratitude goes to our regulators especially BSEC, DSE, CSE and RJSC for their prudent guidance and advice. Now let us all move ahead to a greater future though Innovation, Achieving Excellence in Service.

Thank you.



(Mohammad Ali Khokon)
Chairman

MANAGING DIRECTOR'S MESSAGE



Dear Shareholders,

Assalamu Alaikum.

It is indeed a great honor and privilege for me to greet you all to the 18th Annual General Meeting of your Company. I am also pleased to be able to place before you the Annual Report along with the Auditor's and Director's Reports for Year Ended 30 June 2022, and overall performance of the Company and its prospects for the future.

The RMG sector is the main source for earning foreign exchange in Bangladesh and it has played a vital role for the growth of the economy. Primary textile sector along with RMG employed around 4.5 million work forces mostly women comprise more than 80 percent of the total labor force. From spinning to weaving, from knitwear to leisurewear and high street fashions, the textiles and clothing industry is one of the most rapid growing sector in Bangladesh. The economy in Bangladesh offers a unique competitive edge which supports profitable expansion into new strategic markets. The local spinning industry fulfills a substantial portion of the demand of yarns by the Ready Made Garments (RMG) industry.

Spinning industry in Bangladesh are facing challenges with the increasing cost of power and rise in wages. If we look at the total cost, power and labor costs had 7.00 per cent and 3.00 per cent share respectively a decade ago. But now a days, the costs have reached 10 per cent and 06 per cent respectively. Raw material,

which roughly covers 60 per cent of the cost of goods sold, is still undermanaged and unfocused. Then there comes the productivity of our spinning mills, which are running at least 10 per cent low on productivity when compared with the competing countries like India, Pakistan, China, Indonesia or Korea. Moreover, the textile industry, which has been pivotal in the economic growth of Bangladesh, is facing an uncertain future following the COVID-19 pandemic. In last year, the industry, which is the world's second largest exporter of readymade garment has experienced a huge loss following the cancellation or suspension of orders by its buyers. It is mentionable that Bangladesh's RMG sector started facing a barrier much earlier than the world. The initial challenges were related to sourcing of the raw material following the suspension of economic activities in China as the virus spread in that country. The industry mostly relies heavily on China for its raw materials. This is also a significant portion of Bangladesh's billion dollars imports from China. The diversification of supply chain and the opening of the economic activities in China now has resolved the raw materials issue. However, then came for the cancellation of orders, which is now threatening to the survival of the sector.

In spite of numerous hostile business conditions apart from pandemic such as high inflation rate, fluctuations in the raw material price and high utility costs, volatile foreign currency exchange rate the company achieved growth in production due to improvement of pandemic situation around the world. Since the improvement of overall situation around the globe your company was able to continue with its reasonable volume of sales during the year. This is due to the continued efforts of every single member of your company. Full details be found in the Annual Report; here I will only summarize our business outcome for the Year 2021-2022. Consolidated Sales amounted to Tk. 636.28 Crore consolidated Gross Profit stood at Tk. 121.32 crore and net profit after tax is Tk. 50.33 crore. The turnover and profit has increased during the year compare to the previous year and we are pleased to recommend 10% cash dividend for all the Shareholders for the year ended on 30th June 2022.

We are confident that the adverse situation will not sustain long and we will overcome with same goals and vision towards the betterment of the company and its shareholders in coming days. It is also very important to have good corporate governance in place to achieve desire business goal and sustainable growth. Therefore to review the risks faced by the business and measures taken by management to address the risk, we have an active Audit Committee in place. There is also a strong internal financial and operational Control framework that gives practical reassurance to the Board and management that the objectives of the business will be met.

Finally, I would like to express my deepest appreciation to the company's shareholders for their trust and enduring support to the Board of Directors to operate the Company. I would also like to sincerely thank the Banks, Financial and Regulatory Agencies, Suppliers and Customers, various people we have interacted with in course of business, management staff and members of the company at all levels for their loyalty and extensive hard work, and express our hope for prosperity.

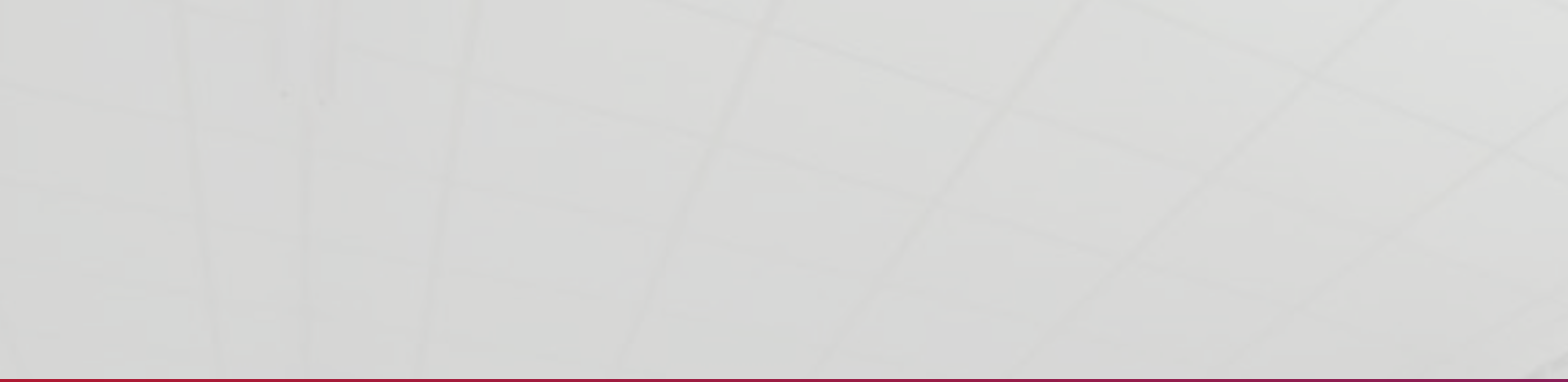
We are looking forward to better days ahead!

May Allah Grant us success!

Thank you.



(Mohd. Ferdous Kawser Masud)
Managing Director





DIRECTORS' REPORT

DIRECTORS' REPORT

For the financial year ended on 30 June, 2022

Dear Shareholders,

In terms of provisions of section 184 of the Companies Act 1994, (Act No. XVIII of 1994), it is the pleasure of Board of Directors to submit its Report to the Shareholders for the Year Ended 30 June, 2022 in the following paragraph.

(i) Industry outlook

Maksons Spinning Mills Limited is one of the pioneers in the spinning industry in Bangladesh which was incorporated on 25th September 2003 subsequently it was converted into Public Limited Company on 25th January 2005. It has a capacity of 1,00,680 spindles with state of art machinery, imported from Japan, China, India, Italy, USA, Germany, Switzerland and Taiwan. The company is producing quality yarn for export with an annual production capacity of 21.25 million kgs. Maksons usually produces 20/1 to 80/1 count of 100% Cotton Yarn, Oraganic yarn, Combed yarn, Supima yarn and high quality compact yarn. Maksons is successfully created excellent name and fame for itself in the market for its product and services provided to the customer from its inception till to date.

Spinning sub-sector remains crucial to RMG value chain helping to stabilize supply chain, while controlling costs. The products of the spinning sub-sector are cotton yarn, polyester, synthetic yarn, woolen yarn and blended yarn mixed of cotton and polyester of different counts (mostly up to 80 count). Yarns are being used by the weaving sub-sectors like specialized textiles, handlooms and knitting and hosiery. The growth in the export of clothing with the phasing out of MFA in 2005 has led to the setting up of 350 spinning mills and there has been a boost in investment since 2001. The private sector spinning mills can now meet around 100% demand of yarn at the domestic level as well as 95% of the demand for yarn for export oriented knit fabrics mills. In addition, almost 85% of cotton yarns and 50% demand for synthetic and blended yarn of export-oriented fabric producing mills are being met by the private sector spinning mills.

(ii) The segment wise or product wise performance:

Particular	Unit	Year	
		2021- 2022	2020- 2021
Spindle	Number	100,680	97,800
Production Capacity (Yarn)	M.TON	21,250 M.Ton	20,650 M.Ton
Actual Production (Yarn)	M.TON	15,703 M. Ton	17,496 M. Ton
Capacity Utilization	%	73.89	84.73

(iii) Risk and Concern

Risks and concerns including internal and external risk factors, threat to sustainability and negative impact on environment

1. Industry Risk

Textile is the largest industrial sub -sector in Bangladesh. It contributes highest in the country's total export earnings, gives employment to over four million people meets the second basic need for clothing of the country and contributes around 50% of the industrial value addition. But after phasing out of the, Multi Fiber Agreement (MFA) the global textile trade is now free from quota restriction.

Management Perception

The textile industry has successfully coped with the post Multi Fiber Agreement (MFA) competitive situation. The force, which is helping the sector for its strong existence is emergence of backward linkage industry. Backward linkage industries are supporting for minimizing lead- time and cost of production. The company is a first state of backward linkage industry of yarn production that facilitates for better existence.

2. Interest Rate Risks:

Interest / Financial charges are paid against any kind of borrowed fund. Volatility in money and increased demand for loan presses on interest rate structure to be fixed in high. Raising of interest rate increases the cost of fund for a company, which have borrowed fund, and consequently profit is squeezed.

Management Perception

The management of the Company is always aware of interest rate, which is concerned to the cost of fund the company. The Management prefers in procuring of the long- term fund with minimum fixed interest rate and the short term fund with reasonable competitive rate. On the other hand management of the company is emphasizing on equity based financing.

3. Exchange Rate Risk:

The Company is export oriented. The products of the company are sold against foreign currency and payments for raw material are also made in foreign currency .If exchange rate is increased against local currency opportunity is created for getting more revenue against sale in local currency. On the other hand if exchange rate goes down margin is squeezed in local currency.

Management Perception

The exchange rate of the country is traditionally witnessed of upward trends, which markets ample opportunity of export. On the other hand, management perceives revaluation of local currency i.e. down trend of exchange rate will have little impact on profitability of the company.

4. Market and Technology related Risk:

Among the functional areas in a yarn company, marketing exerts the sheet part of the importance. Proper implementation of the marketing tools as well as identifying new client will ensure the success of the project. The continuous changes on performance in the garment and textile market will force company to catch the trend. For which the company has to produce yarn for international demand.

Management Perception

The company set its focus only in countries export Market through inland back -to - back letter of credits. The management is trying to sell through direct contact with the customers (RMG & Knitting industries) in the selected regions understanding their needs. The company also has established relationship with potential buyers across the country and expects to find market for its capacity despite competition prevailing in the sector. Further the commercial bank and financial institutions provide a thrust in the textile sector as they provide credit facilities to RMG & knitting industries to acquire the yarn for their final products.

5. Changes in Economic & Political Condition:

Changing economic conditions may affect the demand for the product offered by the company. Downturn of economic activity or uncertainty may result in a downturn in demand for loan funds for industry.

Management Perception

Social unrest due to political reasons may cause downturn the economic activity which will have impact on demands of textile. But as elected Government is in place, we can expect that political rivalry within democratic environment will not affect the manufacture sector.

6. Energy costs may rise:

Due to the adverse power situation in the country, production may be hampered and wastage might rise.

Management Perception

The Company itself sufficient in generating power by its own generators. However, in case of gas shortfall and subsequent rationing if any, then the productivity will be reduced. In that scenario, the overall sector will be affected.

7. Operational risks:

Shortage of power supply, labor unrest unavailability or price increase of raw material, natural calamities like flood, cyclone, earthquake etc. may disrupt the production of the Company and can adversely impact the profitability of the Company.

Management Perception

The compensation as well the benefit package will restrain the employees to leave their assignment and got for any employee movement for higher benefit packages. The project of the company is situated at a high land where less record of flood. The factory building has strong RCC foundation, RCC floor, pre-fabricated steel structure to withstand wind, storm rain etc. along with good drainage facility. The risks from these factors are also covered through insurance. The Company is also facilitated to keep a rational reserve for any future price escalation of the raw material.

(iv) COGS, Gross/ Net Profit Margin Analysis

A discussion on Cost of Goods Sold, Gross Profit Margin and Net Profit Margin is as follows;

Particular	Year		Deviation (Increase/Decrease)
	2021-2022	2020-2021	
Cost of Goods sold	5,149,625,106	4,125,556,224	1,024,068,882
Gross Profit Margin	19.07	22.46	(3.39)
Net profit Margin	7.91	9.29	(1.38)

Cost of Goods sold increased due to raw cotton cost increased per quantity compare to previous year.

Gross/Net profit margin decreased for same reason and also increased of operating cost.

(v) Extra-ordinary activities

There were no extraordinary activities during the year.

(vi) Related party transactions

The following statement showing the related party transactions as per IAS-24 along with amount, nature of related party, nature of transactions and basis of transactions:

Particulars	Relationship	Type of Transaction	OP Balance	Received during the year	Payment during the year	Balance
Maksons Textiles Limited	Common Director	Loan & Advance	-	6,000,000	106,585,724	100,585,724
Gardenia Wears Limited			-	1,850,000	110,650,125	108,800,125
La-muni Apparels Limited			-	1,150,000	45,227,837	44,077,837
Metro spinning Ltd.			16,447,442	23,718,763	13,535,358	6,264,037

(vii) Utilization of Proceeds from Public Issue

This is not applicable for MSML as no such event of collecting fund from public issues took place during the year which would require adjustment or disclosure in the annual report.

(viii) Financial Result Deterioration after the Public Issue

An explanation if the financial results deterioration after the company goes for Initial Public Offering (IPO), Repeat Public Offering (RPO), Rights Share Offer, Direct Listing, etc.: **Not applicable.**

(ix) Variance within the Quarterly Financial Statement and Annual Financial Statements

No significant variance occurs between Quarterly Financial performances and Annual Financial Statements.

(x) A statement of remuneration paid to the directors including independent directors:

The Directors of the company did not take any kind of remuneration except Board meeting fee during the year.

(xi) Fairness of Financial Statements

The management confirms that the financial statements i.e. the result of its operations, statement of cash flows and changes in equity of Maksons Spinning Mills Limited is prepared and presented fairly.

(xii) Proper Books of Accounts

The management of Maksons Spinning Mills Limited states that proper books of accounts have been maintained.

(xiii) Adaptation of Proper Accounting Policies and Estimates

The management of Maksons Spinning Mills Limited confirms that the appropriate accounting policies have been consistently applied in preparation of the financial statements and the accounting estimates are based on reasonable and prudent judgment.

(xiv) IAS/BAS/IFRS/BFRS Application

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

(xv) Internal Control

The management confirms that internal control of Maksons Spinning Mills Limited is sound in design and has been effectively implemented and monitored.

(xvi) Minority Shareholders

A statement that minority shareholders have been protected from abusive actions by, or in the interest of, controlling shareholders acting either directly or indirectly and have effective means of redress:
Not applicable.

(xvii) Going Concern

The management confirms that there is no significant doubt upon the issuer company's ability to continue as a going concern.

(xviii) Significant deviation from last year's operating result

	2021 - 2022	2020 - 2021	Deviation Increase/decrease
Turnover	6,362,796,844	5,320,285,273	1,042,511,571
Less Cost of Goods sold	5,149,625,106	4,125,556,224	1,024,068,882
Gross Profit	1,213,171,738	1,194,729,049	18,442,689
Less Operating Expenses	570,515,119	558,589,685	11,925,434
Operating profit	642,656,619	636,139,364	6,517,255
Add non - operating income	11,571,598	15,467,303	(3,895,705)
Net profit before WPPF	654,228,217	651,606,667	2,621,550
Contribution to WPPF	31,153,725	31,028,889	124,836
Net Profit before tax	623,074,492	620,577,778	2,496,714
Provision for Tax	119,784,896	126,255,475	(6,470,579)
Retained Earnings	503,289,597	494,322,303	8,967,293

It is mentionable here that since the improvement of pandemic situation a significant amount of RMG orders came to Bangladesh which in resulted positive impact on spinning sector of the country. As a result, the company was able to make considerable amount of sales during the year. The turnover, gross profit, net profit and retained earnings has increased this year compared to previous year.

(xix) Key Operating and Financial Data

A statement of key operating and financial data of preceding 5 (five) years are given below:

Tk. in '000

FIVE YEARS FINANCIAL STATISTICS					
PARTICULARS	2021-22	2020-21	2019-20	2018-19	2017-18
Financial Position					
Authorized Capital	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000
Paid-up Capital	2,382,325	2,382,325	2,382,325	2,382,325	2,382,325
Retained Earnings	503,289	494,322	-88,180	29,254	116,434
Turnover	6,362,796	5,320,285	4,263,230	4,465,975	4,731,802
Gross Profit	1,213,171	1,194,729	611,943	742,557	814,496
Gross Profit in %	19.07	22.46	14.35	16.63	17.21
Net Profit before Tax	623,074	620,577	-47,265	69,792	190,045
Net Profit before Tax in%	9.79	11.66	-1.11	1.56	4.02
Fixed Assets	4,564,855	4,495,050	4,568,034	4,755,288	4,795,608
Current Assets	6,022,652	5,658,136	5,460,543	5,377,307	4,878,464
Current Liabilities	4,432,185	4,015,975	4,348,482	4,449,857	3,819,405
Net Current Assets	1,590,466	1,642,161	1,112,060	927,449	1,059,058

Tk. in '000

FIVE YEARS FINANCIAL STATISTICS					
PARTICULARS	2021-22	2020-21	2019-20	2018-19	2017-18
Key Financial Ratio					
Current Ratio (Times)	1.36	1.41	1.26	1.21	1.28
Quick Ratio (Times)	0.53	0.60	0.47	0.47	0.54
Debt-Equity Ratio (Times)	0.27	0.33	0.47	0.38	0.41
Times Interest Earned Ratio (Times)	2.87	2.75	0.91	1.15	1.46
Inventory Turnover (Times)	2.10	1.77	1.58	1.84	2.26
Assets Turnover (%)	1.405	1.174	0.915	0.935	1.002
Return on Assets (%)	14.44	14.38	-1.01	1.53	4.23
Return on Equity (%)	12.43	12.96	-1.09	1.57	4.18
Earning Per Share (EPS)	2.11	2.07	-0.37	0.12	0.49
Net Operating Cash Flow Per Share	2.09	2.81	0.79	-0.1	-0.8
Dividend Per Share (DPS in %)	10	11	2	2	5
	Cash	Cash	Cash	Cash	Cash
Book Value Per Share	24.10	19.60	5.10	6.50	8.60
Dividend Payout Ratio (%)	47.34	24.10	-135.08	407.17	102.3
Other Information					
Number of share	238,232,538	238,232,538	238,232,538	238,232,538	226,888,132
Number of Shareholders	21,176	23,263	24,443	25,725	26,064
Number of Employees	2218	2267	2573	2586	2349

(xx) Dividend

Since the company has declared dividend so no explanation is required.

(xxi) Interim Dividend

The company did not declare any stock dividend or bonus share as interim dividend during the year.

(xxii) Board Meetings and Attendance

The total number of Board meetings held during the year and attendance by each Director:

NAME OF DIRECTOR	POSITION	MEETING HELD	MEETING ATTENDED
MOHAMMAD ALI KHOKON	CHAIRMAN	4	4
MOHD. FERDOUS KAWSER MASUD	MANAGING DIRECTOR	4	4
MOHD. SHOWKOT ALI	Director Nominated by Metro Spinning Ltd.	4	4
MRS. LAILA ALI	DIRECTOR	4	4
AMZAD ALI BADAL	DIRECTOR	4	4
SANJID HASAN AMIT	DIRECTOR	4	4
MD. KHURSHED HOSSAIN	INDEPENDENT DIRECTOR	4	4
HAIDER AHMED KHAN, FCA	INDEPENDENT DIRECTOR	4	4
DR. MOHAMMED MIZANUR RAHMAN	NOMINATED DIRECTOR	4	4
NOOR MOHAMMAD	COMPANY SECRETARY	4	4
MD. YOUNUS BHUIYAN	CHIEF FINANCIAL OFFICER	4	4
APARESH PAUL	HEAD OF INTERNAL AUDIT & COMPLIANCE (Till 10/10/2021)	4	1
Ms. Farhana Haque	HEAD OF INTERNAL AUDIT & COMPLIANCE (From 10/10/2021)	4	3

(xxiii) Pattern of Shareholding and Name wise details

A report on the pattern of shareholding disclosing the aggregate numbers of shares (along with name wise details) of the company on 30th June 2022 stands as follows:

Name of the Shareholders	Status	Shares held	%
(a) Parent/Subsidiary/ Associated companies and other related parties:			
Metro Spinning Limited		12,580,488	5.28%
Maksons Properties & Development Ltd.		838,699	0.35%
Maksons Knit & Rotor Spinning Ltd.		4,193,496	1.76%
Makcot International		2,516,097	1.06%
(b) Directors, Chief Executive Officer, Chief Financial Officer, Company Secretary, Head of Internal Audit and their spouses and minor children			
Mr. Mohammad Ali Khokon	Chairman	16,968,270	7.12%
Mr. Mohd. Ferdous Kawser Masud	Managing Director	93,07,547	3.92%
Mr. Mohd. Showkot Ali	Director (Nominated)	2,012,878	0.84%
Mrs. Laila Ali	Director	84,36,406	3.54%
Mr. Amzad Ali Badal	Director	47,68,429	2.00%
Mr. Sanjjid Hasan Amit	Director	48,22,129	2.02%
Mrs. Polly Yasmin	Sponsor	30,19,317	1.27%
Mrs. Khadiza Akhter Shilpi	Sponsor	20,12,878	0.84%
Mr. Haider Ahmed Khan	Independent Director	Nil	Nil
Mr. Md. Khurshed Hossain	Independent Director	Nil	Nil
Mr. Mohd. Younus Bhuiyan	Chief Financial Officer	Nil	Nil
Mr. Noor Mohammad	Company Secretary	Nil	Nil
Ms. Farhana Haque	Head of Internal Audit	Nil	Nil
(c) Executives; and	Nil	Nil	Nil
Sub-Total		71,476,634	30%
Institutions & General Public		166,755,904	70%
Total		238,232,538	100%
(d) Shareholders holding 10% or more voting interest in the company	Nil	Nil	Nil

Shareholding Structure

Category	Total Shareholding	Percentage (%)
Sponsors/Directors	71,476,634	30%
Financial Institutions	31,708,750	13.31%
General Public	135,047,154	56.69%
Total	238,232,538	100%

(xxiv) Appointment or reappointment of Directors:

In accordance with Article Nos. 124 & 125 Section 91(2) of Company Act 1994, Mr. Mohammad Ali Khokon and Mr. Mohd. Ferdous Kawser Masud, Director both are due to retire by rotation from the Board of Directors and being eligible, offer them for Re-Election. Board of Directors have re-elected both the Directors for the next term.

Mr. Mohammad Ali Khokon

Director

Mr. Mohammad Ali Khokon is the Director of the Company. Under his dynamic and sincere leadership, the Company has reached to its present status. He has become one of the business icons in the country within 36 years of his business experience through his outstanding leadership. His outstanding decision brought the company many successes within a very short period of time. He has visited many countries in regards to business and became well experienced in modern methods, technology, production, marketing and management techniques in respect of textile sector. His profound leadership helps the Company to formulate Strategic Policy and route to its implementation. He has undertaken various sustainability initiatives that have created positive impact on the company and society. He has been elected twice as President of Bangladesh Textile Mills Associations (BTMA) for his efficient & effective leadership, sincerity, honesty, hard work and electrifying personality. He is also involved with many financial institutions, government regulatory bodies, international vendors, legal bodies, and other concerned department. He is also engaged in various social activities like Dhaka Club Ltd., Gulshan Club Ltd., Uttara Club Ltd., Rotary Club and many other sports & social organizations who are working for the deprived people under the company's Corporate Social Responsibility (CSR). His academic brilliance and decision-making ability capacitated him to become one of the successful iconic business magnates of the country. He is also Director of Metro Spinning Ltd.

Mr. Mohd. Ferdous Kawser Masud

Director

Mohd. Ferdous Kawser Masud is an MBA Graduate in Finance from Chittagong University and holds the position of Director of the company. He joined the business in the year 2000 and aims to set high standards for the performance of the Company. He visited many countries and gathered knowledge in modern methods and technology. He has implemented new vast ideas in latest business tactics in production, sales and accounting in respect of textile sectors by being associated with his family business. He is involved in strategic planning and implementing financial strategy and at the same time leading the R&D team to speed up financial elevation, expansion, growth and exploring new business avenue for the company. He injected operational superiority in key areas, which helps the company to grow significant revenue and profitability. He is also associated with number of social organizations and activities. He is also Director of Metro Spinning Ltd.

(xxv) Management Discussion and Analysis

The Management Discussion and Analysis signed by CEO/MD presenting details analysis of the company's position and operation is attached herewith as Annexure-01.

(xxvi) Declaration by the CEO and the CFO

Declaration or certification by the CEO/MD and the CFO to the Board as required under condition No. 3 (3) is disclosed herewith as Annexure-A; and

(xxvii) Report on Compliance of the Corporate Governance Code

The report as well as certificate regarding compliance of conditions of this Code as required under condition No. 9 is disclosed as herewith Annexure=B and Annexure-C.

Dividend

The Board of Directors has recommended 10% Cash dividend for the year ended 30 June, 2022 to for all the shareholders whose name shall appear on the register of members on record date which is subject to approval from the shareholders at upcoming Annual General Meeting.

CONTRIBUTION TO NATIONAL EXCHEQUER

During the Financial Year under review the Company has contributed an amount of Tk. 13.25 Crore to National Exchequer as Value Added Tax, Custom Duty and Income Tax.

APPOINTMENT OF AUDITORS

The Auditors M/S Kazi Zahir Khan & Co. Chartered Accountants, Topkhana Road, Segun Bagicha, Dhaka has expressed their willingness to work with us as Statutory Auditor of the company for further one year. The Board of Directors has decided to appoint M/S Kazi Zahir Khan & Co Chartered Accountants as Statutory Auditors of the company for the term (2022-2023) until next Annual General Meeting subject to approval of Shareholders.

APPOINTMENT OF COMPLIANCE AUDITORS

M/S. Saifur Enayet & Associates, Cost & Management Accountants, House # 53, Road # 03, Sector-3, Uttara, Dhaka-1230, has expressed their willingness to work with us as Compliance Auditor of the company. The Board of Directors has decided to appoint them as compliance auditor for the term 2022-2023 subject to approval of Shareholders in the forthcoming AGM of the company.

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS,



(Mohammad Ali Khokon)

Chairman

Annexure - 01

Management's Discussion and Analysis of the company's position and operations along with a brief discussion of changes in the financial statements as per condition no 5(XXV) of Corporate Governance Code dated June 03, 2018.

a. The company has prepared and presented its financial statement as per BAS as adopted by the Institute of Chartered Accountants of Bangladesh (ICAB). The following BASs re applicable for the financial statements for the period under review:

Sl. No.	Name of the IAS	IAS's No.	Comments
1	Presentation of Financial Statements	1	
2	Inventories	2	
3	Cash Flow Statements	7	
4	Accounting policies, Changes in accounting Estimates & Errors	8	
5	Events after the Reporting Period	10	
6	Income Taxes	12	
7	Property, Plant and Equipment	16	
8	Employees Benefits	19	
9	The Effects of Changes in Foreign Exchange Rates	21	
10	Borrowing Costs	23	
11	Related Party Disclosures	24	
12	Financial Instruments: Presentation	32	
13	Earnings Per Share	33	
14	Impairment of Assets	36	
15	Provision, Contingent Liabilities and Contingent Assets	37	

Sl. No.	Name of the IFRS	IFRS No.	Comments
1	Financial Instruments: Disclosures	7	
2	Fair Value Measurement	13	
3	Revenue	15	
4	Lease	16	
5	Insurance Contracts	17	

b. There is no change in accounting policies and estimation for the preparation of financial statement for the year ended June 30, 2022.

c. Comparative analysis of financial performance or results and financial position as well as cash flows for current financial year with immediate preceding five years explaining reasons are as follows: Reasons

	in '000'				
Financial Position	2021-2022	2020-2021	2019-2020	2018-2019	2017-2018
Turnover	6,362,796	5,320,285	4,263,230		4,731,802
Gross Profit	1,213,171	1,194,729	611,943	4,465,975	814,496
Net Profit Before Tax	623,074	620,577	(47,265)	742,557	190,045
Fixed Asset	4,564,855	4,495,050	4,568,034	69,792	4,795,608
Current Asset	6,022,652	5,658,136	5,460,543	4,755,288	4,878,464
Current Liabilities	4,432,185	4,015,975	4,348,482	5,377,307	3,819,405
Net Current Assets	1,590,767	1,642,161	1,112,061	4,449,857	1,059,058
Current Ratio (Times)	1.36	1.41	1.26	927,449	1.28
Earnings per Share (EPS)	2.11	2.07	(0.37)	1.21	0.49
Net Operating Cash Flow Per Share	2.09	2.81	0.79	0.12	-0.8
				-0.10	

Maksons Spinning Mills Limited is continuing its growth since 2017-2018 but decreased in the year 2019-20 due to country wide lockdown and pandemic situation all over the world. The financial performance has turned to positive in the year 2020-2021 & 2021-2022 due improvement of pandemic situation and overall economic activity around the world. The demand for apparels has started to increase consequently the demand for yarn has increased which in resulted increase of turnover of the company including its gross profit margin, net profit before & after tax. The Net Operating Cash Flows per Share are positive/negative and are different in every financial year as this depends on different issues mainly, Collection from export sales proceed and payment for costs and expenses. The whole scenario is changeable time to time depending on the circumstances.

d) Compare such financial performance or results and financial position as well as cash flows with the peer industry scenario;

	in '000'		
Particulars	Maksons Spinning Mills Ltd June 30, 2022	Apex Spinning & Knitting Mills Ltd. June 30, 2022	Mozaffar Hossain Spinning Mills Ltd June 30, 2022
Gross Profit	1,213,171	271,542	573,245
Net Profit before tax	623,074	55,245	242,304
Net profit after tax	503,289	28,073	193,945
Earnings per share	2.11	3.45	1.92
Net Operating cash flow per share	2.09	0.19	2.16

(e) Briefly explain the financial and economic scenario of the country and the globe:

Based on the macro-economic stability, Bangladesh's economy has advanced 271 times over the last five decades. The International Monetary Fund (IMF) has recently ranked Bangladesh as the 41st largest economy in the world in nominal terms of GDP in 2022. Bangladesh has also made some very remarkable steps in economic development over the last five decades enabling the country transiting to developing country. The country is on track to leave the United Nations list of least developed countries in 2024. Bangladesh is now considered one of the fastest growing economies in the world. Bangladesh has had an annual growth rate of Gross Domestic Product (GDP) over 6.0 per cent since 2011.

The Bangladesh government's vision 2041 stipulates to eliminate extreme poverty and secure upper middle-income country status by 2031 and achieve the high income country status by 2041. But the country faces serious infrastructural deficit and a highly concentrated basket of exports and a massive reliance on overseas remittances. An infrastructural deficit, in particular, can pose a serious challenge in accelerating the growth prospects of the country.

Bangladesh has a strong track record of growth and development, even in times of elevated global uncertainty. A robust demographic dividend, strong ready-made garment (RMG) exports, resilient remittance inflows, and stable macroeconomic conditions have supported rapid economic growth over the past two decades. A strong recovery from the COVID-19 pandemic continued in FY22, although a recent surge in commodity prices has presented new headwinds.

Bangladesh, like many other countries, faces global economic challenges. Rising commodity prices and a surge in imports in the second half of FY22 resulted in a widening Balance of Payments (BoP) deficit and accelerating inflation. Foreign exchange reserves declined as a result, reaching US\$ 38.9 billion by the end of August 2022. Real GDP growth is expected to slow in FY23 as import suppression measures disrupt economic activity. Bangladesh also suffers from other challenges: poor-quality infrastructure, an under-performing financial system, public sector inefficiency, inadequate exploitation of the country's natural resources, limited availability of capital and population growth (even though it has slowed down considerably in recent years). Moreover, Bangladesh is among the most exposed countries to climate change worldwide. The national budget also gave priority to the development of education, technology, transport, communication, and defense.

Global economic activity is experiencing a broad-based and sharper-than-expected slowdown, with inflation higher than seen in several decades. The cost-of-living crisis, tightening financial conditions in most regions, Russia's invasion of Ukraine, and the lingering COVID-19 pandemic all weigh heavily on the outlook. Global growth is forecast to slow from 6.0 percent in 2021 to 3.2 percent in 2022 and 2.7 percent in 2023. This is the weakest growth profile since 2001 except for the global financial crisis and the acute phase of the COVID-19 pandemic. Global inflation is forecast to rise from 4.7 percent in 2021 to 8.8 percent in 2022 but to decline to 6.5 percent in 2023 and to 4.1 percent by 2024. Monetary policy should stay the course to restore price stability, and fiscal policy should aim to alleviate the cost-of-living pressures while maintaining a sufficiently tight stance aligned with monetary policy. Structural reforms can further support the fight against inflation by improving productivity and easing supply constraints, while multilateral cooperation is necessary for fast-tracking the green energy transition and preventing fragmentation. We need to develop the technology in existing prevalent sectors like including good machines in farming to increase crop production that eventually will increase GDP.

(f) Risks and concerns issues related to the financial statement, explaining such risk and concerns mitigating plan of the company:

The Company has exposure to the following risks for its use of financial instruments.

Interest Rate Risk

Interest rate risk is the risk that arises due to changes in interest rates on borrowing. There was no foreign currency loan which is subject to floating rates of interest. Local loans are however, not significantly affected by fluctuations in interest rates.

Foreign Currency Risk

The company is exposed to foreign currency risk relating to purchases which are denominated in foreign currencies. The company primarily utilizes forward exchange contracts with maturities of less than one year to hedge such financial liabilities denominated in foreign currencies. The forward exchange contracts entered into at the reporting date also relate to anticipated purchases, denominated in foreign currencies, for the subsequent period.

Credit Risk

Credit risk is the risk of a financial loss to the company if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the company's receivables. Management has a credit policy in place and exposure to credit risk is monitored on an ongoing basis. As at 30 June 2022 substantial part of the receivables are secured against LC and subject to insignificant credit risk. Risk exposures from other financial assets i.e. Cash at bank and other receivables are nominal.

Liquidity Risk

Liquidity risk is the risk that the company will not be able to meet its financial obligations as they fall due. The company's approach to managing liquidity (cash and cash equivalents) is to ensure as far as possible, that it will always have sufficient liquidity to meet its liabilities when due under both normal and stressed conditions without incurring unacceptable losses or risking damage to the company's reputation. Typically, the company ensures that it has sufficient cash and cash equivalent to meet expected operational expenses including financial obligations through preparation of the cash flow forecast with due consideration of time line of payment of the financial obligation and accordingly arrange for sufficient liquidity/fund to make the expected payment within due date. After the recent capital raising, even in extreme stressed conditions it is unlikely that the Company would require further financing at least within next couple of years.

Market Risk

Market risk is the risk that any change in market prices such as foreign exchange rates and interest will affect the company's income or the value of its holdings financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters.

(g) Maksons Spinning Mills Limited has existing capacity 1,00,680 spindles. The management is willing to improve quality of product and increase of production by adding some latest devices with existing machinery. At the same time Research & Development (R&D) team is working to develop new product considering market demand with its machinery and capacity.



Mohd. Ferdous Kawser Masud
Managing Director

Annexure A

As per condition No. 1(5)(xxvi)

MAKSONS SPINNING MILLS LIMITED Declaration by MD and CFO

10 November 2022

The Board of Directors,
Maksons Spinning Mills Limited
House-17, Road-6, Sector-1,
Uttara, Dhaka.

Subject: **Declaration on Financial Statements for the year ended on 30 June, 2022.**

Dear Sirs,

Pursuant to the condition No. 1(5) (xxvi) imposed vide the commission's Notification No. BSEC/CMRRCD/2006-158/207/Admin/80 Dated 03 June, 2018 under section 2CC of the Securities and Exchange Ordinance, 1969, we do hereby declare that:

- 1) The Financial Statements of Maksons Spinning Mills Limited for the year ended on 30 June, 2022 have been prepared in compliance with International Accounting Standard (IAS) or International Financial Reporting Standards (IFRS), as applicable in the Bangladesh and any departure there from has been adequately disclosed;
- 2) The estimates and judgments related to the financial statements were made on a prudent and reasonable basis, in order for the financial statements to reveal a true and fair view;
- 3) The form and substance of transactions and the company's state of affairs have been reasonably and fairly presented in its financial statements;
- 4) To ensure above, the Company has taken proper and adequate care in installing a system of internal control and maintenance of accounting records;
- 5) Our internal auditors have conducted periodic audits to provide reasonable assurance that the established policies and procedures of the Company were consistently followed; and
- 6) The management's use of the going concern basis of accounting in preparing the financial statements is appropriate and there exists no materials uncertainty related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern.

In this regard, we also certify that:-

- I. We have reviewed the financial statements for the year ended on 30 June, 2022 and that to the best of our knowledge and belief:
 - a) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - b) These statements collectively present true and fair view of the Company's affairs and are in compliance with existing accounting standards and applicable laws.
- II. There are, to the best of knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or in violation of the code of conduct for the company's Board of Directors or its members.

Sincerely yours,



Mohd. Younus Bhuiyan
Chief Financial Officer (CFO)



Mohd. Ferdous Kawser Masud
Managing Director (MD)

Annexure B

Certificate as per condition No. 1(5)(xxvii)



SAIFUR ENAYET & ASSOCIATES

Cost & Management Accountants

Certificate as per condition no. 1(5)(xxvii)

CORPORATE GOVERNANCE COMPLIANCE CERTIFICATION

Report to the Shareholders
of
Maksons Spinning Mills Limited
On Compliance on the Corporate Governance Codes
For the year ended on 30th June 2022

We have examined the compliance status to the corporate governance Code by Maksons Spinning Mills Limited for the year ended on 30th June, 2022. This code relates to the Notification No. BSEC/CMRRCD/2006/158/207/Admin/80, Dhaka, Dated: 03 June 2018 of the Bangladesh Securities and Exchange Commission.

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

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

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

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

Place: Dhaka
Date: December 5, 2022

For Saifur Enayet & Associates

Md. Saifur Rahman FCMA
Principal & CEO
Cost & Management Accountants

Annexure C

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

Status of compliance with the conditions imposed by the Commission's Notification No. BSEC/CMRRCD/2006-158/207/Admin/80 dated 3 June 2018 issued under 2CC of the Securities and Exchange Commission Ordinance, 1969

(Report under Condition No.9)

Condition No.	Title	Compliance Status		Remarks
		Complied	Not Complied	
1.00	Board of Directors (BoD)			
1.(1)	Board Size shall not be less than 5(five) and more than 20 (twenty)	√		
1.(2)	Independent Director :			
1.2.(a)	At least one-fifth (1/5) of the total number of board of directors shall be Independent Directors (ID); Complied	√		The BOD includes 2 independent Director
1.2 (b)(i)	IDs do not hold any share or holds less than 1% shares of the total paid-up shares of the Company	√		
1.2(b)(ii)	ID is not a sponsor and not connected with any sponsor or director or nominated director or shareholder or any of its associates, sister concerns, subsidiaries and parents or holding entities who holds one percent (1%) or more shares of the total paid-up shares and his or her family members shall not hold above mentioned shares;	√		
1.2 (b)(iii)	ID has not been an executive of the company in immediately preceding two financial years;	-	-	No such ID appointed
1.2 (b)(iv)	ID does not have any relationship whether pecuniary or otherwise relationship with the company or its subsidiary/associated companies;	√		
1.2 (b)(v)	ID is not a member or TREC holder, director or officer of any stock exchange;	√		
1.2 (b)(vi)	ID is not a shareholder, director excepting independent director or officer of any member or TREC holder of stock exchange or an intermediary of the capital market;	√		
1.2 (b)(vii)	ID is/was not a partner or an executive of company's audit firms engaged in Statutory Audit or Internal Audit or Special Audit or Compliance Certification of the Codes during preceding three years;	√		
1.2 (b)(viii)	ID shall not be independent director in more than five listed companies;	√		
1.2 (b)(ix)	ID has not been convicted by a court of competent jurisdiction as a defaulter in payment of any loan or any advance to a bank or NBF1;	√		
1.2 (b)(x)	ID has not been convicted for a criminal offence involving moral turpitude;	√		

Condition No.	Title	Compliance Status		Remarks
		Complied	Not Complied	
1.2 (c)	Appointment of ID shall be done by Board and approved by the shareholders in AGM.	√		
1.2 (d)	The Post of ID cannot remain vacant more than 90 days.	-	-	No such incidence occurred
1.2 (e)	The tenure of office of an ID shall be for three(3) years, which may be extended for one(1) tenure only;	√		
1.3	Qualification of Independent Director (ID):			
1.3(a)	Independent Director shall be a knowledgeable individual with integrity who is able to ensure compliance with financial, corporate laws, regulatory requirements and can make meaningful contribution to the business;	√		
1.3(b)	Independent director shall have the following qualifications:			
1.3(b)(i)	ID is a Business Leader who is/was a promoter or director of an unlisted company having minimum paid-up capital of One Hundred million or any listed company or a member of any national or international chamber of commerce or business association;	-	-	No such category ID appointed
1.(3)(b)(ii)	ID is/was a Corporate Leader as top level executive as adopted by the code and a candidate with equivalent position of an unlisted company having minimum paid up capital of Tk. 100.00 million or of a listed company;	√		
1(3)(b)(iii)	ID was Former official of government in the position not below 5th Grade of the national pay scale and educational background of bachelor degree in economics or commerce or business or law;	-	-	No such category ID appointed
1(3)(b)(iv)	ID is/was University Teacher who has educational background in Economics or Commerce or Business Studies or Law;	-	-	No such category ID appointed
1(3)(b)(v)	ID is/was a professional or an advocate practicing in the HCD of Bangladesh Supreme Court or a CA,CMA, CFA, CCA, CPA and CS or equivalent qualification;	√		One ID is an Chartered Accountant (FCA)
1 (3) (c)	The ID shall have at least Ten (10) years of experiences in any field mentioned in clause (b);	√		
1 (3) (d)	Special cases for relaxing qualifications or experiences with prior approval of the Commission;	-	-	No such event occurred
1(4)	Duality of Chairperson of the Board of Directors and Managing Director or CEO:			
1(4)(a)	The Position of the Chairman of the Board and the Managing Director (MD) and/or the Chief Executive Officer (CEO) of the Company shall be filled by different Individuals;	√		
1(4)(b)	MD and/or CEO of a listed Company shall not hold the same position in another listed Company;	√		
1(4)(c)	The Chairperson of the Board shall be elected form among the non-executive directors;	√		

Condition No.	Title	Compliance Status		Remarks
		Complied	Not Complied	
1(4)(d)	The Board shall clearly define respective roles and responsibilities of the Chairperson and the Managing Director and/or CEO;	√		
1(4)(e)	In absence of Chairman, the remaining members may elect one from non-executive directors as Chairperson for that particular Board's meeting; the reason of absence shall be duly recorded in the minutes.	-	-	No such matter arose during the year
1(5)	The Directors' Report to Shareholders :			
1(5)(i)	Industry outlook and possible future developments in the industry;	√		
1(5)(ii)	Segment-wise or product-wise performance;	√		
1(5)(iii)	Risks and concerns including internal and external risk factors, threat to sustainability and negative impact on environment, if any;	√		
1(5)(iv)	A discussion on Cost of Goods sold, Gross Profit Margin and Net Profit Margin, where applicable;	√		
1(5)(v)	A discussion on continuity of any extraordinary activities and their implications (gain or loss);			No such matter arose during the year.
1(5)(vi)	A detailed discussion and statement on related party transactions;	√		
1(5)(vii)	A statement of utilization of proceeds raised through public issues, rights issues and/or any other instruments;			Not applicable
1(5)(viii)	Explanation if the financial results deteriorate after the company goes for IPO, RPO, Rights Offer, Direct Listing, etc.;			Not applicable
1(5)(ix)	Explanation by the Management if significant variance occurs between Quarterly Financial Performance and Annual Financial Statements;	√		
1(5)(x)	Remuneration to Directors including Independent Director;	√		
1(5)(xi)	Statement that financial statements prepared by the management of the issuer present fairly its state of affairs, the result of its operations, cash flows and changes in equity;	√		
1(5)(xii)	Proper books of account of the issuer company have been maintained;	√		
1(5)(xiii)	Appropriate accounting policies have been consistently applied in preparation to the financial statements and that the accounting estimates are based on reasonable and prudent judgment;	√		
1(5)(xiv)	International Accounting Statement (IAS) Bangladesh Accounting Standard (BAS) /International Financial Reporting standard (IFRS), as applicable in Bangladesh, have been followed in preparation of the financial statements and any departure therefrom has been adequately disclosed;	√		

Condition No.	Title	Compliance Status		Remarks
		Complied	Not Complied	
1(5)(xv)	The system of internal control is sound in design and has been effectively implemented and monitored;	√		
1(5)(xvi)	A statement that minority shareholders have been protected from abusive actions by, or in the interest of, controlling shareholders acting either directly or indirectly and have effective means of redress;	√		
1(5)(xvii)	There are no significant doubts upon the issuer company's ability to continue as a going concern. If the issuer company is not considered to be a going concern, the fact along with reasons thereof should be disclosed;	√		
1(5)(xviii)	Significant deviations from the last year's operation results of the issuer company shall be highlighted and the reasons there of should be explained;	√		
1(5)(xix)	Key operating and financial data of at least preceding 5 (Five) years shall be summarized;	√		
1(5)(xx)	If the issuer company has not declared dividend (cash or stock) for the year;	-		Not applicable
1(5)(xxi)	Board's statement to the effect that no bonus share or stock dividend has been or shall be declared as interim dividend;	-		Not applicable
1(5)(xxii)	The number of Board meetings held during the year and attendance by each Director;	√		
1(5)(xxiii)	A report on the pattern of shareholding disclosing the aggregate (name wise details);			
1(5)(xxiii)(a)	Parent/Subsidiary/Associated Companies and other related parties (name wise details);	√		
1(5)(xxiii)(b)	Directors, CEO, Company Secretary, CFO, HIAC and their spouses and minor children (name wise details).	√		
1(5)(xxiii)(c)	Executives; &	√		
1(5)(xxiii)(d)	Shareholders holding ten percent (10%) or more voting interest in the company (name wise details);	√		
1(5)(xxiv)	In case of the appointment/re-appointment of a director the company shall disclose the following information to the shareholders:			
1(5)(xxiv)(a)	A brief resume of the director.	√		
1(5)(xxiv)(b)	Nature of his/her expertise in specific functional areas;	√		
1(5)(xxiv)(c)	Names of the companies in which the person also holds the directorship and the memberships of committees of the Board;	√		
1(5)(xxv)	Management discussion and analysis signed by CEO/MD presenting detail analysis of the company's position and operations along with a brief discussion of changes in the financial statements, among others, focusing on:			
1(5)(xxv)(a)	Accounting policies and estimation for preparation of financial statements;	√		

Condition No.	Title	Compliance Status		Remarks
		Complied	Not Complied	
1(5)(xxv)(b)	Presenting detailed Changes in accounting policies and estimation as well as cash flows on absolute figure for such changes;	√		
1(5)(xxv)(c)	Comparative analysis (including effects of inflation) of financial performance and position as well as cash flows for current financial year with immediate preceding five years explaining reasons thereof;	√		
1(5)(xxv)(d)	Compare such financial performance or results and financial position as well as cash flows with the peer industry scenario;	√		
1(5)(xxv)(e)	Briefly explain the financial and economic scenario of the country and globe;	√		
1(5)(xxv)(f)	Risks and concerns issues related to the financial statements, explaining such risk and concerns mitigation plan of the company;	√		
1(5)(xxv)(g)	Future plan or projection or forecast for company's operation, performance and financial position, with justification thereof, i.e., actual position shall be explained to the shareholders in the next AGM;	√		
1(5)(xxvi)	Declaration or certification by the CEO and the CFO to the Board as required under condition No. 3(3) shall be disclosed as per Annexure-A ;	√		
1(5)(xxvii)	The report as well as certificate regarding compliance of conditions of this Code as required under condition No. 9 shall be disclosed as per Annexure -B and as per Annexure-C .	√		
1(6)	Meeting of the Board of Directors: Conducting Board meetings and recording the minutes of the meetings and keeping required books and records in line BSS as adopted by the ICSB;	√		
1(7)	Code of Conduct for the Chairperson, other Board members and Chief Executive Officer:			
1(7)(a)	The Board shall lay down a code of conduct, based on the recommendation of the Nomination and Remuneration Committee(NRC);	√		
1(7)(b)	The code of conduct as determined by the NRC shall be posted on the website of the company including, among others, prudent conduct and behavior;	√		
2	Governance of Board of Directors of Subsidiary Company:			
2(a)	Provisions relating to the composition of the Board of the holding company shall be made applicable to the composition of the Board of the subsidiary Company;	-	-	Not Applicable
2(b)	At least 1(One) Independent Director of holding company shall be a director on the Board of subsidiary company;	-	-	Not Applicable

Condition No.	Title	Compliance Status		Remarks
		Complied	Not Complied	
2(c)	Minutes of subsidiary to be placed in the meeting of holding company;	-	-	Not Applicable
2(d)	The minutes of the respective Board meeting of the holding company shall state that they have reviewed the affairs of the subsidiary company also;	-	-	Not Applicable
2(e)	The Audit Committee of the holding company shall also review the financial statements in particular the investments made by the subsidiary company.	-	-	Not Applicable
3	Managing Director (MD) or Chief Executive Officer(CEO), Chief Financial Officer (CFO), Head of Internal Audit and Compliance (HIAC) and Company Secretary(CS):			
3.1	Appointment:			
3(1)(a)	The Board shall appoint a MD or CEO, CS, CFO and HIAC;	√		
3(1)(b)	The positions of the MD or CEO, CS, CFO and HIAC shall be filled by different individuals;	√		
3(1)(c)	The MD or CEO, CS, CFO, and HIAC of a listed company shall not hold any executive position in any other company at the same time;	√		
3(1)(d)	The Board shall clearly define respective roles, responsibilities and duties of the CFO, the HIAC and the CS;	√		
3(1)(e)	MD or CEO, CS, CFO, and HIAC shall not be removed from their position without approval of the Board and be disseminated to the commission and stock exchange(s).	√		
3(2)	Requirement to attend Board of Directors' Meetings: MD or CEO, CS, CFO and HIAC shall attend the meetings of the Board;	√		
3.3	Duties of Managing Director (MD) or Chief Executive Officer (CEO) and CFO:			
3(3)(a)	The MD or CEO and CFO shall certify to the Board that they have reviewed financial statements for the year and that to the best of their knowledge and belief	√		
3(3)(a)(i)	The statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;	√		
3(3)(a)(ii)	The statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards and applicable laws;	√		
3(3)(b)	Certification of CEO and CFO that to the best of their knowledge and belief there was no fraudulent, illegal transactions during the year;	√		
3(3)(c)	The certification of the MD/CEO and CFO shall be disclosed in the Annual Report.	√		
4.	Board of Directors' Committee:			
4(i)	Audit Committee	√		

Condition No.	Title	Compliance Status		Remarks
		Complied	Not Complied	
4 (ii)	Nomination and Remuneration Committee	√		
5.	Audit Committee:			
5(1)	Responsibility to the Board of Directors			
5(1)(a)	Company shall have an Audit Committee as a sub-committee of the Board.	√		
5(1)(b)	Audit Committee shall assist the Board in ensuring that the financial statements reflect true and fair view of the state of affairs of the Company and in ensuring a good monitoring system within the business;	√		
5(1)(c)	Audit Committee shall be responsible to the Board. The duties of Audit Committee shall be clearly set forth in writing.	√		
5.2	Constitution of the Audit committee:			
5(2)(a)	The Audit Committee shall be composed of at least 3 (three) members.	√		
5(2)(b)	Board shall appoint members of the Audit Committee who shall be non-executive directors of the company excepting Chairperson of the Board and shall include at least one Independent director(ID);	√		
5(2)(c)	All members of the Audit Committee should be "financially literate" and at least 1(one) member shall have accounting or related financial management background and 10 years of such experience;	√		
5(2)(d)	When the term of service of the Committee members expires or there is any circumstance causing any Committee member to be unable to hold office until expiration of the term of service, thus making the number of the Committee members to be lower than the prescribed number of 3 (three) persons, the Board of Directors shall appoint the new Committee member(s) to fill up the vacancy(ies) immediately or not later than 1 (one) month from the date of vacancy(ies) in the Committee to ensure continuity of the performance of work of the Audit Committee;	-	-	No such instance created
5(2)(e)	The Company Secretary shall act as the Secretary of the Audit Committee;	√		
5(2)(f)	The quorum of the Audit Committee meeting shall not constitute without at least 1(one) independent director;	√		
5.3	Chairperson of the Audit Committee:			
5(3)(a)	The Board of Directors shall select 1 (one) member of the Audit Committee to be Chairman of the Audit Committee, who shall be an independent director;	√		

Condition No.	Title	Compliance Status		Remarks
		Complied	Not Complied	
5(3)(b)	Election of Chairman of the particular meeting in absence of regular Chairperson of Audit Committee recording the reasons of such absence in the minutes.	-	-	No such situation occurred
5(3)(c)	Chairperson of the Audit Committee shall remain present in the AGM.	√		
5.4	Meeting of the Audit Committee:			
5(4)(a)	The Audit Committee shall conduct at least 4 meetings in a financial year.	√		
5(4)(b)	Quorum of Audit Committee, presence of 2 or 2/3 members whichever is higher, where presence of an ID is a must.	√		
5.5	Role of Audit Committee:			
5(5)(a)	Oversee the financial reporting process;	√		
5(5)(b)	Monitor choice of accounting policies and principles;	√		
5(5)(c)	Internal Audit and Compliance process to ensure that it is adequately resourced;	√		
5(5)(d)	Oversee hiring and performance of external auditors;	√		
5(5)(e)	Hold meeting with the auditors, review the annual financial statements before submission to the Board for approval or adoption;	√		
5(5)(f)	Review along with the management, the annual financial statements before submission to the board for approval;	√		
5(5)(g)	Review along with the management, the quarterly and half yearly financial statements before submission to the board for approval;	√		
5(5)(h)	Review adequacy of internal audit function;	√		
5(5)(i)	Review the management's discussion and analysis before disclosing in the Annual Report;	√		
5(5)(j)	Review statement of all related party transactions submitted by the management;	√		
5(5)(k)	Review management letters or letter of Internal Control weakness issued by statutory auditors;	√		
5(5)(l)	Oversee the determination of audit fees based on scope and magnitude, level of expertise deployed and time required for effective audit and evaluate the performance of external auditors;	√		
5(5)(m)	Oversee whether the proceeds raised IPO or RPO or Rights Share Offer have been utilized per the purposes stated in relevant offer document or prospectus approved by the Commission;	-	-	Not Applicable
5.6	Reporting of the Audit Committee:			
5.6(a)	Reporting to the Board of Directors			
5(6)(a)(i)	The Audit Committee shall report on its activities to the Board.	√		

Condition No.	Title	Compliance Status		Remarks
		Complied	Not Complied	
5(6)(a)(ii)	The audit committee shall immediately report to the board on the following findings, if any:-			
5(6)(a)(ii)(a)	Report on conflicts of interests;	-	-	No such event occurred
5(6)(a)(ii)(b)	Suspected or presumed fraud or irregularity or material defect identified in the internal audit and compliance process;	-	-	No such event occurred
5(6)(a)(ii)(c)	Suspected infringement of laws, regulatory compliance including securities related laws, reliefs and regulation;	-	-	No such event occurred
5(6)(a)(ii)(d)	Any other matter which the Audit Committee deems necessary shall be disclosed to the Board immediately;	-	-	No such event occurred
5.6 (b)	Reporting to the Authorities: If any material impact on the financial condition and results of operation, unreasonably ignored by the management;	-	-	No such reportable incidence occurred
5.7	Reporting to the Shareholders and General Investors: Report on the activities carried out by the Audit Committee, including any report made to the Board of Directors under condition 5(6)(a)(ii);	√		
6	Nomination and Remuneration Committee (NRC):			
6.1	Responsibility to the Board of Directors			
6(1)(a)	The company shall have a NRC as a sub-committee of the Board.	√		
6(1)(b)	The NRC shall assist the Board in formulation of the nomination criteria or policy for determining qualifications, positive attributes experiences and independence of directors and top level executive as well as a policy for formal process of considering remuneration of directors, top level executive;	√	-	
6(1)(c)	The Terms of Reference (ToR) of the NRC shall be clearly set forth in writing covering the areas stated at the condition No. 6(5)(b);	√		
6.2	Constitution of the NRC			
6(2)(a)	The Committee shall comprise of at least three members including an independent director (ID);	√		
6(2)(b)	All members of the Committee shall be non-executive directors;	√		
6(2)(c)	Members of the Committee shall be nominated and appointed by the Board;	√		
6(2)(d)	Board shall have authority to remove and appoint any member of the committee;	√		
6(2)(e)	In case of death, resignation, disqualification, or removal of any member of the Committee or in any other cases of vacancies, the board shall fill the vacancy within 180 (one hundred eighty) days of occurring such vacancy in the Committee;	√		

Condition No.	Title	Compliance Status		Remarks
		Complied	Not Complied	
6(2)(f)	The Chairperson of the Committee may appoint or co-opt any external expert and/or member(s) of staff to the Committee as advisor who shall be non-voting member, if the Chairperson feels that advice or suggestion from such external expert and/or member(s) of staff shall be required or valuable for the Committee;	-	-	Not applicable
6(2)(g)	The company secretary shall act as the secretary of the committee;	√	-	
6(2)(h)	The quorum of the NRC meeting shall not constitute without attendance of at least an independent director;	√	-	
6(2)(i)	No member of the NRC shall receive, either directly or indirectly, any remuneration for any advisory or consultancy role or otherwise, other than Director's fees or honorarium from the company;	√	-	
6.3	Chairperson of the NRC			
6(3)(a)	The Board shall select 1(one) member of the NRC to be Chairperson of the Committee, who shall be an independent director;	√	-	
6(3)(b)	In the absence of the Chairperson of the NRC, the remaining members may elect one of themselves as Chairperson for that particular meeting, the reason of absence of the regular Chairperson shall be duly recorded in the minutes;	√	-	
6(3)(c)	The Chairperson of the NRC shall attend the annual general meeting (AGM) to answer the queries of the shareholders;	√		
6.4	Meeting of the NRC			
6(4)(a)	The NRC shall conduct at least one meeting in a financial year;	√	-	
6(4)(b)	The Chairperson of the NRC, may convene any emergency meeting upon request by any member of the NRC;	√		
6(4)(c)	The quorum of the meeting of the NRC shall be constituted in presence of either two members or two third of the members of the Committee, whichever is higher, where presence of an independent director is must as required under condition No. 6(2)(h);	√	-	
6(4)(d)	The proceedings of each meeting of the NRC shall duly be recorded in the minutes and such minutes shall be confirmed in the next meeting of the NRC;	√	-	
6.5	Role of NRC			
6(5)(a)	NRC shall be independent and responsible/accountable to the Board and to the shareholders;	√	-	

Condition No.	Title	Compliance Status		Remarks
		Complied	Not Complied	
6(5)(b)(i)(a)	NRC shall oversee, formulate & recommend to the Board regarding the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate suitable directors to run the company successfully;	√	-	
6(5)(b)(i)(b)	Relationship of remuneration to performance is clear and meets appropriate performance benchmarks;	√	-	
6(5)(b)(i)(c)	Remuneration to directors, top level executive involves a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the company and its goals;	√	-	
6(5)(b)(ii)	Devising a policy on Board's diversity taking into consideration age, gender, experience, ethnicity, educational background and nationality;	√	-	
6(5)(b)(iii)	Identifying persons who are qualified to become directors and who may be appointed in top level executive position in accordance with the criteria laid down, and recommend their appointment and removal to the Board;	√	-	
6(5)(b)(iv)	Formulating criteria for evaluation of performance of independent directors and the Board;	√	-	
6(5)(b)(v)	Identifying the company's needs for employees at different levels and determine their selection, transfer or replacement and promotion criteria;	√	-	
6(5)(b)(vi)	Developing recommending and reviewing annually the company's human resources and training policies.	√	-	
6(5)(c)	The company shall disclose the nomination and remuneration policy and the evaluation criteria and activities of NRC at a glance in its annual report.	√	-	
7	External or Statutory Auditors			
7(1)	The issuer company shall not engage its external or statutory auditors to perform the following services of the company, namely: -			
7(1)(i)	Appraisal or valuation services or fairness opinions;	√		
7(1)(ii)	Financial information systems design and implementation;	√		
7(1)(iii)	Book-keeping or other services related to the accounting records or financial statements;	√		
7(1)(iv)	Broker-dealer services;	√		
7(1)(v)	Actuarial services;	√		
7(1)(vi)	Internal audit services or special services;	√		
7(1)(vii)	Any other service that the Audit Committee determines;	√		

Condition No.	Title	Compliance Status		Remarks
		Complied	Not Complied	
7(1)(viii)	Audit or certification services on compliance of corporate governance as required under condition No. 9(1);	√		
7(1)(ix)	Any other service that may create conflict of interest.	√		
7(2)	No partner or employees of the external audit firms shall possess any share of the company they audit at least during the tenure of their audit assignment of that company; his or her family shall not hold any shares in the said company.	√		
7(3)	Representative of external or statutory auditors shall remain present in the Shareholders' Meeting (Annual General Meeting or Extraordinary General Meeting) to answer the queries of the shareholders;	√		
8	Maintaining a website by the company			
8(1)	The company shall have an official website linked with the website of the stock exchange.	√		
8(2)	The company shall keep the website functional from the date of listing.	√		
8(3)	The company shall make available the detailed disclosures on its website as required under the listing regulations of the concerned stock exchange(s).	√		
9	Reporting and Compliance of Corporate Governance			
9(1)	The company shall obtain a certificate from a practicing Professional Accountant/Secretary (Chartered Accountant/ Cost and Management Accountant / Chartered Secretary) other than its statutory auditor or audit firm on yearly basis regarding compliance of conditions of Corporate Governance Code of the Commission and shall such certificate shall be disclosed in the Annual Report.	√		
9(2)	The professional who will provide the certificate on compliance of Corporate Governance shall be appointed by the Shareholders in the AGM.	√		
9(3)	The directors of the company shall state, in accordance with the Annexure-C attached, in the directors' report whether the Company has complied with these conditions or not.	√		

BANGLADESH ASSOCIATION OF PUBLICLY LISTED COMPANIES

Ref. No: CM-2022/248



Date of issue : May 22, 2022

Renewed Certificate

This is to certify that

MAKSONS SPINNING MILLS LIMITED

is an Ordinary Member of Bangladesh Association of Publicly Listed Companies and is entitled to all the rights and privileges appertaining thereto.

This certificate remains current until 31st December 2022.





Secretary General

FINANCIAL HIGHLIGHTS

Financial Result and Appropriation

The presentation herewith of the comparative financial results of the Year under review (2021-2022) and the immediate Past Year (2020-2021) is provided below for you. Also recommendations have been placed before you for appropriation of the Profits generated during the Year under review:

Particular	Figure in '000' Tk.	
	2021-22	2020-2021
Net Profit before Providing Income tax	623,074	620,577
Add: Adjustments of Revaluation	3,417	3,596
Add: Deferred Tax adjustment		
Add: Profit brought Forward from Previous Year	553,860	103,588
Profit available for Appropriation	1,180,351	727,761
Recommended for Appropriation		
Less: Transfer to Tax Provision	(119,785)	(126,255)
Less: Dividend	(262,056)	(47,646)
Un-appropriated Profit Carried Forward	798,510	553,860

Value Added Statement

Value in '000

Particular	2021-22	In %	2020-2021	In %
	(In BDT Tk.)		(In BDT Tk.)	
Source of Fund				
1 Net Turnover	6,374,368		5,335,752	
2 Less: Brought in Materials & Services	4,765,279		3,776,059	
Value Added Total	1,609,089	100.00	1,559,693	100.00

Applied In The Following Way

Employees

1 Salaries, Wages, and allowance	474,739	29.50	396,741	25.44%
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Lenders

2 Financial Charges	349,738	21.74	371,359	23.81%
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Provider Of Capital

3 Dividend	262,056	16.29	47,646	
	1,086,533	67.52	815,746	52.30%

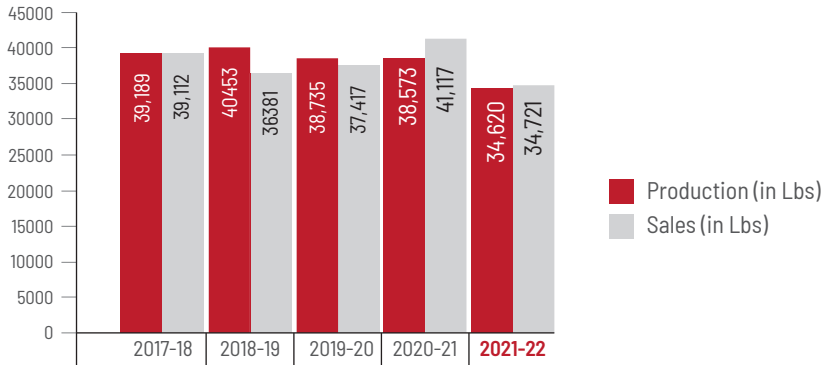
Retained by the Company

4 Depreciation & Retention	522,556	32.48	743,947	47.70%
Value Added Total	1,609,089	100%	1,559,693	100%

Sales & Production in Terms of Quantity

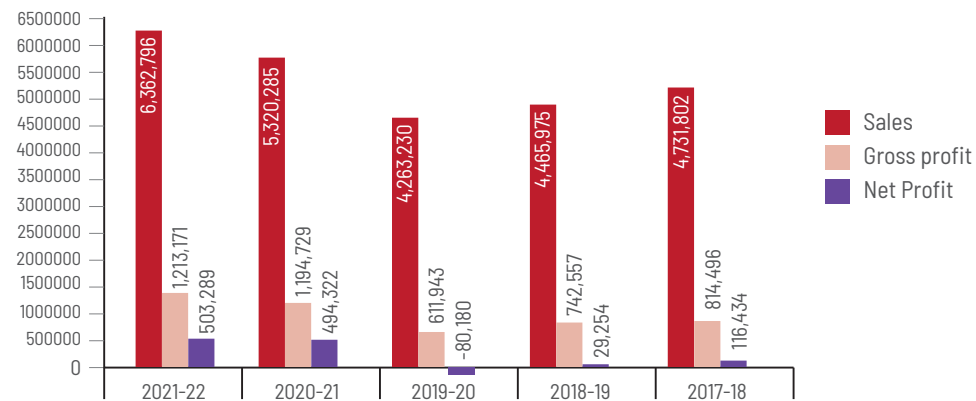
Quantity in '000'

Particular	2021-22	2020-21	2019-20	2018-19	2017-18
Production (in Lbs)	34,620	38,573	38,735	40,453	39,189
Sales (in Lbs)	34,721	41,117	37,417	36,381	39,112

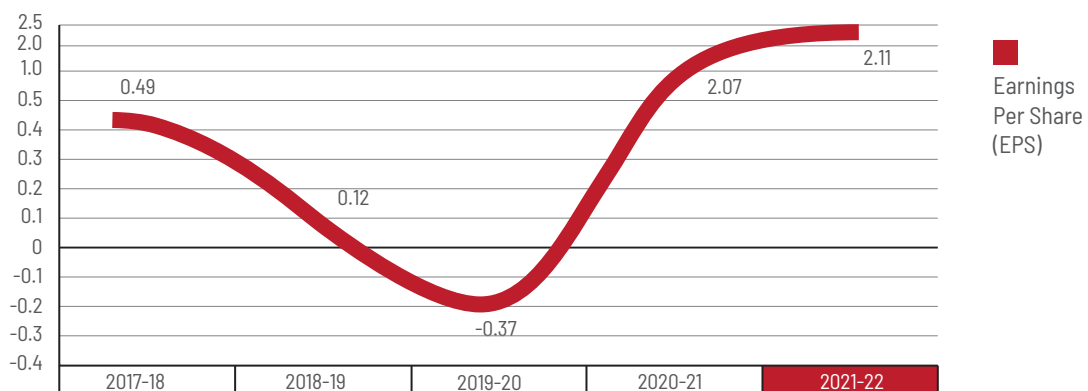
**Sales & Profitability over 5 Years**

(Tk. in '000)

Particular	2021-2022	2020-2021	2019-2020	2015-2019	2017-2018
Sales	6,362,796	5,320,285	4,263,230	4,465,975	4,731,802
Gross Profit	1,213,171	1,194,729	611,943	742,557	814,496
Net Profit	503,289	494,322	-80,180	29,254	116,434

**Earning Per Share (EPS)**

Particular	2021-22	2020-21	2019-20	2018-19	2017-18
Earnings Per Share	2.11	2.07	-0.37	0.12	0.49



Summary of Unpaid/Unclaimed Dividend as on 30th June 2022:

Particulars	Year	Amount (Tk.)
Unpaid/Unclaimed Dividend	2020-2021	31,758,313.68
Unpaid/Unclaimed Dividend	2019-2020	1,809,999.88
Unpaid/Unclaimed Dividend	2018-2019	6,341,475.16
Unpaid/Unclaimed Dividend	2017-2018	15,667,864.27

AUDIT COMMITTEE REPORT

For the Financial Year 2021-2022

Maksons Spinning Mills Limited having an Audit Committee as a sub-committee of the Board of Directors in order to assist the Board of Directors in ensuring and fulfilling its oversight responsibilities

Audit Committee

The Audit Committee of the Company comprises of the following:

Name	Designation	Position in the Committee
MD. KHURSHED HOSSAIN	Independent Director	Chairman
HAIDER AHMED KHAN, FCA	Independent Director	Member
DR. MOHAMMED MIZANUR RAHMAN	Nominated Director	Member
NOOR MOHAMMAD	Company Secretary	Member Secretary

Terms of Reference (TOR) of the Audit Committee

- The Board defined Terms of Reference (TOR) for the Audit Committee. Activities of the Committee are performed as per the said TOR.
- The Committee submits its report directly to the Board of Directors.

AUDIT COMMITTEE MEETING DATE AND ATTENDANCE

Name of Member	Meeting Date and Attendance			
	05-10-2021	28-10-2021	23-01-2022	21-04-2022
MD. KHURSHED HOSSAIN	✓	✓	✓	✓
DR. MOHAMMED MIZANUR RAHMAN	✓	✓	✓	✓
HAIDER AHMED KHAN, FCA	✓	✓	✓	✓
NOOR MOHAMMAD	✓	✓	✓	✓

Minutes of the audit committee are properly recorded.

Activities carried out during the year

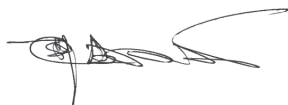
In order to discharge the duties and responsibilities of the Audit Committee, the Committee-

- > Reviewed the financial statements of the first quarter, second quarter, third quarter and the year ended 30 June, 2022 and subsequently recommended to the Board for consideration and approval.
- > Reviewed the work of the Internal Audit Department and made suggestions for improvement.
- > Recognized the observations of the Internal Audit Department regarding internal control and suggestions made to improve operational systems and procedures and their implementation.
- > Reviewed the integrity of the financial statements of the Company to ensure that these reflect a true and fair view of the Company's state of affairs for the year ended 30 June, 2022.
- > Ensured, while reviewing the financial statements, that proper disclosure required under International Accounting Standards as adopted in Bangladesh have been made and also complied with the Companies Act and various other rules and regulations applicable to textile industries.
- > Discussed with the statutory auditors about the nature and scope of audit as well as had post-audit discussions to address areas of concern;
- > Approved the internal audit plan and gave direction to the Internal Auditor where appropriate for carrying out in depth audit to ensure that the Company or its assets are not exposed to undue risk;
- > Reviewed the management report submitted by the statutory auditors and suggested corrective measures and fixed time frame for their implementation; and
- > Reviewed the performance of External Auditors during the last term and recommended them for re-appointment.
- > Reviewed the Internal Control System and Financial Statements

Reporting

- > Pursuant to Condition no. 6 (ii) the Corporate Governance Code issued by BSEC, the Committee reports that it did not find any conflict of interest or any fraud, irregularity, material defect in the Internal Control System. There are no infringement of laws, rules and regulations also.
- > The Committee is of the view that risk management associated with the business of the Company is adequately controlled.

On behalf of the Audit Committee,



MD. KHURSHED HOSSAIN

Chairman, Audit Committee

NOMINATION AND REMUNERATION COMMITTEE REPORT

In compliance with the Commission's Notification on Corporate Governance Code No. BSEC/CMRRCD/2006-158/207/Admin/88 dated June 3, 2018, the Board of Directors of Maksons Spinning Mills Limited constituted the Nomination and Remuneration Committee ("NRC").

Composition of the Nomination and Remuneration Committee

The Nomination and Remuneration Committee is composed of the following members:

Name	Position in the Committee
1. Md. Khurshed Hossain	Chairman
2. Haider Ahmed Khan, FCA	Member
3. Dr. Mohammed Mizanur Rahman	Member
4. Noor Mohammad	Member Secretary

Meeting

During the year ended on 30th June 2022, the Nomination and Remuneration Committee held two meeting. Proceeding of the Nomination and Remuneration Committee meetings were reported to the Board of Directors. The details of attendance of the Nomination and Remuneration Committee members have been shown below:

Name	Position	Meeting Held	Meeting Attended
Md. Khurshed Hossain	Chairman	2	2
Haider Ahmed Khan, FCA	Member	2	2
Dr. Mohammed Mizanur Rahman	Member	2	2
Noor Mohammad	Member Secretary	2	2

Activities of NRC during the year

A few number of Senior Officers of Head Office as well as Factory were given promotions, increments after due appraisal conducted by competent authorities. Moreover, a few number of Senior Officers were recruited during the period following the NRC policies. Besides this, increments of factory production workers are being given on regular basis following internal policies as well as NRC policies.

Nomination and Remuneration Policy

This policy on Nomination and Remuneration of Directors, Key Managerial Personnel, Senior Management and other Employees has been formulated by the Committee pursuant to the Corporate Governance Code 2018 of BSEC. Maksons Spinning Mills Limited believes that the Board should be able to effectively develop a long term vision for the Company, provide guidance in effectively implementing its policies and managing operations efficiently and ensuring the compliance of all prevailing laws. Further, the Board constitution should ensure that its members have diversified expertise and experience so that the Board is able to discharge its duties and responsibilities effectively.

Membership

The Committee shall consist of a minimum Three (3) non-executive directors, majority of them being independent. Membership of the Committee shall be disclosed in the Annual Report. Term of the Committee shall be continued unless terminated by the Board of Directors.

Chairperson

Chairperson of the Committee shall be an Independent Director. Chairman of the Company may be appointed as a member of the Committee but shall not be a Chairman of NRC. In the absence of the Chairman, the members of the Committee present at the meeting shall choose one amongst them to act as Chairperson. Chairperson of the Nomination and Remuneration Committee meeting could be present at the Annual General Meeting or may nominate some other member to answer the shareholders' queries.

Meeting of the Committee

The NRC shall conduct at least one meeting in a financial year. The quorum of the meeting shall be constituted in presence of either 2 members or two third members of the committee, whichever is higher and the presence of Independent Director is compulsory.

Committee Members' Interests

A member of the Committee is not entitled to be present when his or her own remuneration is discussed at a meeting or when his or her performance is being evaluated. The Committee may invite such executives, as it considers appropriate, to be present at the meetings of the Committee.

Secretary

The Company Secretary of the Company shall act as Secretary of the Committee.

Role of the Nomination and Remuneration Committee

Major responsibilities of the Nomination and Remuneration Committee are as follows:

1. Formulate the criteria to determine the qualifications, positive attributes and independence of Directors and to recommend a policy to the Board, relating to the remuneration of the Directors, top level executives and to recommend their appointment and removal;
2. Formulate the criteria for evaluation of performance of Independent Directors and the Board;
3. Assess that the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate suitable Directors to run the company successfully;
4. Evaluate that remuneration to Directors and top level executives involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals;
5. Identify the company's needs for employees at different levels and lay down the criteria of their selection, transfer or replacement and promotion;
6. Review annually the Company's human resources and training policies; and
7. Recommend the Code of Conduct for the Chairman of the Board, other Board Members and Chief Executive Officer of the Company.

Appointment criteria and qualifications

The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, Senior Management level and recommend to the Board for appointment.

The NRC is responsible to ensure that the procedures for appointing new Directors are transparent. A combination of age, gender, experience, ethnicity, educational background, nationality and other relevant

personal attributes in the Board is important in providing a range of perspectives, insights and challenges needed to support to formulate right decision. Recruitment and selection processes for Board members identify candidates with the most suitable skills, knowledge, experiences and personal values.

Evaluation

The Committee shall carry out evaluation of performance of the Board, Independent Directors and top level executives. The NRC is responsible for ensuring the effectiveness of the Board. The evaluation includes a review of the administration of the Board and its committees covering their operations, agenda, reports, and information produced for consideration, and relationship with Management.

Remuneration to Non-Executive Directors

The remuneration to Non-Executive Directors will be paid only in the form of meeting fees. The Nomination and Remuneration Committee recommends the sitting fees to be paid for both the Board and Committee thereof after considering the provisions of the Companies Act, 2013 and prevailing corporate norms & practices.

Top Level Executive Selection and Remuneration Policy

The performance of the Company depends upon the quality of its Directors and Top Level Executives. To prosper, the Company must attract, motivate and retain highly skilled Directors and Executives. The recruitment process for Top Level Executives shall be transparent. The objective of remuneration policy is to secure that reward for Top Level Executives shall contribute to attracting, engaging and retaining the right employees to deliver sustainable value for shareholders.

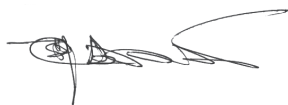
Remuneration to other employees

Employees are assigned grades according to their qualifications, experience, competencies, role and responsibility in the organization. Individual remuneration is determined within the grade and based on various factors such as job, profile, skill set, seniority, experience and prevailing remuneration levels for equivalent jobs.

Implementation

The Committee may issue guidelines, procedures, reporting mechanism and manuals in as supplement for better implementation of NRC policy as and when considered appropriate.

On behalf of the Nomination and Remuneration Committee,



Md. Khurshed Hossain

Independent Director and
Chairperson of Nomination and Remuneration Committee (NRC)

DIVIDEND DISTRIBUTION POLICY

[As per Directive No. BSEC/CMRRCD/2021-386/03, Dated: 14 January 2021 issued by the Bangladesh Securities and Exchange Commission (BSEC)]

Objectives

The objective of this policy is to lay down the criteria to be considered by the Board of Directors of the Company before recommending dividends to its shareholders for a financial year. The policy is framed in compliance with the Bangladesh Securities and Exchange Commission's Directive dated January 14, 2021.

Basic Principles

- > The Company's strategy is to pay dividend linked to long term growth objective of the Company.
- > The Company is committed to enhance total shareholders' return and aims to balance cash return to shareholders with the cash required for investment for sustainable income and growth. The Company also aims to build up a track record of being a consistent and sustainable dividend payment.
- > The Board shall recommend interim/final cash and or stock dividend to the shareholders, which shall be subject to the approval of the shareholders' at Annual General Meeting (AGM) of the Company.
- > The Board may consider not declaring dividend or may recommend a lower payout for a given Financial year, after analyzing the prospective opportunities and threats or in the event of challenging circumstances such as Financial constraint.
- > In the event of a conflict between the Policy and the existing statutory regulations, the statutory regulations will prevail.
- > The Company would utilize the retained earnings of the Company in a manner which is beneficial to the interest of the Company and its stakeholders, including, but not limited to ensuring maintenance of a healthy level of minimum capital adequacy ratios, meeting the Company's future business growth / expansion and strategic plans or such other purpose the Board may deem fit from time to time in the interest of the Company and its stakeholders.

Criteria to be considered before recommending dividend:

The Board will consider the following factors before recommending dividend:

Statutory and Regulatory Compliance:

- > The Company shall declare dividend only after ensuring compliance with the regulatory guidelines on dividend declaration e.g. in line with the directives of the Finance Act, as amended from time to time and or by fulfilling other restrictions, if there is any, from the regulators like; Bangladesh Securities & Exchange Commission (BSEC).

Parameters for declaration of dividend:

The declaration of dividend depends on consideration of several factors (financial or otherwise in nature and influenced by internal and external economic/business environment) such as:

- Financial performance of the Company for the year for which dividend is recommended.
- Availability of Cash balances,

- Overall financial position of the Company,
- Present and future profitability and growth outlook
- Present and future cash flows from operations,
- Internal capital planning framework / policy.
- Corporate actions including mergers/demergers, acquisitions and additional investments including expansion plans and investment in subsidiaries/associates of the Company.
- Any other factor(s) that the shareholders and the board of directors may deem relevant.

Dividend Distribution:

- > Company shall pay off the dividend (cash/stock) to the shareholders within 30 days of declaration or approval or record date as the case may be.
- > Company shall pay off the cash dividend to the bank account of the entitled shareholder available in the BO account maintained with the depository participant (DP), or the bank account as provided by the shareholder in paper form, through Bangladesh Electronic Funds Transfer Network (BEFTN) or through bank transfer or any electronic payment system as recognized by the Bangladesh Bank, if not possible through BEFTN.
- > Dividend of the margin client of stock broker or merchant banker shall pay off to the Consolidated Customer's Bank Account (CCBA) of the stock broker or to the separate bank account of the merchant banker or portfolio manager through BEFTN.
- > In case of non-availability of bank account information or not possible to distribute cash dividend through BEFTN or any electronic payment system, shall issue cash dividend warrant and shall send it by post to the shareholder.
- > Company shall credit the stock dividend to the BO account of the entitled shareholder.
- > Company shall follow the directives/circulars in force of the securities regulator, related to dividend distribution from time to time.

Review of Policy:

The Board of Directors of the Company may review the policy, if the Board proposes to declare dividend on the basis of criteria in addition to those specified in the policy, or proposes to modify the criteria, it shall disclose such changes along with the rationale for the same on the Company's website and in the Annual Report.

Disclosure:

The policy will be available on the Company's website and will also be disclosed in the Company's Annual Report.



MINUTES OF THE 17th AGM

The 17th Annual General Meeting (AGM) of shareholders of Maksons Spinning Mills Limited was held on Wednesday, 19th January, 2022 at 11.30 am by using Digital Platform. Large number of shareholders attended at the Annual General Meeting through virtually.

Mr. Mohammad Ali Khokon, Chairman of the meeting presided over the meeting, all other Directors of the company was also present in the meeting. Verses from the Holy Quran were recited at the very outset of the meeting.

The Chairman of the meeting welcomed the shareholders in the Annual General Meeting. With the permission of the Chair, the meeting began and the shareholders expressed their valued opinion on the audited financial statement of the Company for the year ended 30 June 2021 and also on their affairs.

Mr. Mohammad Ali Khokon replied to the queries and explained various comments of distinguished shareholders virtually. He also gave hints of future activities of the Company. After approving the audited financial statements, declaring dividend (11% Cash), electing Directors, appointing Auditors and fixing their remuneration by the shareholders, the meeting ended with a vote of thanks to and from the Chair.

On behalf of Board of Directors,

Mohammad Ali Khokon
Chairman of the Meeting





AUDITOR'S REPORT

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Maksons Spinning Mills Limited

Report on the Audit of the Financial Statements

Qualified Opinion

We have audited the financial statements of MAKSONS SPINNING MILLS LIMITED ("the Company"), which comprise the statement of financial position as at June 30, 2022, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including summary of significant accounting policies.

In our opinion, except for the effects of the matter described in the Basis for Qualified Opinion section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at June 30, 2022, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for Qualified Opinion

The Company approved the payment of 11% Cash Dividend at the Annual General Meeting held on 19 January 2022 which is worth BDT 226,959,925 (net of source tax). As per Section 3(i) of Bangladesh Securities & Exchange Commission Directive BSEC/CMRRCD/2021-386/03 dated 14 January 2021, all Companies have to transfer funds equivalent to the dividend declared to the designated bank account. During the year, the Company deposited BDT 200,063,210 which is less than the required amount which needs to be transferred to the designated bank account. This is a violation of the said directive of the BSEC.

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the Basis for Qualified Opinion section we have determined the matters described below to be the key audit matters to be communicated in our report.

KEY AUDIT MATTERS	How our audit addresses the Key Audit Matter
-------------------	--

Revenue and Accounts Receivables

During the year, the Company has recognized revenue of BDT 6,362,796,844 for the year ended 30 June 2022 (BDT 5,320,285,273 for the year ended 30 June 2021). The Company's revenue recognition process is not complex and does not involve high levels of judgement. However, this a significant driver of Company performance and has major impact on financial statement user's decision making. Finally, this account always has risk of management over-ride of internal controls.

Our audit procedures included:

- > Obtain an understanding of Company's internal controls, systems and processes around revenue recognition and accounts receivable.
- > Review invoices, delivery reports and other supporting documents such as payment support to ensure occurrence and completeness of revenue recognized.
- > Test Subsequent receipts for receivable balances to substantiate existence, collectability and completeness of accounts receivables recognized on the books.
- > Inspect correspondence with clients and customers to determine whether provisions are necessary.

Details of Revenue Recognition are included in Note 20.00 and Accounts Receivable are included in Note 8.00 to the Financial Statements

Inventory

The Company's inventory balance as at 30 June 2022 was BDT 2,601,850,445 (BDT 2,313,867,051 as at 30 June 2021). This represents 20% of Total Assets of the Company (23% of the Company as at 30 June 2021). There is estimation performed by management in regards to obsolescence and determination of net realizable value. Based on the requirement of estimates and the fact that this is a major asset category, this was determined to be a key audit matter.

Our audit procedures included:

- > Obtain an understanding of Company's internal controls, systems and processes around inventory management.
- > Perform procedures over inventory purchase to substantiate existence, completeness and valuation of inventory
- > Perform Physical inspection of inventory to determine the existence and valuation of inventory
- > Perform price testing of inventory to determine inventory valuation and determine whether inventory is obsolete or not.
- > Revenue prices received by the Company and the overall gross margin earned to determine whether the Company is able to recover the net realizable value of inventory.

Details of Inventory are included in Note 7.00 to the Financial Statements

Property, Plant & Equipment (PPE)

The Company's PPE balance as at 30 June 2022 was BDT 4,294,868,886 (BDT 4,495,050,510 as at 30 June 2021). This represents 41% of Total Assets of the Company (44% of the Company as at 30 June 2021). There is estimation performed by management in regards to Asset useful life. Based on the requirement of estimates and the fact that this is a major asset category, this was determined to be a key audit matter.

Our audit procedures included:

- > Obtain an understanding of Company's internal controls, systems and processes around PPE.
- > Performed discussions with management to understand their process of determining asset useful life.
- > We performed PPE additions procedures by obtaining supporting documentation, invoices, and delivery information as well payments support.
- > We performed reasonability of depreciation expenses charged by management to ensure accuracy and occurrence.
- > We performed discussions with management and performed other corroborating procedures to ensure management's assumptions around impairment were reasonable.

Details of PPE are included in Note 4.00 and Annexure A to the Financial Statements

Information Other than the Financial Statements and Auditor's Report

Management is responsible for information other than financial statements and auditor's report. The other information comprises of the Director's Report, Corporate Governance Compliance Report and Management Discussion and Analysis. We expect to receive this other information after the date of our auditor's report.

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

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

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRSs, the Companies Act 1994, the Securities and Exchange Rules 1987 and other applicable laws and regulations and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

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

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

Report on other Legal and Regulatory Requirements

In accordance with the Companies Act 1994, the Securities and Exchange Rules 1987 and relevant notifications issued by Bangladesh Securities and Exchange Commission, we also report that:

- > We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit and made due verification thereof;
- > In our opinion, proper books of accounts, records and other statutory books as required by law have been kept by the Company so far as it appeared from our examinations of those books and proper returns adequate for the purpose of our audit have been received from branches not visited by us;
- > The statement of financial position and statement of profit or loss and other comprehensive income dealt with by the report are in agreement with the books of account and returns;
- > The expenditures incurred were for the purpose of the Company's business.

Date: 27 October 2022
Dhaka, Bangladesh
DVC: 2211070392AS202351



A.K Gulam Kibria, FCA (#392)
Engagement Partner
G. KIBRIA & CO.
Chartered Accountants



MAKSONS SPINNING MILLS LIMITED

STATEMENT OF FINANCIAL POSITION

AS AT JUNE 30, 2022

Particulars	Notes	June 30, 2022 Taka	June 30, 2021 Taka
ASSETS			
Non-Current Assets			
Property, Plant & Equipment	4.00	4,294,868,886	4,495,050,510
Investment Property	5.00	119,986,434	
Investment in share	6.00	150,000,000	
Current Assets			
Inventories	7.00	2,601,850,445	2,313,867,051
Trade Receivables	8.00	2,137,417,760	2,290,323,653
Investment in shares	9.00	73,790,361	6,220,880
Advance, Deposit & Prepayments	10.00	1,085,144,347	924,947,180
Cash & Cash Equivalents	11.00	124,449,671	122,777,847
TOTAL ASSETS		10,587,507,904	10,153,187,121
EQUITY AND LIABILITIES			
Shareholders' Equity			
Ordinary Shares	12.00	2,382,325,380	2,382,325,380
Retained Earnings and Reserves	13.00	2,631,927,752	2,404,947,274
Non-Current Liabilities			
Long Term Loan	14.00	742,075,232	951,379,779
Finance Lease obligation	14.01	141,212,597	158,215,232
Lease liability -Right- of- use Assets		3,616,868	7,251,938
Deferred Tax Liability	15.00	254,164,299	233,092,216
Current Liabilities			
Current portion of Long Term Loan	16.00	182,934,583	183,758,157
Current portion of Finance Lease obligation	16.01	33,176,323	35,315,585
Short Term Loan	17.00	3,792,521,849	3,472,865,913
Dividend payable/Unpaid dividend	18.00	55,597,653	27,227,129
Trade and Other Payables	19.00	367,955,368	296,808,518
TOTAL EQUITY AND LIABILITIES		10,587,507,904	10,153,187,121
Net Assets Value per Share	28.00	21.05	20.09

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



Chief Financial Officer



Company Secretary



Director



Managing Director

As per our annexed report of even date.



G. KIBRIA & CO.
Chartered Accountants

Place: Dhaka
Date: 27 October 2022

MAKSONS SPINNING MILLS LIMITED

**STATEMENT OF PROFIT OR LOSS AND
OTHER COMPREHENSIVE INCOME**

FOR THE PERIOD ENDED JUNE 30, 2022

Particulars	Notes	June 30, 2022 Taka	June 30, 2021 Taka
Sales	20.00	6,362,796,844	5,320,285,273
Less : Cost of Goods Sold	21.00	5,149,625,106	4,125,556,224
Gross Profit		1,213,171,738	1,194,729,050
Less : Operating Expenses		220,776,808	187,230,615
Administrative Expenses	22.00	171,093,908	142,250,250
Selling & Distribution Expenses	23.00	49,682,900	44,980,365
Operating Profit before financial expenses & WPPF		992,394,930	1,007,498,435
Less: Financial Expenses	24.00	349,738,311	371,359,071
Operating Profit/(Loss)		642,656,619	636,139,364
Add. Non-operating income	25.00	11,571,598	15,467,303
Net Profit before WPPF		654,228,217	651,606,667
Less: WPPF		31,153,725	31,028,889
Net Profit before Income Tax		623,074,492	620,577,778
Less: Provision for Tax		119,784,896	126,255,475
Current Tax	26.00	98,712,812	99,287,730
Deferred Tax	15.00	21,072,083	26,967,745
Net Profit After Tax for the year		503,289,597	494,322,303
Add: Other Comprehensive Income			
Unrealized Gain or (Loss) on investment in shares	9.00	(14,253,327)	4,683,648
Total Comprehensive Income		489,036,270	499,005,951
Basic Earning per Share (EPS)	27.00	2.11	2.07

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



Chief Financial Officer



Company Secretary



Director



Managing Director

As per our annexed report of even date.



G. KIBRIA & CO.
Chartered Accountants

Place: Dhaka
Date: 27 October 2022

MAKSONS SPINNING MILLS LIMITED
STATEMENT OF CHANGES IN EQUITY
 FOR THE PERIOD ENDED JUNE 30, 2022

Particulars	Share Capital	Share Premium	Gain/(Loss) on Marketable Securities (Unrealized)	Revaluation Reserve	Retained Earnings	Total (Tk.)
Balance as on 01-07-2021	2,382,325,380	1,526,004,000	(16,263,702)	341,347,248	553,859,728	4,787,272,654
Net Profit after Taxes	-	-	-	-	503,289,597	503,289,597
Dividend	-	-	-	-	(262,055,792)	(262,055,792)
Fair value adjustment of marketable securities	-	-	(14,253,327)	-	-	(14,253,327)
Depreciation of Revaluation reserve	-	-	-	(3,417,001)	3,417,001	-
Balance as on 30-06-2022	2,382,325,380	1,526,004,000	(30,517,029)	337,930,247	798,510,533	5,014,253,132
Balance as on 01-07-2020	2,382,325,380	1,526,004,000	(20,947,350)	344,944,091	103,587,090	4,335,913,211
Net Profit after Taxes	-	-	-	-	494,322,303	494,322,303
Bonus Share Issue	-	-	-	-	(47,646,507)	(47,646,507)
Fair value adjustment of marketable Securities	-	-	4,683,648	-	-	4,683,648
Depreciation of Revaluation reserve	-	-	-	(3,596,843)	3,596,843	-
Balance as on 30-06-2021	2,382,325,380	1,526,004,000	(16,263,702)	341,347,248	553,859,728	4,787,272,655

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



 Chief Financial Officer


 Company Secretary


 Director


 Managing Director

As per our annexed report of even date.


 G. KIBRIA & CO.
 Chartered Accountants

Place: Dhaka
 Date: 27 October 2022

MAKSONS SPINNING MILLS LIMITED
STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED JUNE 30, 2022

Particulars	Notes	June 30, 2022 Taka	June 30, 2021 Taka
CASH FLOW FROM OPERATING ACTIVITIES:			
Cash Received from Customers and Other Sources		6,527,948,880	5,006,155,250
Payment to suppliers and other expenses		(5,581,869,724)	(3,927,324,914)
Income Tax Paid		(100,219,614)	(41,167,600)
Interest Paid		(349,085,637)	(368,856,017)
Net Cash Generated from Operating Activities		496,773,905	668,806,719
CASH FLOW FROM INVESTING ACTIVITIES:			
Acquisition of Property, Plant and Equipment		(323,674,600)	(235,810,383)
Investment in share		(27,500,000)	
Disposal of Property, Plant and Equipment		500,000	12,500,000
Net Cash used in Investing Activities		(350,674,600)	(223,310,383)
CASH FLOW FROM FINANCING ACTIVITIES:			
Short Term Loan from Bank - net		319,655,936	120,441,167
Dividend paid		(233,685,268)	(45,294,442)
Long Term Loan - net		(229,270,018)	(481,173,262)
Net Cash Generated from Financing Activities		(143,299,350)	(406,026,537)
Net Increase/(Decrease) in Cash & Cash Equivalents		2,799,955	39,469,799
Gain /(Loss) of Foreign Currency fluctuation		(1,128,131)	(743,861)
Opening Cash & Cash Equivalents		122,777,847	84,051,908
Closing Cash & Cash Equivalents		124,449,671	122,777,846
Net Operating Cash Flow Per Share	29.00	2.09	2.81

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



Chief Financial Officer



Company Secretary



Director



Managing Director

As per our annexed report of even date.



G. KIBRIA & CO.
Chartered Accountants

Place: Dhaka
Date: 27 October 2022

MAKSONS SPINNING MILLS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2022

1.0 Background of the Company

Maksons Spinning Mills Limited ("The Company") was incorporated in Bangladesh on 25 September, 2003 with the Registrar of Joint Stock Companies and Firms as a Private Limited Company under the Companies Act, 1994. Subsequently, it was converted into Public Limited Company on 25th January 2005 by Special Resolution. As of March 2021, the registered office of the Company is located at House 1 Road 5 Sector 1 Uttara Dhaka-1230. The manufacturing facility is located in Ashulia, Savar.

Its principal activities and operations are production and sale of cotton yarn.

1.01 Nature of Business

The principal activities of the Company are manufacturing Yarn and sales to export oriented Knit Garments.

2.00 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

2.01 Statement of Compliance

The financial statements have been prepared in compliance with the requirements of the Companies Act 1994, the Securities & Exchange Rules 1987, the Listing Regulations of Dhaka Stock Exchange (DSE) and Chittagong Stock Exchange (CSE) and other relevant local laws as applicable and in accordance with the applicable International Financial Reporting Standards (IFRSs) including International Accounting Standards (IAS) as issued by International Accounting Standards Board (IASB) and adopted by the Institute of Chartered Accountants of Bangladesh (ICAB).

2.02 Regulatory Compliances

As required by the company, the management complies 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 Customs Act, 1969;
Bangladesh Labor Law, 2006;
The Securities and Exchange Ordinance, 1969;
The Securities and Exchange Rules, 1987; and
Securities and Exchange Commission Act, 1993.

2.03 Structure, content and presentation of financial statements

According to the International Accounting Standards (IAS)-1 as adopted by ICAB as IAS-1 "Presentation of Financial Statements" the complete set of financial statements includes the following components.

- i. Statement of financial position as at 30 June 2022.;
- ii. Statement of profit or loss and other comprehensive income for the financial year 30 June 2022;
- iii. Statement of cash flows for the financial year 30 June 2022;
- iv. Statement of changes in equity for the financial year 30 June 2022;
- v. Accounting policies and other explanatory notes for the financial year 30 June 2022

2.04 Basis of Measurement of Elements of Financial Statements

The financial statements have been prepared on the historical cost basis, except for Investment in Shares which is measured in fair value, and therefore, do not take into consideration the effect of inflation. The accounting policies, unless otherwise stated, have been consistently applied by the company and are consistent with those of the previous year.

2.05 Functional and Presentation currency

The financial statements are presented in Bangladeshi currency (Taka), which is the Company's functional currency. All financial information presented in Taka has been rounded off to the nearest Taka.

2.06 Preparation and Presentation of Financial Statements of the Company

The Board of Directors of the Company is responsible for the preparation and presentation of financial statements of Maksons Spinning Mills Limited.

2.07 Use of Estimates and Judgments

The preparation of these financial statements, in conformity with IASs/IFRSs, requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual amounts may differ from these estimates.

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

In particular, information about significant areas of estimation on uncertainty and critical judgments 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: 7 Inventories – Inventories are valued at lower of cost of net realizable value. Cost of inventory includes cost of purchase (purchase price, transport, handling and other costs directly attributable to the acquisition of inventories), cost of conversion and other costs incurred in bringing the inventories to their present location and condition. Net realizable value for inventories is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale. Provisions are made in the consolidated statements of loss and comprehensive loss in the current year on any difference between book value and net realizable value
- > Note: 4 Property, Plant & Equipment (Impairment) – Tangible assets with finite lives will be reviewed for impairment whenever events or changes in circumstances indicate that their carrying amounts exceed their recoverable amounts. Intangible assets not yet put into use are evaluated for impairment at least annually. Whether an asset is impaired requires management to determine whether there is an indication of impairment based on the consideration of internal and external indicators. If an indication of impairment exists, management must determine if the carrying amount of an asset, or the CGU in which the asset is included, exceeds its recoverable amount. The assessment of the carrying amount often requires estimates and assumptions such as discount rates, exchange rates, future capital

requirements and future operating performance. The estimation of the future cash flows requires assumptions to be made by management. Therefore, the determination of the recoverable amount implies estimates that may affect the amount of an impairment loss, if any.

- > Note: 13 Reserve and Surplus – Land & Development and Buildings & Other Constructions are presented in the financial statements at fair value. Management has performed the fair value calculation for these assets using the expertise of expert valuers. The valuation represents management's best judgment on what the value of these assets would be on the open market.
- > Note 19 Provision for Tax – Provision for income tax expense for the current year represents management's best estimate on how much tax the Company must pay to the National Board of Revenue ("NBR") for profits generated in the current year. They do not represent the final tax bill assessed by the NBR which could have deviations based on deductions allowed or disallowed through the assessment process. Once assessments are finalized by the NBR, the Company will record an adjustment to reflect the change.

2.08 Reporting Period

The financial statements of the Company cover from 01 July 2021 to 30 June 2022.

2.09 Cash Flow Statement

Statement of cash flows is prepared in accordance with "IAS 7: Cash Flow Statement" and the cash flows from operating activities have been presented under Direct Method as required by the Securities and Exchange Rules 1987 and considering the provisions that "Enterprises are Encouraged to Report Cash Flow from Operating Activities using the Direct Method".

2.10 Compliance with the Requirements of Notification of the Securities and Exchange Commission dated 04.06.2008 under ref. # SEC/CMMRPC/2008-181/53/Adm/03/28

- a) Notes to the financial statements marked from 3.00 to 3.19 set out the accounting policies on all material accounting areas. These accounting policies are based on IFRS and IAS as issued by the IASB and adopted by ICAB.
- b) The accounting standards that underpin the policies adopted by the company can be found in the following places of the notes to the financial statements:

Name of the IAS	IAS's no.	Financial Statements or Note disclosure
Presentation of Financial Statements	1	FS and all notes
Inventories	2	Note 7
Cash Flow Statements	7	Statement of Cash Flows
Accounting policies, Changes in accounting Estimates & Errors	8	Note 2
Events after the Reporting Period	10	Note 40
Income Taxes	12	Note 15 & 26
Property, Plant and Equipment	16	Note 4
Employees Benefits	19	Note 22
The Effects of Changes in Foreign Exchange Rates	21	Note 25
Borrowing Costs	23	Note 24
Related Party Disclosures	24	Note 35
Financial Instruments (Investment in Shares)	32	Note 9
Earnings Per Share	33	Note 27
Impairment of Assets	36	Note 4
Provision, Contingent Liabilities and Contingent Assets	37	Note 30

Name of the IFRS	IFRS No	Financial Statement or Note disclosure
Financial Instruments: Disclosures	7	Note 9
Fair Value Measurement	13	Note 9
Revenue	15	Note 20
Leases	16	Note 4
Insurance Contracts	17	Not Applicable

(c) The financial statements follow the International Financial Reporting Standards (IFRS) which are adopted by the institute of Chartered Accountants of Bangladesh (ICAB).

2.11 Standards, amendments or interpretations which are issued but not yet effective

The new and amended standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Company's financial statements are disclosed below.

> In May 2017, the IASB issued IFRS 17 Insurance Contracts (IFRS 17), a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure. Once effective, IFRS 17 will replace IFRS 4 Insurance Contracts (IFRS 4) that was issued in 2005. IFRS 17 is effective for reporting periods beginning on or after 1 January 2023, with comparative figures required. This standard is not applicable to the Company and will not be adopted.

> As part of its 2018-2020 annual improvements to IFRS standards process the IASB issued amendment to IFRS 9. The amendment clarifies the fees that an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. These fees include only those paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf. An entity applies the amendment to financial liabilities that are modified or exchanged on or after the beginning of the annual reporting period in which the entity first applies the amendment.

The amendment is effective for annual reporting periods beginning on or after 1 January 2022 with earlier adoption permitted. The Group will apply the amendments to financial liabilities that are modified or exchanged on or after the beginning of the annual reporting period in which the entity first applies the amendment. The amendments are not expected to have a material impact on the Company.

> In February 2021, the IASB issued amendments to IAS 8, in which it introduces a definition of 'accounting estimates'. The amendments clarify the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors. Also, they clarify how entities use measurement techniques and inputs to develop accounting estimates.

The amendments are effective for annual reporting periods beginning on or after 1 January 2023 and apply to changes in accounting policies and changes in accounting estimates that occur on or after the start of that period. Earlier application is permitted as long as this fact is disclosed. The amendments are not expected to have a material impact on the Company.

> In January 2020, the IASB issued amendments to paragraphs 69 to 76 of IAS 1 to specify the requirements for classifying liabilities as current or non-current. The amendments clarify:

- o What is meant by a right to defer settlement
- o That a right to defer must exist at the end of the reporting period
- o That classification is unaffected by the likelihood that an entity will exercise its deferral right

- o That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification

The amendments are effective for annual reporting periods beginning on or after 1 January 2023 and must be applied retrospectively. The amendments are not expected to have a material impact on the Company.

3.00 SIGNIFICANT ACCOUNTING POLICIES

The specific accounting policies have been selected and applied for significant transactions and events that have a material effect within the framework for the preparation and presentation of financial statements. There have been no changes in policies for all material accounting areas.

3.01 Property, Plant & Equipment

3.1.1 Recognition and Measurement

Property, plant & Equipment are accounted for according to IAS-16 "Property, Plant and Equipment" at Historical cost less cumulative depreciation except land & land development and Building & Other Construction which is considered at revalued amount. The cost of assets includes expenditures that are directly attributable to the acquisition of the assets. The cost of self-constructed/installed assets includes the cost of materials, direct labor and any other costs directly attributable to bringing the assets to the working condition for its intended use and the cost of dismantling and removing the items and restoring the site on which they are located.

Fair Valuations are performed with sufficient frequency to ensure that the carrying amount of a revalued asset does not differ materially from its fair value. A revaluation surplus is recorded in OCI and credited to the asset revaluation surplus in equity. However, to the extent that it reverses a revaluation deficit of the same asset previously recognized in profit or loss, the increase is recognized in profit and loss. A revaluation deficit is recognized in the statement of profit or loss, except to the extent that it offsets an existing surplus on the same asset recognized in the asset revaluation surplus. An annual transfer from the asset revaluation surplus to retained earnings is made for the difference between depreciation based on the revalued carrying amount of the asset and depreciation based on the asset's original cost

3.1.2 Depreciation

Depreciation is calculated and charged under diminishing balance method on all fixed assets other than land and land development. Depreciation on current year's addition is charged on day basis as and when the assets are ready for operation. The cost and accumulated depreciation of depreciable assets retired or otherwise disposed of are eliminated from the assets and accumulated depreciation:

Category	Rate
Land and Land Development	0%
Building & Other	5%
Plant & Machinery	10%
Furniture & Fixture	15%
Office Equipment	10%
Motor Vehicle	20%

Disposal:

The gain or loss arising on the disposal or retirement of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in the income statement. Sales of land and buildings are accounted for when there is an unconditional exchange of contracts.

Impairment:

Tangible assets are amortized over their corresponding useful economic lives and assessed for impairment whenever there is an indication that the asset may be impaired. Intangible assets that are not yet available for use are not amortized, but are tested for impairment annually, either individually or at the cash-generating unit ("CGU") level.

If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any. Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the CGU (i.e., the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets, group of assets or CGUs) to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, the corporate assets are also allocated to individual CGUs, or otherwise they are allocated to the smallest group of CGUs for which a reasonable and consistent allocation basis can be identified.

The recoverable amount is the higher of the fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

An impairment loss is recognized when the carrying amount of an asset or a CGU exceeds its recoverable amount by the amount of this excess. An impairment loss is recognized immediately in income or loss in the year during which the loss is incurred. Where an impairment loss subsequently reverses, the carrying amount of the asset or CGU is increased to the revised estimate of its recoverable amount; on reversal of an impairment loss, the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset or CGU in prior years. A reversal of an impairment loss is recognized immediately in the statements of profit or loss and other comprehensive income.

3.02 Inventories**Valuation of Inventories**

Inventories comprise Raw Materials, Finished Yarn, Waste Cotton, Store & Spares, Stores-in-Transit and Work in process. They are stated at the lower of cost or net realizable value in accordance with IAS 2 "Inventories" after making due allowance for any obsolete or slow-moving item. The costs of inventories are assigned by using weighted average cost method. Net realizable value of Work in Process is determined after deducting the estimated cost of completion and estimated cost necessary to make the sale from estimated selling price. Provisions are made in the statements of profit or loss and other comprehensive income for any difference between carrying value and net realizable value.

3.03 Capital Work-In-Progress

Property, Plant and Equipment under construction/acquisition is accounted for as capital work-in-progress until construction/acquisition is completed and measured at cost.

3.04 Leased assets

The Company applied IFRS 16 Leases for the first time on 1 July 2019. The nature and effect of the changes as a result of adoption of this new accounting standard is described below.

A Lease is defined as 'a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration. Previously the Company used to charge the consideration paid in its books as rent expenses. IFRS 16 introduced a single, on balance sheet accounting model for leases. As a result, the Company, as a lessee, has recognized right of use assets representing its rights to use underlying assets and lease liabilities representing its obligation to make lease payments. The Company applied IFRS 16 on 1 January 2019 for the existing lease contracts.

The Company has only office rent agreement, which is classified as operating leases, which under IFRS 16 are required to be recognized on the Company's statement of financial position. The nature and timing of expenses related to those leases has changed as IFRS 16 replaced the straight-line operating lease expense (as per IAS-17) with an amortization charge for the right of use assets and interest expense on lease liabilities.

The Company's all contractual payments to the lessor contains only fixed amounts of lease payment and no variable lease payments are embedded with the lease payments. The rental agreements do not include any automatic renewals, nor do they include any guaranteed residual values of the underlying assets.

The Company recognizes right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognized, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. At the commencement date of the lease, the Company recognizes lease liabilities measured at the present value of lease payments to be made over the lease term. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is re-measured if there is a modification, a change in the lease term or a change in the in-substance fixed lease payments.

In addition to rental lease agreements which were previously termed as operating leases, the Company also has existing leased assets which fall under "finance lease" category under IAS 17. For these leases, all the risk and rewards incidental to ownership are substantially transferred to the Company and therefore were recognized as finance leases. There is no change in the accounting treatment for these assets. The leased asset is capitalized at the commencement of the lease at fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability. The leased asset is depreciated over the useful life of the asset.

3.05 Revenue Recognition

In compliance with the requirements of IFRS 15, the Company recognizes revenue when control of the goods or services has been transferred to the customer and the performance obligation has been completed. Revenue is measured at the fair value of the amount of consideration to which the Company expects to be entitled to, including variable consideration, if any, to the extent that it is highly probable that a significant reversal will not occur.

Net Revenue reflects the Company's sale of goods less returns and discounts. Revenue is recognized at the point of delivery measured at fair value of the consideration received, net of discounts. IFRS 15 requires Company to determine variable factors such as sales returns when calculating the fair value of the consideration to be received.

Since the Company is engaged in the export business and all their sales are backed by irrevocable L/Cs, there is virtually no scope of returns. As a result, the Company does not make a sales return allowance at the end of the year. All of the Company's receivables are backed by Export Letter of Credits (LCs) and are thus considered fully recoverable. As a result, the Company has concluded that there is no Expected Credit Loss to be incurred on these assets and thus Management does not record any provision for doubtful debts.

3.06 Foreign Currency Transaction/Translation

Foreign currency transactions are translated into Bangladeshi Taka at the exchange rates ruling at the transaction dates according to IAS 21: "The Effect of Changes in Foreign Exchange Rates". Monetary assets and liabilities denominated in the foreign currencies are translated at prevailing rates on the balance sheet (financial position) date. Non-monetary assets and liabilities denominated in foreign currencies, which are related at historical cost, are translated into Bangladesh Taka at the exchange rate ruling at the date of transactions. Foreign exchange fluctuation gain/losses are charged to the statement of profit or loss and other comprehensive Income for the respective period.

3.07 Financial Expenses

Financial costs comprise interest expense on short term loan and long-term loan along with interest costs paid on finance leases. The costs are charged to the statement of profit or loss and other comprehensive Income except those are capitalized in accordance with IAS 23: Borrowing Costs.

3.08 Financial Instruments

Non-derivative financial instruments comprise trade receivables, trade payables, cash and cash equivalents and share capital.

3.8.1 Trade Receivables

Trade receivables are recognized initially at invoice value and subsequently measured at the remaining amount less allowance for doubtful receivable at the year end, if any. Receivables from foreign currency transactions are recognized in Bangladeshi Taka using exchange rates prevailing on the date of transaction. Trade receivables are re-valued at year end using exchange rates prevailing on the reporting date.

3.8.2 Trade Payables

Liabilities are recorded at the amount payable for settlement in respect of goods and services received by the Company, whether or not billed by the suppliers.

3.8.3 Cash and Cash Equivalents

Cash and cash equivalents consist of cash in hand and with banks on current and deposit accounts and short-term investments which are held and available for use by the company without any restriction. There is insignificant risk of change in value of the same.

3.8.4 Investment in Shares

The Company holds ordinary shares of other companies which are presented on the statement of financial position as investment in shares. These investments are classified as available for sale and presented at fair value. All shares held by the Company Level 1 on the fair value hierarchy as they quoted process on active markets (the Dhaka Stock Exchange). The investments are not classified as "Held for Trading" as they are not acquired principally for the purpose of selling or repurchasing but rather earn long term returns through dividends. As a result, the assets are termed as available for sale and any changes in fair value of the instrument are recorded in other comprehensive income (OCI).

3.09 Taxation

3.9.1 Current Tax

Current tax is the expected tax payable on the taxable income for the financial year, using tax rates enacted or subsequently enacted after the reporting date and any adjustment to tax payable in respect of previous years. Provision for taxation is calculated on the basis of applicable current tax rate and in compliance with Income Tax Ordinance 1984 and Bangladesh Finance Act 2022.

3.9.2 Deferred Tax

The company has decided to adopt policy of recognition of deferred tax in accordance with the International Accounting Standard (IAS-12), deferred tax is provided using the liability method for temporary difference between the carrying value of fixed assets as per financial statements and the corresponding income tax written down value. Deferred tax is calculated at the effective income tax rate prevailing at the statement of financial position date.

Deferred tax relating to items recognized outside profit or loss is recognized outside profit or loss. Deferred tax items are recognized in correlation to the underlying transaction either in OCI or directly in equity.

3.10 Provisions

As per "IAS 37: Provisions, Contingent Liabilities and Contingent Assets" a provision recognized on the date of statement of financial position if, as a result of past even Company has a present obligation that can be estimated reliably, and it is probable the outflow of economic benefits will be required to settle the obligation.

A provision is recognized if, as a result of a past event, the company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefit will be required to settle the obligation.

3.11 Contingencies

Contingencies arising from claim, litigation assessment, fines, penalties etc are recorded it is probable that a liability has been incurred and the amount can be measured reliably accordance with "IAS 37: Provisions, Contingent Liabilities and Contingent Assets".

3.12 Earning Per Share (EPS)

The company calculates Earning Per Share (EPS) in accordance with IAS 33 "Earning Per Share" which has been shown on the face of statement of profit or loss and other comprehensive income and the computation of EPS is stated in (Note -27) of the financial statements.

Basic Earnings

This represents earnings for the period attributable to the ordinary shareholders. As there no preference dividend, minority interest or extra ordinary items, the net profit for the year has been considered as fully attributable to ordinary shareholders. Basic earnings per share has been calculated by dividing the net profit or loss by the number of ordinary share outstanding during the year.

Diluted Earnings Per Share (DEPS)

Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and weighted average number of ordinary shares outstanding, for the effect of all dilutive potential ordinary shares. However, dilution of EPS is not applicable for these financial statements as there were no potential ordinary shares during the relevant period.

3.13 Contingent Liabilities and Assets

Contingent liabilities are current or possible obligations, arising from past events and whose existence is due to the occurrence or non- occurrence of one or more uncertain future events, which are not within the control of the company.

3.14 Worker's profit participation & welfare funds

The company contributed 5% of net profit before charging the amount to the aforementioned fund in accordance with the requirement of section 234 of Labor Act 2006 and as amended in 2013.

3.15 Segment Reporting

No segmental reporting is applicable for the Company as required by "IAS 14: Segment Reporting" as the company operates in a single industry segment and within one geographical area.

3.16 Event after the Statement of Financial Position Date

In compliance with the requirements of "IAS-10: Event After the reporting period" that provide additional information about the company's position at the date of the financial position are reflected in the financial statements and events after the reporting period that are not adjusting events are disclosed.

3.17 Going Concern

The Company has adequate resources to continue its operations for foreseeable future. For this reason, the directors continue to adopt the going concern basis in preparing the accounts. The resources of the company are sufficient to meet the present obligation of its existing businesses and operations.

3.18 Related Party Disclosures

The company carried out several transactions with related parties in the normal course of business and on arms' length basis. The information as required by IAS 24: Related Party Disclosures has been disclosed in a separate Note 35 to the accounts.

3.19 Post Retirement Employment Benefits

The Company does not maintain any post-retirement employment benefits. For the year ended 30 June 2022 and 30 June 2021, the Company did not record any provision related to defined contribution or defined benefit plans since the Company does not have any established policy to provide such benefits to their employees. The Company does maintain a Worker's Profit Participation and Welfare Fund which is in line with Bangladesh Labor (amendment) Act 2014.

3.20 Financial Risk Management Policies

The management of the Company under the supervision of the Board has overall responsibility for the establishment and oversight of the Company's risk management framework. Risk management policies, procedures and systems are reviewed regularly to reflect change in market conditions and the company's activities. The Company has exposure to the following risks for its use of financial instruments.

Interest Rate Risk

Interest rate risk is the risk that arises due to changes in interest rates on borrowing. There was no foreign currency loan which is subject to floating rates of interest. Local loans are however, not significantly affected by fluctuations in interest rates.

Foreign Currency Risk

The company is exposed to foreign currency risk relating to purchases which are denominated in foreign currencies. The company primarily utilizes forward exchange contracts with maturities of less than one year to hedge such financial liabilities denominated in foreign currencies. The forward exchange contracts entered into at the reporting date also relate to anticipated purchases, denominated in foreign currencies, for the subsequent period.

Credit Risk

Credit risk is the risk of a financial loss to the company if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the company's receivables. Management has a credit policy in place and exposure to credit risk is monitored on an ongoing basis. As at 30 June 2022 substantial part of the receivables are secured against LC and subject to insignificant credit risk. Risk exposures from other financial assets i.e. Cash at bank and other receivables are nominal.

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity (cash and cash equivalents) is to ensure as far as possible, that it will always have sufficient liquidity to meet its liabilities when due under both normal and stressed conditions without incurring unacceptable losses or risking damage to the company's reputation. Typically, the company ensures that it has sufficient cash and cash

equivalent to meet expected operational expenses including financial obligations through preparation of the cash flow forecast with due consideration of time line of payment of the financial obligation and accordingly arrange for sufficient liquidity/fund to make the expected payment within due date. After the recent capital raising, even in extreme stressed conditions it is unlikely that the Company would require further financing at least within next couple of years.

Market Risk

Market risk is the risk that any change in market prices such as foreign exchange rates and interest will affect the company's income or the value of its holdings financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters.

Fair Values

The fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

The fair value of trade and other short-term receivables are taken to approximate their carrying value. The fair value of financial assets and liabilities approximate their carrying value.

3.21 General

Comparative figures have been re-arranged where considered necessary to ensure better comparability with the current period without causing any impact on the profit and value of assets and liabilities as reported in the financial statements.

	June 30, 2022	June 30, 2021
	Taka	Taka
4.00 Property, Plant & Equipments		
Land & Land Development	1,275,868,437	1,360,218,462
Building & Other Construction	942,324,743	900,372,005
Plant & Machinery	1,969,060,510	2,129,678,517
Furniture & Fixture	6,147,566	6,590,922
Office Equipment	41,591,784	35,790,462
Motor Vehicle	56,642,857	55,671,609
Right off Use Asset (office space)	3,232,989	6,728,533
	4,294,868,886	4,495,050,510

* An elaborate schedule of Property, Plant & Equipment are shown in Annexure-A

5.00 Investment Property

Mirsorai Economic Zone	119,986,434	
	119,986,434	-

During the year, Maksons Spinning Mills Limited (MSML) has applied to the BEZA to acquire 02 Nos. of Industrial Plot of 10 acre each total of 20 acre for 50 years lease at Mirsarai/ Feni Economic Zones of Bangabandhu Sheikh Mujib Shilpa Nagar.

6.00 Investment in Share

Maksons Textiles Limited	150,000,000	
	150,000,000	

Maksons Spinning Mills Limited (MSML) has made an investment in shares of Maksons Textiles Limited (MTL). The project of the company is in the preliminary stage of the implementation. Maksons Textiles Limited (MTL) is not a listed company.

Investment in Makson Textile Limited was disclosed in prior year's Price Sensitive Information Disclosure to the Dhaka Stock Exchange. The approval for this transaction was obtained during the 2021 Annual General Meeting from the shareholder's of the Company.

7.00 Inventories

Raw Cotton (Note- 7.01)	2,120,872,317	1,904,177,144
Work-in-Process (Note- 7.02)	58,039,062	47,897,174
Finished Goods (Note- 7.03)	374,696,251	325,003,903
Stores & Spares	48,242,816	36,788,830
Total	2,601,850,445	2,313,867,051

	June 30, 2022		June 30, 2021	
	Qty. (Lbs)	Amount (Tk.)	Qty. (Lbs)	Amount (Tk.)
7.01 Raw Cotton				
Raw Cotton	29,683,915	2,120,872,317	28,502,456	1,904,177,144
Total	29,683,915	2,120,872,317	28,502,456	1,904,177,144

	June 30, 2022		June 30, 2021	
	Qty. (Lbs)	Amount (Tk.)	Qty. (Lbs)	Amount (Tk.)
7.02 Work-in-Process				
Blow Room	77,237	7,536,924	92,734	7,336,815
Carding	10,902	1,080,595	15,269	1,230,122
Drawing	33,056	3,378,100	59,306	4,941,314
Simplex	94,955	10,287,603	107,992	9,571,103
Ring	237,278	28,260,276	202,268	19,791,888
Cone Winding	58,976	7,495,565	47,804	5,025,932
Total	512,404	58,039,062	525,373	47,897,174
7.03 Finished Goods				
Various Count -Card & Comb	3,013,769	374,696,251	3,114,067	325,003,903
Total	3,013,769	374,696,251	3,114,067	325,003,903

	June 30, 2022 Taka	June 30, 2021 Taka
8.00 Trade Receivables		
Trade Receivables as at Year-End	2,137,417,760	2,290,323,653
	2,137,417,760	2,290,323,653

	June 30, 2022		June 30, 2021	
	Cost Value	Market Value	Cost Value	Market Value
9.00 Investment in Shares				
Investment in Shares	104,307,390	73,790,361	22,484,571	6,220,880
	104,307,390	73,790,361	22,484,571	6,220,880
Opening Balance			6,220,880	1,537,232
Net Addition of Shares during the year			81,822,819	
Add: Unrealized Gain/ (Loss) during the year			(14,253,327)	4,683,648
Closing Balance			73,790,372	6,220,880

	Number of share	Market value as on 30/06/22	Number of share	Market value as on 30/06/21
Dhaka Bank Ltd.	7,849	107,531	7,849	110,671
PLFSL	72,846	218,538	72,846	218,538
BIFC	112,546	720,294	112,546	562,730
Union Capital Ltd.	41,253	288,771	41,253	317,648
Beximco Ltd			55,435	4,961,432
EXIM Bank Ltd.	997	10,867	997	11,565
Metro Spinning Ltd.	556	15,401	556	9,896
National Bank Ltd.	1,869	15,696	1,869	14,952
NCCBL	921	13,262	921	13,447
NLINS	400,000	72,400,000		
		73,790,360		6,220,879

10.00 Advance, Deposit & Prepayment**Advance**

Advance to the parties & others
Advance to Related Party
Advance income tax
Advance VAT
Raw Cotton & Spare in Transit
Claim Receivable

June 30, 2022
TakaJune 30, 2021
Taka

279,216,767	336,016,370
259,727,723	16,447,442
35,745,876	26,238,693
1,630,952	1,053,628
429,347,600	454,136,857
44,782,489	63,728,245
1,050,451,408	897,621,235

Deposit

Titas Gas
Others

22,260,627	15,001,577
9,432,312	9,324,368
31,692,939	24,325,945

Prepayments

Office Rent

3,000,000	3,000,000
3,000,000	3,000,000

Total

1,085,144,347	924,947,180
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11.00 Cash & Cash Equivalents

Cash in Hand
Cash at Bank (Note: 11.01)

4,080,598	497,290
120,369,073	122,280,557
124,449,671	122,777,847

11.01 Cash at Bank**Current A/C**

Dhaka Bank Ltd.
Dutch Bangla Bank Ltd.
Southeast Bank Ltd.
NRB GLOBAL BANK
Southeast Bank SND
Southeast Bank CD
Jamuna Bank Ltd.
Jamuna Bank Ltd.
Mercantile Bank Ltd.
Mutual Trust Bank Ltd.
Union Bank Ltd
Shahjalal Islami Bank Ltd.
Southeast Company Secretary A/c
NRB Commercial Bank A/c-

7,089	7,089
8,682,688	10,208,293
1,049,022	270,337
77,258	81,178
11,975	21,532
3,183,605	18,615
-	556
71,326	75,574
2,515	2,515
101,580	101,580
6,780	6,780
8,438	8,438
174,168	178,008
7,723	11,528

	June 30, 2022 Taka	June 30, 2021 Taka
City Bank Ltd.	15,545	16,254
SIBL	6,030	6,030
Bank Asia CD A/c	254,411	900,882
Bank Asia , Banani Br	6,590	6,705
Modhumoti Bank Ltd A/c-	3,100	4,825
Bikash	1,488,067	45,707
Pubali Bank	5,805.50	-
Southeast Bank OD	-	40,545,883
	15,163,715	52,518,308
Short Term Deposit A/C		
Southeast Bank Ltd.	18,041	18,935
Southeast Bank Ltd.	2,610,946	14,964,605
Southeast Bank STD-	27,544	42,874
Jamuna Bank Ltd.	38,933	39,737
Southeast Bank SND	43,342	1,107,632
Southeast Bank SND	9,001,674	15,311,347
Southeast Bank SND	659,702	-
Bank Asia Ltd.	5,121	5,121
City Bank Ltd.	36,904	37,149
	12,442,206	31,527,401
Foreign Currency A/C		
Southeast Bank Ltd.	90,548,320	36,278,781
City Bank Ltd.	2,214,830	1,956,065
	92,763,150	38,234,846
Total Cash at Bank	120,369,071	122,280,555

12.00 Share Capital

12.01 Authorized

4,000,000 Preference shares of Tk. 10/- each
496,000,000 Ordinary shares of Tk. 10/- each

40,000,000	40,000,000
4,960,000,000	4,960,000,000
5,000,000,000	5,000,000,000

12.02 Issued, Subscribed and Paid-up

Paid up Share Capital of Tk. 238,232,538 is arrived at as follows:

Preference Shares
238,232,538 Ordinary shares of Tk. 10/- each

-	-
2,382,325,380	2,382,325,380
2,382,325,380	2,382,325,380

Total

The distribution schedule showing the number of shareholders and their shareholdings in percentage has been disclosed below as a requirement of the "Listing Regulations of Dhaka and Chittagong Stock Exchanges".

Range of holding in number of shares	No. of shareholders	% of total holders	No. of shares	% of share capital
Below 500	5,928	27.99	1,055,641	0.44
500 to 5,000	11,408	53.87	20,591,719	8.64
5001 to 10,000	1,636	7.73	12,463,233	5.23
10,001 to 20,000	1,022	4.83	15,190,831	6.38
20,001 to 30,000	385	1.82	9,785,781	4.11
30,001 to 40,000	175	0.83	6,229,065	2.61
40,001 to 50,000	153	0.72	7,115,151	2.99
50,001 to 100,000	233	1.10	17,242,841	7.24
100,001 to 1,000,000	212	1.00	53,720,127	22.55
1,000,001 and above	24	0.11	94,838,149	39.81
Total	21,176	100.00	238,232,538	100.00

Market Price

The Company was listed in the Dhaka and Chittagong Stock Exchanges on 1st January 2009. Each share was quoted at Tk 24.10 (on 30 June 2022) in the Dhaka Stock Exchanges Ltd. and Tk 24.20 (on 30 June 2022) in the Chittagong Stock Exchange Ltd. respectively.

Summarized List of Shareholders as on 30-06-2022

Category	Total Shareholder	Total Shareholding	Percentage (%)
Sponsors (as per BO Account)	12	71,476,634	30.00%
Financial Institutions	318	31,708,750	13.31%
General Public	20,846	135,047,154	56.69%
	21,176	238,232,538	100.00%

Option on Unissued Shares

There is no option regarding the authorized capital not yet issued can be used to increase the Issued, Subscribed and Paid-up Capital through the issuance of new shares against cash contribution and bonus.

13.00 Retained Earnings and Reserves

	June 30, 2022 Taka	June 30, 2021 Taka
Share Premium	1,526,004,000	1,526,004,000
Revaluation Reserve	337,930,247	341,347,248
Retained Earnings	798,510,533	553,859,728
Available for Sale Reserve-Investment	(30,517,029)	(16,263,702)
	2,631,927,752	2,404,947,274

14.00 Long Term Loan

Southeast Bank (UB)	448,420,449	562,479,338
Southeast Bank(PB)	293,654,783	375,534,073
Southeast Bank (Offshore Banking)	-	13,366,368
	742,075,232	951,379,779

14.01 Finance Lease Obligation

Uttara Finance & Pubali Bank	4,002,737	2,186,163
Bay Leasing & Investment Ltd.	137,209,860	156,029,069
	141,212,597	158,215,232

15.00 Deferred Tax Liability:

Opening balance	233,092,216	206,124,471
Addition during the year	21,072,083	26,967,745
	254,164,299	233,092,216

Deferred Tax Calculation

	Accounts Base	Tax Base	Difference
WDV of Fixed Assets	3,891,455,694	2,597,207,236	1,294,248,458
WDV of Revaluation Surplus of Fixed Assets	400,180,203	-	400,180,203
Total	4,291,635,897	2,597,207,236	1,694,428,662

Deferred Tax Liability @15% 254,164,299

Deferred tax is related to taxable temporary timing differences on account of depreciation on property, plant and equipment.

16.00 Current portion of Long Term Loan

Southeast Bank (UB)	95,685,275	85,903,374
Southeast Bank Ltd.(PB)	69,663,353	71,376,352
Southeast Bank (Offshore Banking)	17,585,955	26,478,431
	182,934,583	183,758,157

	June 30, 2022 Taka	June 30, 2021 Taka
16.01 Current portion of Finance Lease Obligation		
Uttara Finance & Pubali Bank	3,083,725	4,910,730
Bay Leasing & Investment Ltd.	30,092,598	30,404,855
	33,176,323	35,315,585

17.00 Short Term Loan from Bank

Southeast Bank - Overdraft A/C	200,130,424	43,898,284
Loan on Export	966,600,854	811,148,140
Southeast Bank Ltd.- LTR & others	79,146,640	196,026,758
Southeast Bank Ltd.- EDF	2,546,643,931	2,421,792,730
	3,792,521,849	3,472,865,912

18.00 Dividend payable/Unpaid dividend

Dividend payable	55,597,653	27,227,129
	55,597,653	27,227,129

The dividend payable as on June 30, 2022 consist of Tk 31,758,314 payable for the year 2021-2022 and the balance amount Tk 23,839,339 for the prior years unclaimed to date.

19.00 Trade and Other Payables

Audit fees Payable	345,000	287,500
Insurance Premium	1,167,467	2,720,533
Salary & Wages	28,678,003	23,447,183
Other Liability	94,745,803	31,508,373
Other expenses	55,251,809	49,635,463
Creditor for Goods	4,734,359	6,780,799
WPPF	34,246,614	41,642,734
Provision for Tax (Note -19.01)	148,786,314	140,785,933
	367,955,368	296,808,518

19.01 Provision for Tax

Opening Balance	140,785,933	78,142,383
Add: Addition during the year	98,712,812	99,287,730
	239,498,745	177,430,113
Less: Paid / Adjustment During the year	90,712,431	36,644,180
	148,786,314	140,785,933

	June 30, 2022 Taka	June 30, 2021 Taka
20.00 Sales		
Export sales	6,362,796,844	5,320,285,273
	6,362,796,844	5,320,285,273

21.00 Cost of Goods Sold

	Quantity (lbs)	Amount (Tk)	Amount (Tk)
Opening Work in Process	525,373	47,897,174	35,603,559
Raw Material Consumed (Note: 21.01)	43,695,973	4,227,821,828	3,042,333,644
	44,221,346	4,275,719,002	3,077,937,203
Less: Recovery	8,655,236	34,408,214	39,684,623
	35,566,110	4,241,310,788	3,038,252,580
Less: Invisible	432,762	-	-
Material available for Consumption	35,133,348	4,241,310,788	3,038,252,580
Less: Closing Work in Process	512,404	58,039,062	47,897,174
Production	34,620,944	4,183,271,726	2,990,355,406
Add: Direct Expenses (Note - 21.02)		301,353,342	242,433,742
Add: Factory Overhead (Note -21.03)		714,692,385	681,755,578
Cost of Production	34,620,944	5,199,317,454	3,914,544,726
Opening Finished Goods	3,114,067	325,003,903	536,015,401
Finished Goods available for Sale	37,735,011	5,524,321,357	4,450,560,127
Less: Closing Finished Goods	3,013,769	374,696,251	325,003,903
	34,721,243	5,149,625,106	4,125,556,224

21.01 Raw Material Consumed

Particulars	Quantity (lbs)	Amount (Tk)	Amount (Tk)
Opening Stock of Raw Cotton	28,502,456	1,904,177,144	1,763,963,821
Add: Purchase of Raw Cotton	44,877,432	4,444,517,001	3,182,546,967
Raw Cotton Consumption for available	73,379,888	6,348,694,145	4,946,510,788
Less: Closing Stock of Raw Cotton	29,683,915	2,120,872,317	1,904,177,144
Total Raw Material Consumed	43,695,973	4,227,821,828	3,042,333,644

21.02 Direct Expenses

Direct Labour/Wages	276,841,489	220,470,881
Bonus	7,614,676	11,117,994
Overtime	11,705,650	5,975,487
Loading & unloading	5,191,527	4,869,380
	301,353,342	242,433,742

	June 30, 2022 Taka	June 30, 2021 Taka
21.03 Factory Overhead		
Factory Salary & Allowances	74,001,455	62,980,642
Factory Overtime (Staff and Officer)	2,419,004	2,417,729
Factory Bonus	5,273,512	4,697,306
Gas Bill	254,424,041	234,494,937
Chemical Consumption	799,801	894,022
Store & Spares	67,283,665	50,443,711
Repair & Main (Labour)	914,495	667,634
Operating Lease Installment	-	1,263,522
Electricity Bill	5,596,153	3,359,410
Entertainment (Factory)	735,140	854,160
Factory Stationery	1,123,020	1,201,326
Repairs & Maintenance (Gas Generator)	1,053,892	912,840
Transport Expenses	5,320,757	5,125,010
Fuel for vehicle	8,526,383	7,045,943
Repairs & Maintenance	3,450,370	790,105
Repairs & Maintenance (machinery)	1,353,332	883,433
Insurance	5,614,007	9,695,239
TA /DA conveyance	221,032	170,210
Fuel oil Lubricant-Machinery	13,066,307	12,081,248
Office Expenses (Factory)	1,650,935	1,497,264
Sanitation	777,743	571,591
Depreciation	261,087,341	279,708,296
	714,692,385	681,755,578

22.00 Administrative Expenses

Salary & Allowances	84,105,464	80,048,283
Festival Bonus	12,778,659	9,036,009
Legal expenses	248,406	2,873,818
Office Stationery	2,373,483	960,819
Advertisement (General)	2,215,303	725,158
Business Promotion Expense	8,763,095	1,173,150
Membership Fee	497,804	312,768
CDBL Fee & Stock Exchange fee	1,200,000	1,412,000
Share Department Expenses(ICT)	49,104	262,500
TA/ DA Conveyance	1,677,904	1,239,333
Vehicle Maintenance	7,405,554	4,819,967
Telephone & Fax	1,253,401	1,395,356
Head office Utility	2,083,741	1,690,607
ICT Expense	2,633,107	2,036,264

	June 30, 2022 Taka	June 30, 2021 Taka
AGM Expenses	525,050	755,800
Office Expenses	2,959,350	4,438,690
Entertainment	3,378,325	1,167,501
Gas for Vehicles	104,742	303,990
Fuel for Vehicles	2,451,343	2,466,719
Fuel for Generator	16,000	13,000
Employee Welfare and Refreshment	5,811,725	577,470
Repairs & Maintenance	391,569	158,146
Sanitation	255,531	89,043
Documentation	4,726,134	3,319,866
Miscellaneous Expenses	690,127	661,027
Postage & Telegram	117,604	103,379
Board Meeting Expenses	698,160	957,840
License & Renewal	1,102,188	1,400,762
Audit Fees	345,000	287,500
Deprecation	20,236,035	17,563,485
	171,093,908	142,250,250
23.00 Selling & Distribution Expenses		
Packing Materials	49,682,900	44,980,365
	49,682,900	44,980,365
24.00 Financial Expenses		
Interest on Bank & Other Financial Interest	319,110,142	336,826,343
Bank Charges and Commission	29,975,495	32,029,674
Interest Expenses (Lease liability -Right- of- use Assets)	652,674	2,503,055
	349,738,311	371,359,072
25.00 Non operating income		
Income/loss from Investment	3,682,072	712
Profit on sales of assets	453,586	982,738
Fluctuation Gain with unrealized	6,017,436	6,065,028
Interest income	1,418,504	8,418,825
	11,571,598	15,467,303

June 30, 2022 Taka	June 30, 2021 Taka
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26.00 Current Tax

Paragraph 81c of IAS 12 requires an explanation of relationship between tax expense and accounting profit. This information is disclosed below:

Income from Operations	642,656,619
Income Tax Rate*	15%
Tax Payable on Income from Operations [A]	96,398,493
Income from Non-Operations	11,571,598
Income Tax Rate**	20%
Tax Payable on Income from Non-Operations [B]	2,314,320
Tax Payable on Taxable Income [C=A+B]	98,712,812
Minimum Tax Payable u/s 82C(4)(a) [D]	38,176,781
Tax Deducted at Source u/s 52 [E]	35,745,876
Tax expense for the year June 30, 2022 [Higher of C, D and E]	98,712,812

* As per Ministry of Finance SRO Dated 23rd June, 2019 (SRO #218)

* As per Bangladesh Finance Act 2022

27.00 Earning Per Share (EPS):

Basic Earning Per Share

The computation of EPS is given below:

(a) Earning attributable to the ordinary shareholders (Net Profit after income tax)	503,289,597	494,322,303
(b) Weighted average number of ordinary shares outstanding during the year	238,232,538	238,232,538
(c) Basic and Dilutive Earning Per Share	<u>2.11</u>	<u>2.07</u>

28.00 Net Assets Value Per Share (NAVPS)

(a) Net assets value (Total assets - liabilities)	5,014,253,132	4,787,272,654
(b) Number of ordinary shares outstanding during the year	238,232,538	238,232,538
(c) Net Assets Value Per Share (NAVPS)	<u>21.05</u>	<u>20.09</u>

29.00 Net Operating Cash Flow Per Share (NOCFPS)

(a) Net Operating Cash Flow (Numerator)	496,773,905	668,806,719
(b) No. of Shares Outstanding	238,232,538	238,232,538
(c) Net Operating Cash Flow Per Shares	<u>2.09</u>	<u>2.81</u>

30.00 Contingent Liabilities

No items considered as contingent liability of the Company as on 30 June 2022 as per IAS 37 "Provisions, Contingent liabilities, and Contingent assets".:

31.00 Segment Reporting

The Company operates under one operating segment which is manufacturing of Various Count yarn. The Company also has operations situated in one geographical location. Therefore the Company does not have separate operating or geographical segments. Therefore there is no additional segment reporting disclosure in the financial statements.

32.00 Plant Capacity and Capacity Utilization as per requirement of schedule X

Particulars	Installed Capacity	Utilization during the period
Annual Production of Yarn in KG	20,650,000	15,703,744

33.00 Disclosure As per Requirement BSEC /CMRRCD/2006-15/134/ 1.5 (XVII)

Significant deviation from the Last Year's Operating Results

Particulars	30.06.22	30.06.21	Deviation	Reason
EPS	2.11	2.07	0.04	EPS increase due to sales price increase and significant decrease in Financial expense.
COFPS	2.09	2.81	(0.72)	COFPS decrease due to Cost and payments increased.

34.00 Employee Position as per Schedule XI, Part II, Note 5 of Para 3

Salary Range	Officer & Staff		Worker	Total employee
	Factory	Head Office		
Below 5,992	-	-	-	-
Above 5,992	217	137	1,864	2,218
Total	217	137	1,864	2,218

35.00 Related party disclosure

Disclosure on Related party transaction as per IAS-24: "Related Party Disclosure"

Particulars	Relationship	Type of Transaction	OP Balance	Received during the year	Payment during the year	Balance
Maksons Textiles Limited	Common Director	Loan & Advance	-	6,000,000	106,585,724	100,585,724
Gardenia Wears Limited			-	1,850,000	110,650,125	108,800,125
La-muni Apparels Limited			-	1,150,000	45,227,837	44,077,837
Metro spinning Ltd.			16,447,442	23,718,763	13,535,358	6,264,037

The Board has decided to subscribe 1,20,00,000 nos. of ordinary shares (Tk. 10 each) against Tk. 12,00,00,000.00 of Maksons Textiles Limited and 1,20,00,000 nos. of ordinary shares against Tk. 12,00,00,000.00 of Gardenia Wears Ltd, subject to obtain approval by the shareholders in the upcoming 18th Annual General meeting. In addition the advance to La-Muni Apparels Limited was approved by the Board of Directors subject to approval on the upcoming 18th Annual General Meeting.

36.00 Proposed Dividend

The Board of Directors recommend 10% Cash dividend on per share of Taka 10/= each fully paid up for approval of the shareholders at the Annual General Meeting (AGM) for the year ended 30 June, 2022

The said proposed dividend is not recognised as a liability at the Balance sheet date in accordance with the IAS -10 "Events after the Reporting Period"

37.00 Approval of the Financial statements

These financial statements were authorized for issue in accordance with a resolution of the Company's Board of Directors on 27/10/2022

38.00 Key Management Compensation

Particulars	June 30, 2022 Taka	June 30, 2021 Taka
Key management compensation paid during the year	26,496,000	24,576,000

In accordance with IAS 24 Paragraph 17, the Company has disclosed Compensation to Key Management Personnel. Key Management Personnel includes Directors and Executive employees of the Company. Compensation to key personnel includes compensation, bonuses and provident fund expenses.

39.00 As per Clause No. 5 (2)(e) of Notification No. BSEC/CMRRCD/2006-158/208/Admin/81, Dated: 20 June 2018: A Reconciliation of Net operating cash flow under Indirect Method is provided below:

Particulars	June 30, 2022 Taka	June 30, 2021 Taka
Net profit after tax for the year:	503,289,597	494,322,303
Income Tax Expense:	119,784,896	126,255,475
Net profit before tax for the year:	623,074,492	620,577,778
Adjustment to reconcile profit before tax to net cash flows		
Add: Unrealized FX Loss / (Gain)	1,128,131	743,861
Less: Depreciation	277,827,832	293,295,957
Less: Right of Use Asset Depreciation	3,495,544	3,975,824
Less: Rental Lease Liability Expense	652,674	2,503,055
Less: Gain on Sale of Fixed Assets	(453,586)	(982,738)
Income Tax Paid:	(100,219,614)	(41,167,600)
Working capital adjustments		
(Increase)/Decrease in Advances & Prepayments, excluding AIT	(150,689,983)	128,410,577
(Increase)/Decrease in Trade Receivables	152,905,893	(329,358,448)
(Increase)/Decrease in Inventory	(287,983,394)	46,764,464
(Decrease)/Increase in Trade Payables, Liabilities and WPPF	(22,964,080)	(55,956,009)
Net Cash generated from Operating Activities	496,773,907	668,806,720

40.00 Events after the reporting period

There is no adjusting and non-adjusting post balance sheet events, except events that have already been disclosed, of such importance, non disclosure or recognition of which would affect the ability to the users of the financial statements to make proper evaluation and decisions.

41.00 Attendance Status of Board Meeting of Directors

During the period from 01.07.2021 to 30.06.2022 there were 4 (Four) Board Meetings were held. The attendance status of all the meetings is as follows:

Name Of Director	Position	Meeting Held	Meeting Attended
Mohammad Ali Khokon	Chairman	4	4
Mohd. Ferdous Kawser Masud	Managing Director	4	4
Mohd. Showkot Ali	Director Nominated by Metro Spinning Ltd.	4	4
Mrs. Laila Ali	Director	4	4
Amzad Ali Badal	Director	4	4
Sanjid Hasan Amit	Director	4	4
Md. Khurshed Hossain	Independent Director	4	4
Dr. Mohammed Mizanur Rahman	Independent Director	4	4
Noor Mohammad	Company Secretary	4	4
Md. Younus Bhuiyan	Chief Financial Officer	4	4
Ms. Farhana Haque	Head of Internal Audit & Compliance	4	4

42.00 Disclosure as per requirement of Schedule XI, Part II, Para 8

i) Raw Materials, Spare Parts, Packing Materials and Capital Machinery

Items	Purchase in Taka			Consumption in Taka	% of Consumption of total purchas
	Import	Local	Total		
Raw Materials	4,444,517,001	-	4,444,517,001	4,227,821,828	95.12%
Spare Parts	50,366,935	26,154,392	76,521,327	67,283,665	87.93%
Packing Materials	-	41,110,901	41,110,901	49,682,900	120.85%
Capital machinery	54,662,154	-	54,662,154	-	
Total	4,549,546,090	67,265,293	4,616,811,383	4,344,788,393	

ii) Foreign exchange earning USD 76.54 million equivalent of BDT 6362.7 million in respect of export has been calculated on FOB basis.

MAKSONS SPINNING MILLS LIMITED
SCHEDULE OF PROPERTY, PLANT AND EQUIPMENT

FOR THE YEAR ENDED JUNE 30, 2022

Figures in Taka

Particulars	Cost			Rate %	Depreciation			Written Down Value	
	As on 01-07-2021	Additions during the year	Disposal/ Adjustment during the year		As on 30-06-2022	Charged during the year	Disposal/ Adjustment during the year	As on 30-06-2022	As on 30-06-2021
Land and land development	1,036,418,270	5,649,975	90,000,000	952,068,245	-	-	-	952,068,245	1,036,418,270
Building & Other Construction	1,107,614,080	120,259,918	34,643,571	1,193,230,427	5	41,787,179	2,143,571	865,944,732	819,971,993
Plant & Machinery	4,022,538,911	54,682,154	-	4,077,201,065	10	215,280,161	-	1,989,060,510	2,129,878,517
Furniture & Fixture	15,016,098	587,975	-	15,614,073	15	8,425,176	-	9,466,507	6,590,922
Office Equipment	60,832,502	9,753,336	-	70,685,838	10	25,142,040	-	29,094,054	35,780,462
Motor Vehicle	94,260,965	12,764,808	1,319,150	105,706,623	20	11,747,146	1,272,736	49,063,766	55,671,609
Total- A	6,336,780,926	203,688,166	125,962,721	6,414,506,271		273,807,831	3,416,307	2,523,050,577	4,084,121,773

Particulars	Revaluation			Rate %	Depreciation			Written Down Value	
	As on 01-07-2021	Additions during the year	Disposal/ Adjustment during the year		As on 30-06-2022	Charged during the year	Disposal/ Adjustment during the year	As on 30-06-2022	As on 30-06-2021
Land and land development	323,800,192	-	-	323,800,192	-	-	-	323,800,192	323,800,192
Building & Other Construction	146,883,765	-	-	146,883,765	5	4,020,001	-	70,503,754	80,400,012
Total- B	470,683,957	-	-	470,683,957		4,020,001	-	70,503,754	404,200,204

Particulars	Right off Use Asset			Rate %	Depreciation			Written Down Value	
	As on 01-07-2021	Additions during the year	Disposal/ Adjustment during the year		As on 30-06-2022	Charged during the year	Disposal/ Adjustment during the year	As on 30-06-2022	As on 30-06-2021
Office space	11,886,397	-	-	11,886,397	-	3,495,544	-	8,653,408	6,728,533
Total- C	11,886,397	-	-	11,886,397		3,495,544	-	8,653,408	6,728,533

Grand Total (A+B+C)

	6,819,351,180	203,688,166	125,962,721	6,897,076,625	-	281,323,376	3,416,307	2,602,207,739	4,294,868,886	4,495,050,510
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Depreciation charged for the year has been allocated as follows:

	Amount (Tk.)
Factory Overhead*	261,087,341
Administrative Expenses	20,236,035
	281,323,376

*Factory Overhead expenses consist of depreciation on Building & Other Construction and Plant & Machinery.

MAKSONS SPINNING MILLS LIMITED

Corporate & Head Office: House # 17, Road # 6, Sector # 1, Uttara Model Town, Dhaka-1230.

PROXY FORM

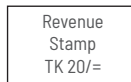
The Managing Director
Maksons Spinning Mills Limited
House # 17, Road # 6, Sector # 1, Uttara Model Town,
Uttara, Dhaka-1230

Register Folio/BO No. _____
No. of Shares held _____

I / We _____ of _____
being a Member of **Maksons Spinning Mills Limited** do hereby appoint Mr./Ms. _____
_____ of _____ or (failing him/her)
Mr./Ms _____ of _____
_____ as my/our proxy, to vote for me/us and on my/our behalf at the **18th Annual General Meeting**
of the Company to be held on **Monday, 06 February, 2023** and any adjournment thereof or at any ballot to be taken in
consequence thereof.

Signed this _____ day of _____ 2023.

Signature of Proxy



Signature of Shareholder _____
Folio/BO No. _____
No. of Shares held _____

Please Note:

1. This Form of Proxy, duly completed, must be deposited at least **72 hours** before the meeting at the Company's Registered Office. Proxy is invalid if not signed and stamped as explained above.
2. Signature of the Shareholder should agree with the Specimen Signature registered with the Company.

Signature Verified
Authorized Signature

MAKSONS SPINNING MILLS LIMITED

Corporate & Head Office: House # 17, Road # 6, Sector # 1, Uttara Model Town, Dhaka-1230.

SHAREHOLDERS ATTENDANCE SLIP

I hereby record my attendance at the **18th Annual General Meeting** of the Company being held on **Monday, 06 February, 2023**, Venue: Digital Platform at 11.30 AM.

Name of Shareholder/Proxy _____
Folio/BO No. _____ Dated _____
Authorized Signature _____

Please Note:

1. Shareholders attending the meeting in Person or by Proxy are requested to complete the attendance slip and Deposit the same at the entrance of the Meeting Hall.

SHAREHOLDER/PROXY
(Please Tick Above)



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- **USA Cotton Yarn**
- **Supima Cotton Yarn**
- **Recycled Yarn**

Group Concern

- Maksons Spinning Mills Ltd.
- Metro Spinning Ltd.
- La-Muni Apparels Ltd.
- Mak Sourcing Ltd.
- Maksons Logistics Ltd.
- Maksons Textile Mills Ltd.
- Maksons Apparels Ltd.
- Makcot International
- Mak Fashion



MAKSONS SPINNING MILLS LIMITED
THE NAME YOU CAN TRUST FOR BEST QUALITY YARN

SALES: +88 01841 166 233
amran@maksonsgroup.com.bd



MAKSONS SPINNING MILLS LIMITED

THE NAME YOU CAN TRUST FOR BEST QUALITY YARN

CORPORATE & SHARE OFFICE

- 📍 House 17, Road 06, Sector 01, Uttara, Dhaka 1230
- ☎ +88 02 8933739, 48961410, 8933612, 8933613, 58957534
- 📠 +8802 8933656
- ✉ noor@maksonsgroup.com.bd

REGISTERED OFFICE

- 📍 House 1, Floor 5, Road 5
Sector 1, Uttara, Dhaka 1230