

ANNUAL REPORT 2021-2022

METRO SPINNING LIMITED

THE NAME YOU CAN TRUST FOR BEST QUALITY YARN

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.

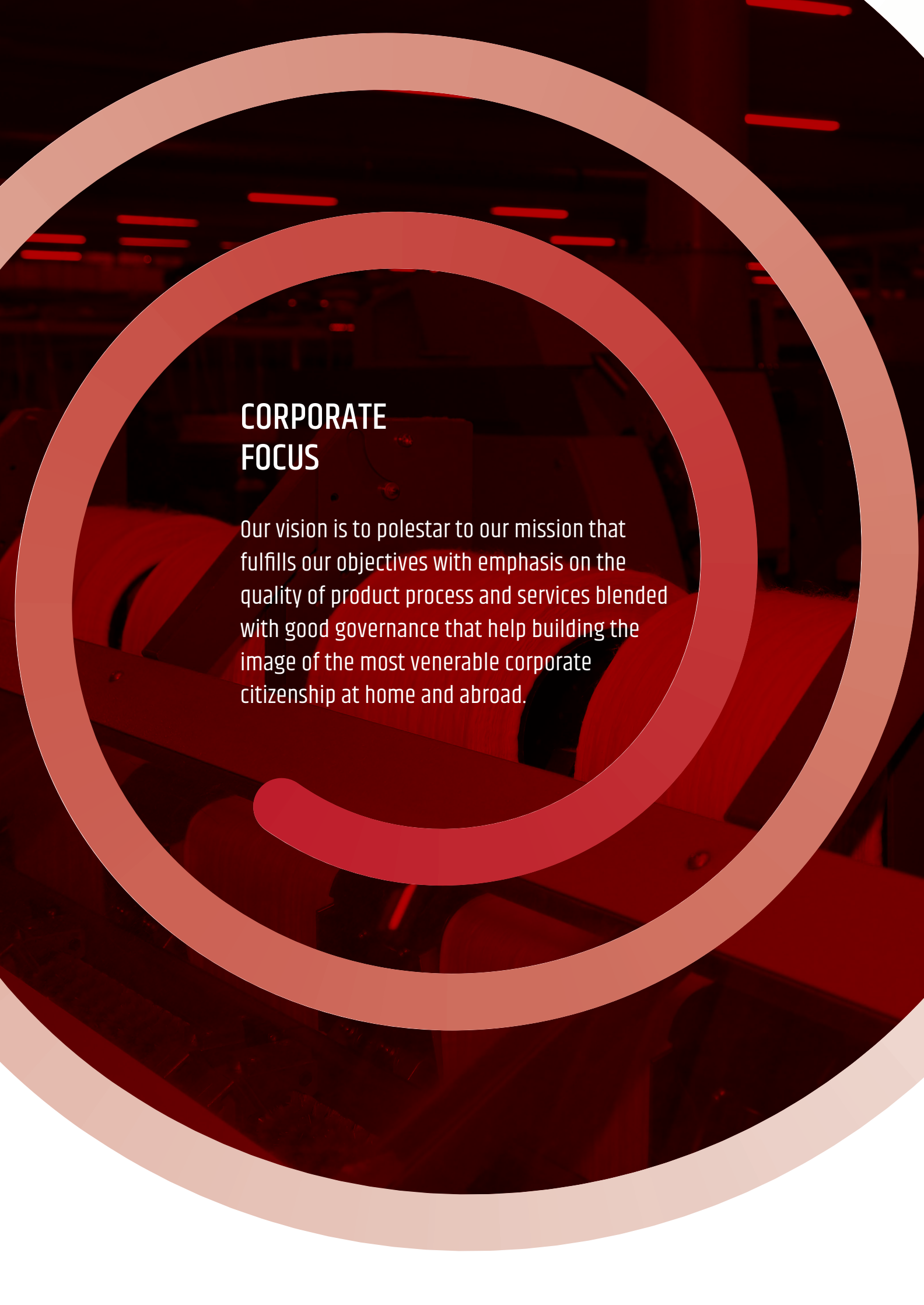
OBJECTIVE

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

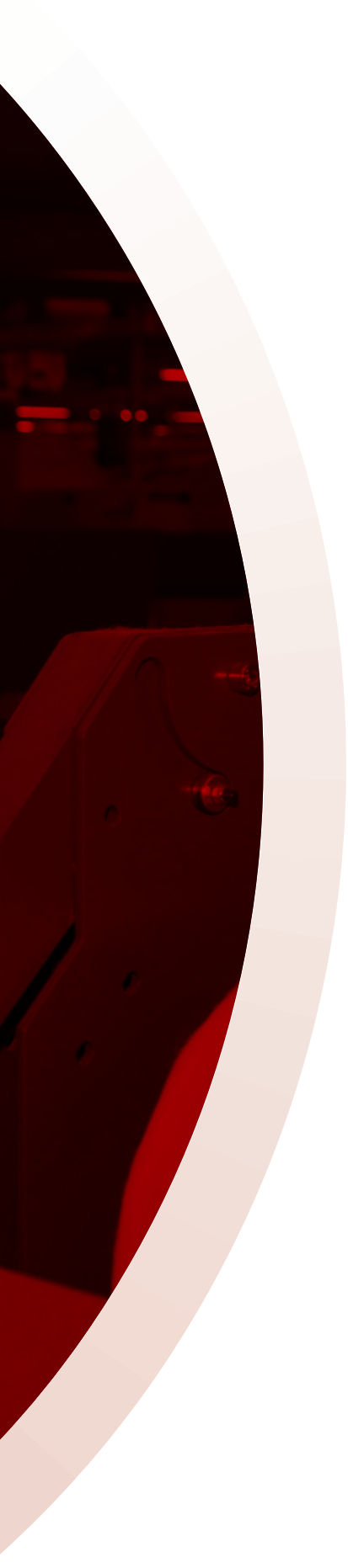
All Financial Policies like Investments, Dividend disbursement and other related Financial Policies are aimed to maximize the value of the organization within.





CORPORATE FOCUS

Our vision is to polestar to our mission that fulfills our objectives with emphasis on the quality of product process and services blended with good governance that help building 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 30th 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 Positions, Statement of Profit or Loss, Statement of Changes in Equity and Statement of Cash Flow for the Year Ended on 30th June, 2022, along with notes thereon of **Metro Spinning Limited** for your reference and record.

Yours sincerely,



Md. Mozammel Hoque
Company Secretary

NOTICE OF THE 27th ANNUAL GENERAL MEETING

Notice is hereby given that the **27th Annual General Meeting** of the Shareholders of **Metro Spinning Limited** will be held on **Wednesday, 28 December, 2022 at 11.30 am by using Digital Platform** through the Link **https://metrospinning.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 Auditors and Directors thereon for the said Year.
Agenda- 2: To Declare 3% Cash and 5% Stock Dividend for all Shareholders 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 tenure/re-appoint Independent Director.
Agenda- 5: To appoint Auditors of the company for the term until the next AGM and to fix their remuneration.
Agenda- 6: To approve appointment of Compliance Auditor and fix their remuneration.
Agenda- 7: To transact any other Business of the Company with permission of the Chair.

BY ORDER OF THE BOARD OF DIRECTORS,

Md. Mozammel Hoque
Company Secretary

Place & Dated: Dhaka –27/10/2022

Notes

1. Wednesday, 23 November, 2022 is the "**Record Date**" only for shareholders' attendance and approval in the General Meeting for Cash Dividend entitlement but in case of Stock Dividend, shall be subject to approval of the Bangladesh Securities & Exchange Commission(BSEC). "**Record Date**" for the entitlement of Stock Dividend will be notified later after getting approval from BSEC. 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. 20.00 (Revenue Stamp) must be sent through email to mozammel@maksonsgroup.com.bd not later than 48 hours before commencement of AGM.
3. The Shareholders will join the virtual AGM through the Link **https://metrospinning.bdvirtualagm.com.** The shareholders will be able to submit their questions/comments electronically before 48 (forty eight) 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 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 the 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 kinds shall be given to the Shareholders for attending the AGM as per Bangladesh Securities and Exchange Commission's Circular No. SEC/CMRRCD/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 strategic, operational and executing, performance and evaluation and sharing of accretion assets between present and future cohorts. The involvement of the entrepreneur in all these areas 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 fulfilling 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

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 to Independent Directors, provide the policy and strategic support and direction for the entire range of the corporate activities. The Board of Directors consist of **Six (6) Members** including the Independent Directors with varied educational qualification and 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 well being 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. Mohd. Showkot Ali and Mr. Mohd. Ferdous Kawser Masud, Directors 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.

Independent Director (s)

The Company has complied with the notification of the Bangladesh Securities and Exchange Commission with regard to appointment of independent Director(s) to the Board. Accordingly, Metro Spinning Limited has two Independent Directors namely Mr. Md. Iftikhar-uz-Zaman and Dr. Mijanur Rahman.

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 03(Three) Directors and one Member Secretary. The Audit Committee is headed by the Independent Director Mr. Md. Iftikhar-Uz- Zaman and accompanying him the other members are respectively, Mr. Mohd. Ferdous Kawser Masud (Director), Dr. Mijanur Rahman (Independent Director) Mr. Md. Mozammel Hoque, Member 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 (MIS) 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 three Directors including two Independent Directors. Mr. Md. Iftikhar-uz-Zaman, who is the Chairman of the Nomination and Remuneration Committee. The other members of the committee are Mr. Mohd. Ferdous Kawser Masud, Director, Dr. Mijanur Rahman, Independent Director and Mr. Md. Mozammel Hoque, Member Secretary. The Committee will act as per the terms and conditions of the Corporate Governance Code of BSEC.

Other Committees

- Management Committee
- Product Planning & Development Committee
- Quality Control & Research Committee
- Product and Inventory Management Committee
- Export Promotion Committee

Board Meetings

The meetings of the Board of Directors of Metro Spinning 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,
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 are posted on the Investor Relations section of the Company's website: www.maksonsgroup.com.bd

INTRODUCING BOARD OF DIRECTORS



CHAIRMAN

MR. MOHAMMAD ALI KHOKON

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 business experience through outstanding leadership. He has visited many countries of the world in connection of business and thus gained vast experience and knowledge in Modern Methods, Technology, Production, Marketing and Management Techniques of textile industries. His profound leadership helps company to formulate Strategic Policy and route to its implementations. He has been elected twice as President of Bangladesh Textiles 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 departments. He is also engaged in various social activities like Dhaka Club Ltd., Gulshan Club., Uttara Club Ltd., 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 tycoons of the country.



MANAGING DIRECTOR

MR. MOHD. SHOWKOT ALI

Mr. Mohd. Showkot Ali, of the company. He has completed his Post Graduation from Jagannath University, Dhaka. He has 31 years of experience in the Textile Sector. He also expertized in administration, production, supply chain management, import-export and maintenance of overall affairs of the company. He also provides proper guidelines to ensure the board and valued shareholders that the financial controls and systems of risk management are strong and defensible. He has visited many countries and attended seminars, workshops, etc. which helped him gather knowledge especially in the field of textiles. He brought his outside experience and expertise to the boardroom in a way that keeps the company on track and moving forward. The production, turnover and overall profitability of the company is being increased day by day under his dynamic leadership. He has initiated to produce value added products in our production lines. He is always enthusiastic to the new product and technology.



Mr. Mohd. Amzad Ali Badal

Deputy Managing Director (Appointed)

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 holds the position of Dy. Managing Director of the Company. He remains associated in strategic decision involving production, procurement of Capital Machinery, Raw Materials for more than 14 years in the company. He has visited many countries and acquired knowledge in the textiles sector.



Mr. Mohd. Ferdous Kawser Masud

Director

Mr. Mohd. Ferdous Kawser Masud is the Director of the company. He is an MBA graduated in Finance from Chittagong University. He has passed 21 auspicious years in this sector. He gathered knowledge in Modern Methods, Technology, Production and Marketing & Management Techniques of textile industries. He is expert in evaluating the performance of the management in meeting their goals and objectives. He also monitored the reporting of the company's performance.

Mrs. Laila Ali

Director



Mrs. Laila Ali is the Director of the Company. She is a dynamic & hard working personnel and as well as bagged knowledge in Modern Methods, Technology, Production and Marketing & Management Techniques of textile industries by attending several course/seminars and visiting similar industrial concerns. Monitors organizational performance and aids the Managing Director to develop strategically goal which are attainable.

Mr. Md. Iftikhar -Uz-Zaman

Independent Director



Mr. Md. Iftikhar-uz-Zaman is one of Independent Directors of the company. He was Managing Director of ICB and also served as the Deputy Managing Director of the Corporation. He was the Deputy Managing Director of Janata Bank Limited and CEO of ICB Capital Management Limited. He has expertise in investment banking as well as in the capital market development. Mr. Iftikhar-uz-zaman completed his B.A. (Hon's) and M.A. in Statistics from Rajshahi University. He served as the Chairman of ICB Asset Management Company Limited.

Dr. Mijanur Rahman

Independent Director



Dr. Mijanur Rahman is the Independent Director of the Company. He was the Vice Chancellor of the Jagannath University. Presently he holds the position of Professor in the Department of Marketing at Dhaka University. He is one of the leading scholars in the country which led him to become the proud Vice Chancellor of Jagannath University. He has completed his PhD. in Business Administration from Aligarh Muslim University, India. He chaired more than one and half dozens of key positions in Dhaka University, ICB, ICMA,B Dhaka University Club, GB Udayan Bidlaya, Sheikh Borhanuddin College Pabna University of Science and Technology and many other organizations throughout his professional career. He has visited more than 15 countries and has vast knowledge in Corporate Governance Rules and Regulations. Mr. Mijan is a well versed author of more than 2 dozens of Articles and 6 books.

INTRODUCING SENIOR EXECUTIVES



Mr. A.K.M. Wahiduzzaman
Executive Director (Estate & Admin)



Md. Mozammel Hoque
Company Secretary



Ms. Zabun Nahar
Chief Financial Officer



Mr. Abdul Jalil Sheikh
General Manager (Admin & HR)



Ms. Iffat Adnan Dina
Head of Internal Audit & Compliance



Mr. Md. Motiur Rahman
Sr. DGM (COM)

CORPORATE DIRECTORY

Chairman
Mohammad Ali khokon

Managing Director
Mohd. Showkot Ali

Directors
Mohd. Ferdous Kawser Masud
Mrs Laila Ali

Independent Director
Dr. Mijanur Rahman
Md. Iftikhar-Uz- Zaman

Company Secretary
Md. Mozammel Hoque

Chief Financial Officer
Ms. Zabun Nahar

Head of Internal Audit & Compliance
Ms. Iffat Adnan Dina

Senior Executives
A.K.M. Wahiduzzaman
Abdul Jalil Sheikh
Md. Motiur Rahman

Corporate & Share office
House 17, Road 6, Sector 1, Uttara, Dhaka
Location of Factory -
Kornogoph, Rupganj, Narayangonj
Year of incorporation- 1993

Authorized Capital
TK 100,00,00,000

Paid up Capital
TK. 61,69,82,750

Legal Status
Public Limited Company Listed with Dhaka Stock Exchange Limited & Chittagong Stock Exchange Limited. (on March 14, 2002)

Audit Committee
Md. Iftikhar-Uz- Zaman, Chairman
Mr. Mohd. Ferdous Kawser Masud, Member
Dr. Mijanur Rahman, Member
Mr. Md. Mozammel Hoque, Member Secretary

Bankers & Financial Institution
SOUTHEAST BANK LTD- Principal Branch, Dilkusha, Dhaka.
JAMUNA BANK LTD.– Dilkusha Branch, Dilkusha, Dhaka
PUBALI BANK LTD., AIRPORT BRANCH, DHAKA.

Insurers
PRIME INSURANCE CO. LTD.
PRIME ISLAMI LIFE INSURANCE CO. LTD.

Auditor
Kazi Zahir Khan & Co. Chartered Accountants,
Shamsunnahar & Wazi Complex, 8th Floor, Suite-9B,31/C/1,
Topkhana Road, Segun Bagicha, Dhaka-1000.

Corporate Governance Auditor
M/S. Saifur Enayet & Associate
House-73, Shah Makhdum Avenue Sector- 12
Uttara, Dhaka.

Brand
KANGAROO & CROCODILE

Capacity
34,872 Spindle

Nomination & Remuneration Committee (NRC)

Md. Iftikhar-Uz-Zaman,	Chairperson
Mohd. Ferdous Kawser Masud,	Member
Dr. Mijanur Rahman,	Member
Md. Mozammel Hoque,	Member Secretary



CHAIRMAN'S MESSAGE

Dear Shareholders,

Assalamu Alaikum,

It is my enormous pleasure to welcome you all to the 27th Annual General Meeting of your company **Metro Spinning Limited,** on behalf of the members of the Board of Directors. I also present the Annual Report for the Year Ended on 30 June 2022 to you with great pleasure.

The textile sector provides the single source of growth in Bangladesh's rapidly in developing our economy. Exports of textiles and garments are the principal source of foreign exchange earnings. As you may also be aware, the textile sector specifically, spinning sector had faced numerous external and internal challenges including volatile raw materials price, decrease of yarn price, misused of bonded facility, hike of utility tariff, which all had direct impact on production cost and overall profitability of the industry. Since the beginning of Covid-19 and Russia-Ukraine Conflict, the activities of entire manufacturing sector of the world has gone stagnant. Our textile industry is not an exception.

In spite of the effect of Covid-19 and Russia-Ukraine Conflict, it was our sincere efforts to identify the challenges and take steps accordingly to overcome the uncertainty. As a result, the revenue (net) for the year 2021-22 is Tk. 96,88,53,515.00, Net profit after tax is Tk. 8,50,51,241.00 and earnings per share is Tk. 1.38. You know export oriented spinning sector fully depend on RMG sector. Needless to mention here that during this pandemic and Russia-Ukraine Conflict, lots of RMG order cancelled/withheld/deferred and price renegotiated by the major buyers of Bangladesh. The impact of this also come on spinning sector and we are not exception of that. As a result we were not able to continue with its considerable sales volume during the year for the world-wide pandemic situation for covid-19 and Russia-Ukraine Conflict.

Our customers are our top priority and we are as always prepared to continue delivering our best efforts for maintaining the standard of operational levels.

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 and I would like to assure you that, our firm efforts to increase the shareholders' interest will continue as before. We are confident of our ability and team spirit; it is due to this prudent management.

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 through Innovation, Achieving Excellence in Service.

Thank You.



Mohammad Ali Khokon
Chairman



MANAGING DIRECTOR'S MESSAGE

Dear Shareholders,

Assalamu Alaikum,

Firstly, I would like to thank you for your continued trust in Metro Spinning Limited and cordially welcome you on behalf of the Board of Directors in this 27th Annual General Meeting of your company. It's my privilege to place before you the Annual Report for the Year Ended on 30 June, 2022 along with Auditors & Directors Report and overall performance of the company and its prospects for the future.

Ready Made Garments (RMG) sector plays an important role in the total economy of Bangladesh. Now-a-days RMG sector is a multi-billion-dollar earning business and export industry in Bangladesh. Therefore, this sector is number one earner of foreign currency in Bangladesh. The journey of RMG sector in Bangladesh has been started in 1980s since then this sector did not require for looking back. RMG sector improves our GDP which makes us new rising countries on the earth. The RMG industry also became the major foreign currency-earning sector with highest source of employment and interestingly, women comprise more than 80 percent of the total labor force.

The local backward linkage/spinning industry fulfills a substantial portion (around 75% - 90%) of the demand of yarns by the Ready Made Garments (RMG) industry; however, as you know that the spinning sector of the country is experiencing a significant recession ever they face. The demand of apparels has been decreased in the international market as a result demand & prices of yarn fell drastically in our market. Moreover, most of the spinning of Bangladesh used to procure cotton on call basis which means basis plus index will be the fixation price of cotton. To keep the supply chain smooth we have to fix the price of cotton on the base of the season of the origin of cotton. At the time of fixation the raw cotton price was volatile and higher but after a certain period the international cotton index drastically fell down. As a result effective raw material price was higher than the present market considering increased manufacturing cost. Besides hike of utility cost, labor charges, financial charges the higher raw material cost is the main reason for the decreasing operational profit.

The textile industry, which has been pivotal in the economic growth of Bangladesh, is facing an uncertain future following the COVID-19 pandemic as well as Russia-Ukraine Conflict. The industry, which is the world's second largest exporter of readymade garment, is now staring at a loss following the cancellation or suspension of orders by its buyers. The cancellation of orders was the result of the lack of demand from the US and European markets, following the closure of hundreds of shops, owing to the pandemic-centric lockdown as well as Russia-Ukraine Conflict. RMG exporters have sought the cooperation of the global community to save the country's primary industry and the labor force.

Metro Spinning Limited is one of the renowned companies in textile sector of the country. The Board of Directors, Management and Employees are obligated to the valued Shareholders to offer them assurance of our sincere efforts in maintaining operational results up to their expectations. Our major responsibility is to accomplish our commitments, in our own sphere of activities, so that the nation may attain its expected goals leading through eradication of poverty, employment for all, substantial improvement of living standard for the mass population through our part of contribution to the GDP considering the overall economy of the nation.

Despite facing all the challenges, the operation of your company of this year became profitable. This is due to the continued efforts of every single member of your company. Full details may be found later in the Annual Report; here I will only summarize our business outcome for the Year 2021-2022. Consolidated Sales amounted to Tk. 96.89 Crore consolidated Gross Profit stood at Tk. 19.78 crore and net profit after tax is Tk.8.51 crore. You may aware that export oriented spinning sector fully depend on RMG sector. Needless to mention here that during this pandemic lots of RMG order cancelled/withheld/deferred and price renegotiated by the major buyers of Bangladesh. The impact of this also come on spinning sector and we are not exception of that. As a result we were not able to continue with its considerable sales volume during the year for the world-wide pandemic situation for covid-19 as well as Russia-Ukraine Conflict. In spite of facing all these problems, the company recommended 3% Cash and 5% Stock Dividend for this financial year for the esteemed shareholders.

The Board of Directors are very much concern to overcome the existing situation by setting a new plant to achieve desire target of profit.

Finally, I would like to express my heartfelt gratitude to the company's shareholders for their trust and enduring support to the Board of Directors to operate the company. I also would like to put on record my sincere thanks to the Banks, Financial and Regulatory Agencies, Suppliers, Customers, various people with whom we have interacted 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 and prosperity.

With best wishes for the time ahead,

Thanking you all,



(Mohd. Showkot Ali)
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 on 30 June, 2022 in the following paragraph

(i) Industry outlook

Metro Spinning Limited is one of the pioneers in the spinning industry in Bangladesh which was established in 9th May 1993. It is a Public Limited Company, listed with Dhaka Stock Exchange and Chittagong Stock Exchange in the year of March 14, 2002. It has a capacity of 34,872 spindles with state of art machinery, imported from Japan, China, India, Italy, USA, Germany and Taiwan. The company is producing quality yarn for the both export and local market with an annual production capacity of 4.50 million kg. Metro usually produces 20/1 to 80/1 count of 100 % Cotton Yarn, Grey Mélange Yarn and 100% white viscose. Metro is successfully created excellent name and fame for itself both in local and export 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	34,872	34,872
Production Capacity (Yarn)	KG	4500 M.Ton	4500 M.Ton
Actual Production (Yarn)	KG	2526 M.Ton	3465 M. Ton
Capacity Utilization	%	56.13%	77%

(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 industries. 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 of 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 especially insufficient availability natural gas, the utility cost increased. Continuous hike in power generating energy cost we are using captive gas line from Titas and producing own energy to run the factory by using world class gas generator. In this process tariff of gas, lube oil, spare parts cost and maintenance cost increased remarkably, causing increase in cost of goods sold and reducing profitability.

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, earth quack 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	77,10,60,837	835,138,380	(6,40,77,543)
Gross Profit Margin	20.41%	16.08%	4.33%
Net profit Margin	8.78%	7.06%	1.72%

Cost of Goods Sold decreased due to less consumption of Raw Materials for less production, Gross Profit Margin increased due to decreased of Cost of Goods Sold and Net Profit Margin increased due to increase of Sales price, decrease of Cost of Goods sold and also decrease of Interest and Financial Charges.

(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:

Particular	Nature of Relationship	Outstanding Balance as on 30 June, 2022
Maksons Spinning Mills ltd.	Common Director	6,264,037

(vii) Utilization of Proceeds from Public Issue

This is not applicable for MSL 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 Metro Spinning Limited is prepared and presented fairly.

(xii) Proper Books of Accounts

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

(xiii) Adaptation of Proper Accounting Policies and Estimates

The management of Metro Spinning 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 Metro Spinning 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 Metro Spinning 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

Financial Position	2021-2022	2020-2021	Deviation increase/(decrease)
Turnover	968,853,515	995,178,800	(26,325,285)
Less: Cost of Goods Sold	771,060,837	835,138,380	(64,077,543)
Gross Profit	197,792,678	160,040,420	37,752,258
Less: Operating Expenses	102,709,333	101,104,496	1,604,837
Operating Profit	95,083,345	58,935,924	36,147,421
Add: Non- Operating Income	10,721,474	14,788,410	(4,066,936)
Net Profit Before WPPF	105,804,819	73,724,334	32,080,485
Contribution to WPPF	5,038,325	3,510,683	1,527,642
Net Profit Before Tax	100,766,494	70,213,652	30,552,842
Provision for Tax	15,715,254	9,264,336	6,450,918
Retained Earnings	206,856,768	119,255,888	87,600,880

During the year operating result significantly increased by the Good Grace of Almighty following the strict monitor of total business activities of the company by the Board of Directors as well as price increased of yarns to some extent in compare 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:

FIVE YEARS FINANCIAL STATISTICS Value in '000

Financial Position	2021-2022	2020-2021	2019-2020	2018-2019	2017-2018
Authorized Capital	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
Paid-up-capital	616,982	616,982	616,982	616,982	604,885
Retained Earnings	206,856	60,949	13,461	12,926	5,649
Turnover	968,853	995,178	676,708	904,362	878,507
Gross Profit	197,792	160,040	111,110	127,861	132,703
Gross Profit in %	20.41%	16.08%	16.42%	14.14%	15.11%
Net Profit Before Tax	100,766	70,213	6,282	16,883	12,042
Net Profit Before Tax in %	10.40%	7.06%	0.93%	1.87%	1.37%
Fixed Asset	696,826	648,559	779,662	798,482	811,295
Current Asset	1,212,393	1,067,501	1,004,968	1,032,565	1,162,108
Current Liabilities	772,949	682,907	759,751	779,454	941,974
Net Current Assets	439,444	384,593	245,217	253,111	220,134
Key Financial Ratios					
Current Ratio (Times)	1.57	1.56	1.32	1.32	1.23
Quick Ratio (Times)	0.82	0.64	0.69	0.657	0.71
Debt- Equity Ratio (Times)	0.55	0.27	0.78	0.78	0.92
Time interest earned ratio (Times)	2.47	1.98	1.052	1.11	1.126
Inventory Turnover (Times)	1.88	1.79	1.353	1.785	1.858
Assets Turnover	45.81	1.108%	35.94%	45.27%	42.03%
Return on Assets	4.76%	8.21%	0.33%	0.85%	0.58%
Return on Equity	8.37%	6.20%	0.69%	1.82%	1.27%
Earning per Share (EPS)	1.38	0.99	0.08	0.21	0.09
Net Operating Cash Flow Per Share	(0.56)	0.54	0.76	2.65	0.69
Net Asset Value Per Share	20.65	18.36	14.53	14.88	15.53
Dividend Per Share (DPS)	Cash-3%, Stock-5%	5% Stock	2% Cash	2% Cash	2% Stock
Book Value Per Share	27.70	17.80	8.5	7.8	9.4
Other Information					
Total Share	61,698,275	6,16,98,275	61,698,275	60,488,505	60,488,505
Number of Shareholders	6,947	6,840	6,822	7,682	7,707
Number of Employees	562	699	665	914	895

(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 Member:

Name Of Director	Position	Meeting Held	Meeting Attended
MOHAMMAD ALI KHOKON	CHAIRMAN	4	4
MOHD. SHOWKOT ALI	MANAGING DIRECTOR	4	4
AMZAD ALI BADAL	DEPUTY MANAGING DIRECTOR	4	4
MOHD. FERDOUS KAWSER MASUD	DIRECTOR	4	4
MRS. LAILA ALI	DIRECTOR	4	4
DR. MIJANUR RAHMAN	INDEPENDENT DIRECTOR	4	4
MD. IFTIKHAR-UZ-ZAMAN	INDEPENDENT DIRECTOR	4	4
MS. ZABUN NAHAR	CHIEF FINANCIAL OFFICER	4	4
MD. MOZAMMEL HOQUE	COMPANY SECRETARY	4	4
IFFAT ADDNAN DINA	HIAC	4	4

(xxii) 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 for the year ended on 30th June 2022 stands as follows:

Name of the Shareholders	Status	Shares held	%
(a) Parent/Subsidiary/ Associated companies and other related parties	Nil	Nil	Nil
(b) Directors, Chief Executive Officer, Chief Financial Officer, Company Secretary, Head of Internal Audit and their spouses and minor children:	Nil	Nil	Nil
Mr. Mohammad Ali Khokon	Sponsor & Chairman	47,48,423	7.70%
Mr. Mohd. Showkot Ali	Sponsor & Managing Director	14,57,260	2.37%
Mr. Ferdous Kawser Masud	Director	50,73,726	8.22%
Mrs. Laila Ali	Director	60,57,700	9.82%
Mr. Amzad Ali Badal	Sponsor	5,80,966	0.94%
Mrs. Hurer Nahar	Sponsor	6,43,881	1.04%
Sub-Total		18,561,956	30.09%
Institutions & General Public		43,136,319	69.91%
Total		61,698,275	100%
Ms. Zabun Nahar	Chief Financial Officer	Nil	Nil
Mr. Md. Mozammel Hoque	Company Secretary	Nil	Nil
Ms. Iffat Adnan Dina	Head of Internal Audit & Compliance	Nil	Nil
(c) Executives	Nil	Nil	Nil
(d) Shareholders holding 10% or more voting interest in the company	Nil	Nil	Nil

Shareholding Structure

Category	Total Shareholding	Percentage (%)
Sponsors/Directors	18,561,956	30.09%
Financial Institutions	12,389,014	20.08%
General Public	30,747,305	49.83%
Total	6,16,98,275	100%

(xxiv) Appointment or re-appointment of Directors

In accordance with Article Nos. 124 & 125 Section 91(2) of Company Act 1994, Mr. Mohd.Showkot Ali and Mr. Mohd. Ferdous Kawser Masud, Directors 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. Mohd. Showkot Ali, Director:

Mr. Mohd. Showkot Ali, Director of the company. He has 31 years of experience in the textile sector of the country. He has visited many countries and attended seminars, workshops, etc. which helped him gather knowledge in the sector. Mr. Ali have brought outside experience and expertise to the boardroom in a way that keeps companies on track and moving forward. He also provides guidelines to ensure the board and shareholders that the financial controls and systems of risk management are strong and defensible. He is also a nominated Director of Maksons Spinning Mills Ltd.

Mr. Mohd. Ferdous Kawser Masud, Director

Mr. Mohd. Ferdous Kawser Masud is the Director of the company. He has passed 22 auspicious years in this sector. He gathered knowledge in Modern Methods, Technology, Production and Marketing & Management Techniques of Textile Industries. He is expert in evaluating the performance of the management in meeting their goals and objectives. He also monitors the reporting of the company's performance. He is also Director of Maksons Spinning Mills Ltd.

Independent Director:

The Company has complied the notification of the Bangladesh Securities and Exchange Commission with regard to appointment of Independent Director(s) to the Board. Accordingly, Metro Spinning Limited has two Independent Directors namely Mr. Md. Iftikhar-Uz-Zaman and Dr. Mijanur Rahman.

(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 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 3% Cash & 5% Stock Dividend for the year ended 30 June, 2022 to the shareholders whose name shall appear on the register of members on record date subject to approval by shareholders in the AGM and obtaining permission from BSEC for Stock Dividend.

CONTRIBUTION TO NATIONAL EXCHEQUER

During the Financial Year under review the Company has contributed an amount of Tk. 136.15 lac to National Exchequer as Value Added Tax, Custom Duty and Income Tax.

APPOINTMENT OF AUDITOR

The Auditors M/S G. Kibria & Co., Chartered Accountants, Sadharan Bima Sadan, 24, Dilkusha, C/A, Dhaka-1000 submitted their expression of Interest (EOI) to act as Statutory Auditor as an enlisted firm with the Bangladesh Securities & Exchange Commission (BSEC) for auditing the financial statements of the company for the year ended 30th June, 2023. The Board of Directors has decided to appoint them as Statutory Auditor for the term 2022-2023 subject to approval of Shareholders in 27th AGM of the company.

APPOINTMENT OF COMPLIANCE AUDITOR

M/S. Saifur Enayet & Associates, Cost & Management Accountants, 73, Shah Makhdum Avenue, Sector-12, Uttara, Dhaka-1230, have 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 27th 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	A
2	Inventories	2	A
3	Cash Flow Statements	7	A
4	Accounting policies, Changes in accounting Estimates & Errors	8	A
5	Events after the Reporting Period	10	A
6	Construction Contracts	11	N/A
7	Income Taxes	12	A
8	Property, Plant and Equipment	16	A
9	Leases	17	A
10	Revenue	18	A
11	Employees Benefits	19	A
12	Accounting for Government Grants & Disclosure of Government Assistance	20	N/A
13	The Effects of Changes in Foreign Exchange Rates	21	A
14	Borrowing Costs	23	A
15	Related Party Disclosures	24	A
16	Accounting and Reporting by Retirement Benefit Plans	26	N/A
17	Consolidated and Separate Financial Statements	27	N/A
18	Investment in Associates	28	N/A
19	Interest in Joint Ventures	31	N/A
20	Financial Instruments: Presentation	32	A
21	Earning Per Share	33	A
22	Interim Financial Reporting	34	A
23	Impairment of Assets	36	A
24	Provision, Contingent Liabilities and Contingent Assets	37	A
25	Intangible Assets	38	N/A
26	Financial Instruments Recognition &Measurement	39	A
27	Investment Property	40	N/A
28	Agriculture	41	N/A

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:

FIVE YEARS FINANCIAL STATISTICS

Value in '000

Financial Position	2021-2022	2020-2021	2019-2020	2018-2019	2017-2018
Turnover	968,853	995,178	676,708	904,362	878,507
Gross Profit	197,792	160,040	111,110	127,861	132,703
Net Profit Before Tax	100,766	70,213	6,282	16,883	12,042
Fixed Asset	692,050	699,410	779,662	798,482	811,295
Current Asset	1,212,393	1,067,501	1,004,968	1,032,565	1,162,108
Current Liabilities	774,061	682,907	759,751	779,454	941,974
Net Current Assets	439,444	384,593	245,217	253,111	220,134
Current Ratio (Times)	1.57	1.56	1.32	1.32	1.23
Earnings per Share (EPS)	1.38	0.99	0.08	0.21	0.09
Net Operating Cash Flow Per Share	(0.56)	0.54	0.76	2.65	0.69
Net Asset Value Per Share	20.65	18.36	14.53	14.88	15.53

Metro Spinning Ltd. is continuing its growth from the year 2017-2018 to 2018-2019 but decrease in 2019-20 including its gross profit margin, net profit before & after tax due to country wide lockdown and pandemic situation again continuing growth from 2020-2021 to 2021-2022 . There was variance in net operating cash flows. 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. This 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	Metro Spinning Ltd June 30, 2022	Safko Spinning Mills Ltd June 30, 2022	Mozaffar Hossain Spinning Mills Ltd June 30, 2022
Gross Profit	197,792	126,178	573,245
Net Profit before tax	100,766	(7,409)	242,304
Net profit after tax	85,051	9,813	193,945
Earnings per share	1.38	0.33	1.92
Net Operating cash flow per share	(0.56)	2.33	2.16

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

While global economy was recovering strongly from the COVID-19 pandemic, the war in Ukraine posed a setback to the ongoing recovery. A rise in the global commodity prices and sluggish economic activities by war induced supply chain disruption is being observed.

Even before the war in Ukraine, food and energy prices and global hunger were already on the rise due to the COVID-19 pandemic, climate change impacts, and conflicts. The first half of 2022 has witnessed one of the largest shocks to global food and energy markets that the world has seen in decades. While most countries are impacted by these shocks, poor households face the highest burden.

Although global trade has turned around in 2021 after the effects of COVID-19 pandemic, the Russia-Ukraine Conflict has been showing significant negative impact on world trade. As a result, food supply chains have been disrupted and Western Sanctions on Russia have led to global trade instability. At the same time, the prices of petroleum along with commodity prices are rising, which is also creating inflationary pressures on the economies.

The world is in the midst of rising food prices that are hitting the poor the hardest. Even before COVID-19, chronic and acute hunger were on the rise due to several factors, including conflict, socio-economic conditions, and climate change. Disruption caused by the war in Ukraine has added to price pressures, with costs likely to remain high for the foreseeable future, pushing millions of people into acute food insecurity with costly implications for human capital.

The ubiquitous COVID-19 pandemic had detrimental consequences on economic activities in Bangladesh to some extend while the country was in a position to achieve commendable progress on various economic and social indicators. The pandemic and Russia-Ukraine Conflict has unleashed a health and economic crisis unprecedented in scope and magnitude. Lockdowns and the closing of national borders enforced by governments have paralyzed economic activities across the board, laying off millions of workers worldwide. Governments across the world are rolling out fiscal stimulus measures—equivalent overall to roughly 10 per cent of the world GDP —to fight the pandemic and minimize the impact of a catastrophic economic downturn.

However, to overcome the shock of COVID-19 as well as to revitalize, GOB has provided different supports under incentives packages to its industry sector. Special fund for export oriented industries, working capital for the effected industries and service sector institutions, working capital SMEs, credit guarantee skims for SMEs are mentionable programmes of the GOB. As a result, industry sector has rebounded.

The government is committed to ensure the basic needs of the people as well as human resource development through economic reform focusing on life and livelihoods to combat the long -term effects of the COVID-19 pandemic. In FY-2021-22, the government has spent about 24.93% of the sectors related to human recourse development such as education and technology, health and family welfare, woman and children, social welfare, youth and sports development, culture, labour and employment etc. In order to build a skilled manpower to meet the challenges of the Fourth Industrial Revolution, maximum emphasis has been laid on technical education.

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

Since the management of the company needs to have working capital loan with variable interest rate, which is highly interest rate fluctuation risk. To cope up with this risk, the Company always preferred to maintain and monitor loan liability wisely.

The project also dependent on imported raw cotton which is also in risk of foreign exchange rate. As far as raw material import is concerned, the company always tried to capitalize exchange rate gain.

g. The management is planning to replace old machinery through BMRE to increase the volume and quality of the production with different count of cotton yarn as per customers demand.

Mohd. Showkot Ali
Managing Director

Annexure A

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

Annexure –A
As per condition No. 1(5)(xxvi)

METRO SPINNING LIMITED
Declaration by MD and CFO

10 November 2022

The Board of Directors,
Metro Spinning 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 Metro Spinning 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,

Ms. Zabun Nahar
Chief Financial Officer (CFO)

Mohd. Showkot Ali
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
Metro Spinning Limited
On Compliance with the Corporate Governance Codes
For the year ended on 30th June 2022

We have examined the compliance status to the corporate governance Code by Metro Spinning 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.

(a) 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.

(b) The company has complied with the provisions of the relevant Bangladesh Secretarial Standards (BSS) as adopted by the Institute of Chartered Secretaries of Bangladesh (ICSB) as required by this Code.

(c) Proper books and records have been kept by the company as required under the Companies Acts, 1994, the securities laws and other relevant laws, and

(d) The Governance of the company is satisfactory

Place: Dhaka
Date: 17 November 2022

For Saifur Enayet & Associates

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

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Annexure C

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

Status of Compliance with the Corporate Governance Code (CGC) of Metro Spinning Limited for the year ended 30th June 2022.

Status of compliance with the conditions imposed by the Commission's Notification No. BSEC/CMRRCD/2006-158/207/Admin/80, dated 3 June 2018.

(Report under Condition No. 9.00)

Condition No.	Title	Compliance Status		Remarks (if any)
		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 Directors**			
1(2)(a)	At least one-fifth (1/5) of the total number of board of directors shall be Independent Directors (ID);	✓		
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;	✓		

Condition No.	Title	Compliance Status		Remarks (If any)
		Complied	Not Complied	
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 NBFI;	✓		
1(2)(b)(x)	ID has not been convicted for a criminal offence involving moral turpitude;	✓		
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;	✓	—	One of the ID is a University Teacher.
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;	—	—	No such category ID appointed
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;	✓		

Condition No.	Title	Compliance Status		Remarks (if any)
		Complied	Not Complied	
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;	✓		
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;	✓		

Condition No.	Title	Compliance Status		Remarks (If any)
		Complied	Not Complied	
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 (BFRS), as applicable in Bangladesh, have been followed in preparation of the financial statements and any departure there-from has been adequately disclosed;	✓		
1(5)(xv)	The system of internal control is sound in design and has been effectively implemented and monitored;	✓		
1(5)(xvi)	A statement that minority 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;	✓		
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.	✓		

Condition No.	Title	Compliance Status		Remarks (If any)
		Complied	Not Complied	
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;	✓		
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)	**Meetings 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);	✓		

Condition No.	Title	Compliance Status		Remarks (If any)
		Complied	Not Complied	
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
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)(i)	The statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;	✓		

Condition No.	Title	Compliance Status		Remarks (If any)
		Complied	Not Complied	
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;	✓		
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;	✓		

Condition No.	Title	Compliance Status		Remarks (If any)
		Complied	Not Complied	
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;	✓		
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;	✓		

Condition No.	Title	Compliance Status		Remarks (if any)
		Complied	Not Complied	
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.	✓		
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, relies 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 event 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;	✓		

Condition No.	Title	Compliance Status		Remarks (If any)
		Complied	Not Complied	
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;	—	—	No such incident occurred
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 form 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;	✓		

Condition No.	Title	Compliance Status		Remarks (If any)
		Complied	Not Complied	
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 the NRC			
6(5)(a)	NRC shall be independent and responsible/accountable to the Board and to the shareholders;	✓		
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.	✓		

Condition No.	Title	Compliance Status		Remarks (If any)
		Complied	Not Complied	
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	✓		
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.	✓		

Condition No.	Title	Compliance Status		Remarks (If any)
		Complied	Not Complied	
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-2022/249

BAPLC

Date of issue : May 22, 2022

Renewed Certificate

This is to certify that

METRO SPINNING 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.

BANGLADESH ASSOCIATION OF PUBLICLY LISTED COMPANIES
BAPLC

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	2020-21
Net Profit before Providing Income tax	100,766	70,214
Add: Revaluation Adjustments	2,549	2,281
Add: Profit brought Forward from Previous Year	119,256	13,461
Profit available for Appropriation	222,571	85,956
Recommended for Appropriation		
Less: Transfer to Tax Provision	(15,715)	(9,264)
Add Revaluation Adjustment on Sale of Land	Nil	51,191
Less: Dividend	Nil	(8,627)
Un-appropriated Profit Carried Forward	206,856	119,256

Value Added Statement

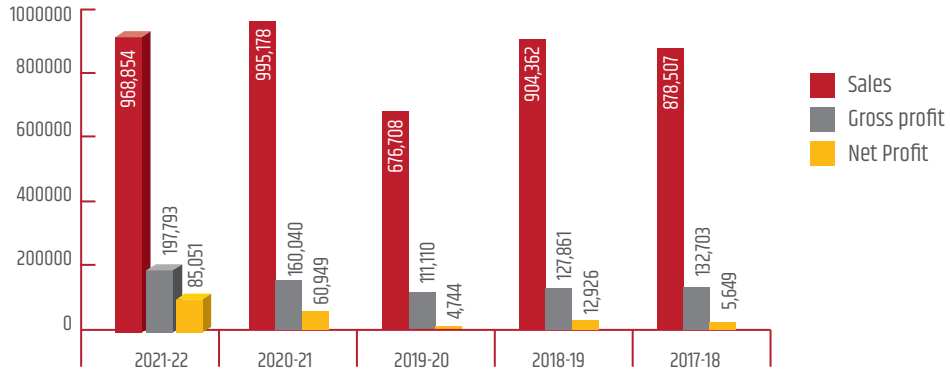
Value in '000

	Particular	**2021-22 (In BDT Tk.)**	In %	2020-21 (In BDT Tk.)	In %
SOURCE OF FUND					
1	Net Turnover	979,574		1,009,967	
2	Less: Brought in Materials & Services	686,094		743,889	
	Value Added Total	**293,480**	**100.00**	266,078	100.00
Applied In The Following Way					
EMPLOYEES					
1	Salaries, Wages, Gratuity & Other Benefits	99,182	33.79%	84,941	31.70%
GOVERNMENT					
2	Duties & Taxes	17,664	6.02%	17,696	23.13%
PROVIDER OF CAPITAL					
3	Dividend	nil		8,627	3.54%
RETAINED BY THE COMPANY					
4	Depreciation & Retention	112,071	38.19%	79,703	9.37%
LENDERS					
2	Financial Charges	64,563	22.00%	75,111	32.26%
	VALUE ADDED TOTAL	**293,480**	**100%**	**266,078**	100%

SALES & PROFITABILITY OVER 5 YEARS

(Tk. in '000)

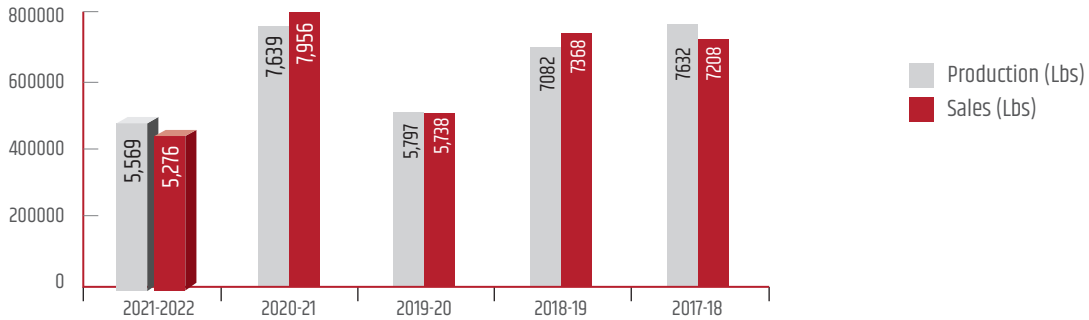
Particular	2021-2022	2020-21	2019-20	2018-2019	2017-2018
Sales	968,854	995,178	676,708	904,362	878,507
Gross Profit	197,793	160,040	111,110	127,861	132,703
Net Profit	85,051	60,949	4,744	12,926	5,649



SALES & PRODUCTION IN TERMS OF QUANTITY OVER 5 YEARS

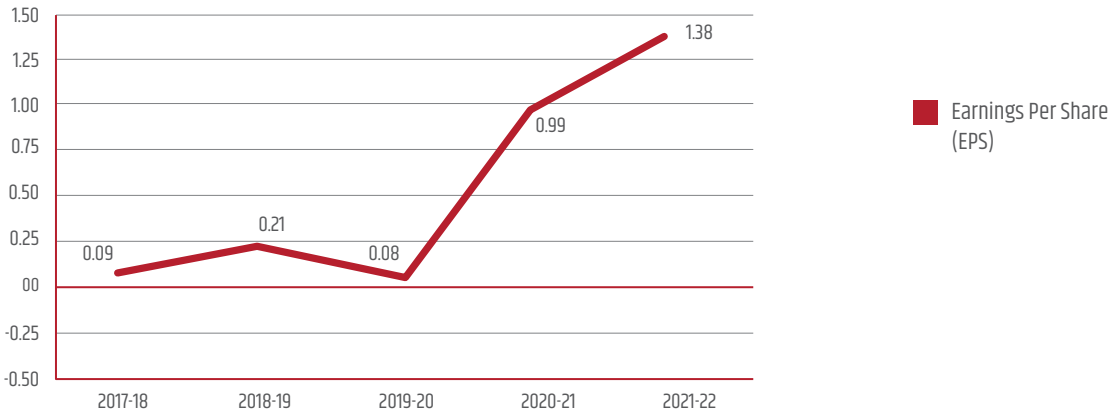
(Qty. in '000)

Particular	2017-2018	2018-2019	2019-2020	2020-2021	2021-2022
Production (Lbs.)	7,632	7,082	5,797	7,639	5,569
Sales (Lbs.)	7,208	7,368	5,738	7,956	5,276



EARNINGS PER SHARE (EPS)

Particular	2017-2018	2018-2019	2019-20	2020-21	2021-22
Earnings Per Share	0.09	0.21	0.08	0.99	1.38



METRO SPINNING LIMITED

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

Particulars	Year	Amount
Unpaid/ Unclaimed Dividend	2019-2020	1,213,919
Unpaid/ Unclaimed Dividend	2018-2019	3,053,350
Unpaid/ Unclaimed Dividend	2016-2017	2,902,739
Unpaid/ Unclaimed Dividend	2014-2015	7,680,107

AUDIT COMMITTEE REPORT

For the financial year 2021-2022

Metro Spinning Limited having an Audit Committee as a subcommittee 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
MR. IFTIKHAR-UZ-ZAMAN	Independent Director	Chairman
MR. MOHD. FERDOUS KAWSER MASUD	Director	Member
DR. MIJANUR RAHMAN	Independent Director	Member
MR. MD. MOZAMMEL HOQUE	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

Meetings of the Audit Committee

Name of Member	Meeting Date and Attendance			
	05/10/21	28/10/21	23/01/22	21/04/22
MR. IFTIKHAR-UZ-ZAMAN	✓	✓	✓	✓
MR. MOHD. FERDOUS KAWSER MASUD	✓	✓	✓	✓
DR. MIJANUR RAHMAN	✓	✓	✓	✓
MR. MD. MOZAMMEL HOQUE	✓	✓	✓	✓

Minutes of the audit committee are properly recorded.

Activities carried out during the year

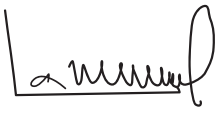
In order to discharge the duties and responsibilities of the Audit Committee, the Committee-

- 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. IFTIKHAR-UZ-ZAMAN)
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 Metro Spinning 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
Mr. Iftikhar-Uz-Zaman	Chairman
Dr. Mijanur Rahman	Member
Mr. Mohd. Ferdous Kawser Masud	Member
Mr. Md. Mozammel Hoque	Member Secretary

Meeting

During the year ended on 30th June 2022, the Nomination and Remuneration Committee held two meetings. 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
Mr. Iftikhar-Uz-Zaman	Chairman	2	2
Dr. Mijanur Rahman	Member	2	2
Mr. Mohd. Ferdous Kawser Masud	Member	2	2
Md. Mozammel Hoque	Member Secretary	2	2

Activities of NRC During The Year

A few number of officers/executives of Head Office and Factory were given promotion, increments after due appraisal conducted by competent authorities and recommendation by NRC. 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. Metro Spinning 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 for determining qualification, positive attributes and independence of Directors and recommend a policy to the Board, relating to the remuneration of the Directors, top level executives and 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 right decision making. 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 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.

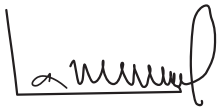
Remuneration to other employees

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. Iftekhar-Uz-Zaman
Independent Director and
Chairperson of Nomination and Remuneration Committee (NRC)

METRO SPINNING LTD

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 shareholder's 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 the 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 regulations 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 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 Electronics 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 26TH AGM

The 26th Annual General Meeting (AGM) of shareholders of Metro Spinning Limited was held on December 29, 2021 at 11.30 AM by using Digital Platform A large number of shareholders attended at the Annual General Meeting.

Mr. Mohammad Ali Khokon, Chairman, presided over the meeting. Mr. Mohd. Showkot Ali, Managing Director of the company along with other Directors of the company was also present in the meeting. Verses from the Holy Quran along with its translation in Bengali 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 statements of the Company for the year ended 30 June 2021 and also on their affairs.

Mr. Mohammad Ali Khokon, Chairman of the company replied to the queries and explained various comments of distinguished shareholders. He also gave hints of future activities of the Company.

After approving the audited financial statements, declaring dividend (5% Stock), electing directors, appointing auditors and fixing their remuneration, BMRE programme by the shareholders, the meeting ended with a vote of thanks to and from the Chair.



Mohammad Ali Khokon
Chairman of the meeting

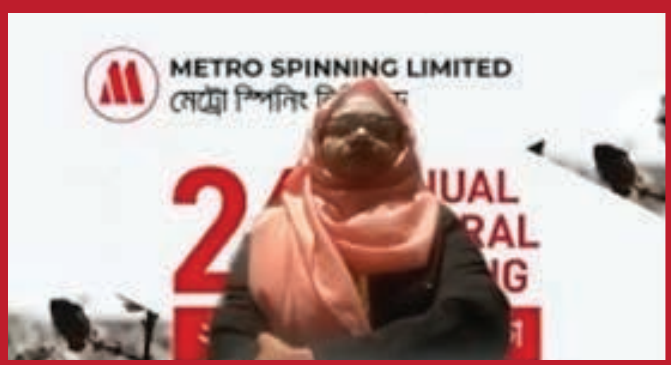














26th Virtual AGM of
Metro Spinning Limited





AUDITOR'S REPORT

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Metro Spinning Limited

Report on the Audit of the Financial Statements

Opinion

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

In our opinion, except the effects of the matter described in the Basis for Qualified Opinion paragraph, the accompanying financial statements give a true and fair view of the financial position of the Company as at 30 June, 2022 and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in the auditors' professional judgement, were most significance in the audit of the financial statements for the year ended 30 June, 2022. The matters, and any comments we make on the results of our procedures thereon, 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 in these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the financial statements section of our report, including in relation to these matters.

Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis of our audit opinion on the accompanying financial statements.

KEY AUDIT MATTER	HOW OUR AUDIT ADDRESSES THE KEY AUDIT MATTER
Revenue Recognition	
Revenue of Tk. 968,853,515 is recognized in the income statement of Metro Spinning Limited for the year ended 30 June, 2022. We identified revenue recognition as a key audit matter because revenue is one of the key performance indicators of the Company and therefore there is an inherent risk of manipulation of the timing of recognition of revenue by management to meet specific targets or expectations. As described in the accounting policy 3.05 to the financial statements, the Company recognizes revenue upon rendering services to the customers/clients as per IFRS-15 Revenue from Contract with Customers.	In case of Revenue, we assessed the Company's processes and controls for recognizing revenue as part of audit. Furthermore, in order to mitigate the inherent risk in this area, our audit approach included testing of the controls and the substantive audit procedure, including: • We evaluated the Company's accounting policies pertaining to revenue recognition and assessed compliance with the policies in terms of IFRS-15 Revenue from Contracts with Customers. • We identified and tested controls related to revenue recognition and our audit procedure focused on assessing the invoicing and measurement systems up to entries in the general ledger. Examining customers' invoices and receipts on a sample basis. • We conducted substantive testing of revenue recorded over the year using sampling techniques, by examining the relevant supporting documents including sales invoices. In addition, we confirmed certain customers' receivable balances at the reporting date, selected on a sample basis by considering the amounts outstanding with those customers. • Furthermore, we tested the sales transactions recognized shortly before and after the reporting date, to examine whether sales transactions were recorded in the correct recording periods. • We checked the issuance of VAT challan and monthly VAT return. • We checked related LC documents.
Inventories:	
Inventories represent about 25.97 of the total assets of the Company; inventories are thus a material item to the financial statements. Please refer to note 7.00 to the financial statements. As described in the accounting policy note 3.02 to the financial statements, inventories are valued at the lower of the cost or net realizable values. As such, management is required to make judgments in determining whether inventories are being appropriately valued and also need to make provision for aged inventories, if required. Due to the value and volume of inventories being held by the Company at the reporting date and presentation thereof, inventories has been considered as a key audit matter.	Our audit procedures to assess the carrying value of inventories included the following: - Tested the operating effectiveness of key controls over inventories; including observing the process of management's year-end inventory count. - Verified a sample of inventory items to ensure that costs have been appropriately recorded. - Tested on a sample basis the net realizable value by comparing costs to recent selling prices and assessing the reasonableness of any resulting write down of inventory items. - Assessed whether appropriate provision have been recognized for aged, damaged, slow moving or obsolete inventories by reviewing the age of inventories held and evaluating management's basis for determining the usability of inventories. - Performed cut-off tests to determine that the purchase and sales of the inventories have been considered in the correct accounting period. - Reviewed the historical accuracy of inventory provision and the level of write downs.

KEY AUDIT MATTER	HOW OUR AUDIT ADDRESSES THE KEY AUDIT MATTER
Property, Plant & Equipment:	
The carrying value of Property, plant & equipment amounts to Tk. 692,050,447. This represents a significant amount in the Company's statement of financial position as at 30 June, 2022. There is a risk of: • determining which costs meet the criteria for capitalization; • determining the date on which the assets is recognized to property, plant & equipment and depreciation commences; • the estimation of economic useful lives and residual values assigned to property, plant & equipment. We identified the carrying value of property, plant & equipment as a key audit matter because of the high level of management judgement involved and because of its significance to the financial statements. See note no 4.00 to the financial statements.	Our audit procedures to assess the carrying value of property, plant & equipment included the following: Our audit procedures included controls testing and substantive procedures covering, in particular: • Assessing the design, implementation and operating effectiveness of key internal controls over the completeness, existence and accuracy of property, plant & equipment, including the key internal controls over the estimation of useful economic lives and residual values. • Assessing, on a sample basis, costs capitalized during the year by comparing the costs capitalized with the relevant underlying documentation, which included purchase agreements and invoices, and assessing whether the costs capitalized met the relevant criteria for capitalization. • Testing the key controls over the management's judgment in relation to the accounting estimates of the depreciable lives and residual values of property, plant & equipment. • Reconcile on a sample basis the additional capitalized costs for the year to the underlying invoices and supporting documents. • We assessed the Company's capitalizations policy for compliance with IAS-16 and tested the expenditure capitalized against the capitalizations policy. • We reviewed minutes of Board meetings for approval of the total capitalization cost. • We traced payments to supporting documents. • We assessed whether the costs capitalized met the recognition criteria set forth in IAS-23 Borrowing costs, in relation to the capitalization of borrowing costs. • We assessed the adequacy of the disclosures of the financial statements.
Implementation of IFRS-16: Leases:	
With reference to Note 3.04 to the financial statements, "IFRS-16 Leases" becomes effective for annual reporting beginning on or after 01 July, 2019 which replaces the existing standard IAS-17. The Company applied IFRS-16 Leases to its leases of transport and rent of office premises. The Company reported the Right-of-Use (ROU) asset for the amount of Tk. 5,762,291 and lease liability for the amount of Tk. 4,054,454 at the year ended 30 June, 2022. We considered the implementation of IFRS-16 Leases as a key audit matter, since the balances recorded are material, management had to apply several judgements and estimates such as lease term, discount rates, measurement basis among others and undertake a significant data extraction exercise to summaries the lease data for input into their lease calculation model.	We obtained an understanding of the management's process for implementing IFRS-16 including financial controls designed by the management to mitigate the risks assessed by us independently. We tested those relevant controls and adopted a control rely strategy. Furthermore, to mitigate the inherent risk in this audit area, our audit approach included testing of the controls and substantive audit procedures, including: • Obtained and read the accounting policy for compliance with IFRS-16. • Obtained Listing of all contracts from the management and tested the contracts on a sample basis for impact under IFRS-16. In respect of the contracts selected for testing • Obtained and read bank borrowing rates correspondences. • Tested the assumptions used in the calculation model for the sample contracts selected for testing. • Performed test of details on a sample basis on different categories of lease for valuation of the right of use of asset and lease liability. • Assessed the disclosures within the financial statements.

KEY AUDIT MATTER	HOW OUR AUDIT ADDRESSES THE KEY AUDIT MATTER
Measurement of Deferred Tax Liability:	
The net deferred tax liability totaling Tk. 54,170,100 as at 30 June, 2022. Significant judgment is required in relation to deferred tax liabilities as it is dependent on forecasts of future profitability over a number of years.	We additionally carried out the following substantive testing for this item: • we obtained an understanding, evaluated the design and tested the operational effectiveness of the Company's key controls over the recognition and measurement of deferred tax liabilities and the assumptions used in estimating the Company's future taxable income. - We assessed the adequacy of the Company's disclosures setting out the basis of deferred tax liability balances and the level of estimation envolved. - We also assisted in evaluating the tax implications, the reasonableness of estimations and calculations determined by management. - we involved tax specialists to assess key assumptions, controls, recognition and measurement of deferred tax liabilities. - we also assessed the appropriateness of presentation of disclosures against IAS-12 income tax.

Reporting on Other Information

Management is responsible for the other information. The other information comprises the directors' report, management discussion and analysis, statement of corporate governance, financial highlights, economic value added statement (EVA), value added statement, certification of corporate governance etc. but other than the financial statements and our auditors' report thereon. The directors' report, management discussion and analysis, statement of corporate governance, financial highlights, economic value added statement (EVA), value added statement, certification of corporate governance etc. are expected to be made avaiale to us after the date of this auditors' report.

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

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

When we read the annual report, if, we conclude that there is a material misstatement therein; we are required to communicate the matter to those charged with governance.

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

Management is responsible for the preparation of the financial statements that give a true and fair view in accordance with IFRSs as explained in note 2.00 & 3.00 and for such internal control as management determines in necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error. The Companies Act, 1994 and the BSEC guidelines require the management to ensure effective internal audit, internal controls and risk management functions of the Company.

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 high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion,. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omission, misrepresentations, or the override of the control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion, our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosure, 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 auditors' 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 according with the Companies Act, 1994 and the Securities and Exchange Rules, 1987 we also report the following:

a) we have obtained all the information and explanation which to the best of our knowledge and belief were necessary for the purpose of our audit and made due verification thereof;

b) in our opinion, proper books of account as required by law have been kept by the Company so far as it appeared from our examination of those books;

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

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

Date: 29 October, 2022
Dhaka, Bangladesh

KAZI ZAHIR KHAN & CO.
Chartered Accountants
DVC: 2210290915AS877970
Abdulla-Al-Mahmud FCA, FCMA, FCS, LL.B, CISA
Engagement Partner (Enrolment No. 0915)

Metro Spinning Limited

Statement of Financial Position

as at June 30, 2022

Particulars	Notes	Amount in Tk.	
		30.06.2022	30.06.2021
Assets			
Non-Current Assets			
Property, Plant & Equipment	4.00	692,050,447	699,410,844
Right-of-Use Assets	5.00	5,762,291	2,170,898
Investment in Shares	6.00	303,589,761	246,977,564
		1,001,402,499	**948,559,306**
Current Assets			
Inventories	7.00	574,892,213	454,790,588
Trade and Others Receivable	8.00	354,634,878	405,244,035
Advances, Deposits & Pre-payments	9.00	257,359,344	177,605,621
Cash and Cash Equivalents	10.00	25,506,518	29,861,214
		1,212,392,953	**1,067,501,458**
Total Assets		**2,213,795,452**	**2,016,060,763**
Shareholders' Equity and Liabilities			
Shareholders' Equity			
Share Capital	11.00	616,982,750	616,982,750
Share Premium	12.00	103,500,000	103,500,000
Revaluation Reserve	13.00	223,789,436	226,339,076
Fair Value Reserve	14.00	123,189,760	66,577,563
Retained Earnings	15.00	206,856,768	119,255,888
		1,274,318,714	**1,132,655,277**
Non-Current Liabilities			
Non-Current Portion of Long Term Loan	16.00	108,909,093	142,065,860
Non-Current Portion of Lease Liability	17.00	2,336,886	3,570,460
Deferred Tax Liability	18.00	54,170,100	54,861,643
		165,416,080	**200,497,962**
Current Liabilities			
Current Portion of Long Term Loan	16.00	60,077,380	107,514,950
Current Portion of Lease Liability	17.00	1,717,568	230,646
Short Term Loan from Bank & Others	19.00	643,885,118	511,912,792
Dividend Payable/Unpaid Dividend	20.00	15,788,370	15,936,396
Trade and Other Payables	21.00	52,592,221	47,312,740
		774,060,658	**682,907,525**
Total Equity and Liabilities		**2,213,795,452**	**2,016,060,763**
Net Assets Value (NAV) per share	31.00	**20.65**	**18.36**

The annexed notes (1-38) form an integral part of these financial statements.

Chief Financial Officer | Company Secretary | Director | Managing Director

As per our annexed report of even date

Dated: Dhaka
29 October, 2022

KAZI ZAHIR KHAN & CO.
Chartered Accountants

METRO SPINNING LIMITED

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended June 30, 2022

Particulars	Notes	Amount in Tk.	
		30.06.2022	30.06.2021
Sales (Net of VAT)	22.00	968,853,515	995,178,800
Less: Cost of Goods Sold	23.00	771,060,837	835,138,380
Gross Profit		**197,792,678**	**160,040,420**
Less: Operating Expenses		**38,145,595**	**25,993,604**
Administrative Expenses	24.00	29,699,047	17,269,666
Selling & Distribution Expenses	25.00	8,446,547	8,723,938
Operating Profit before Financial Expenses & WPPF		**159,647,084**	**134,046,816**
Less: Financial Expenses	26.00	64,563,738	75,110,892
Operating Profit/(Loss) before WPPF		**95,083,345**	**58,935,924**
Add: Non-operating Income	27.00	10,721,474	14,788,410
Net Profit before WPPF		**105,804,819**	**73,724,334**
Less: Contribution to Workers' Profit Participation Fund	28.00	5,038,325	3,510,683
Net Profit before Income Tax		**100,766,494**	**70,213,652**
Less: Income Tax Expenses		**15,715,254**	**9,264,336**
Provision for Current Tax	29.00	16,406,797	10,046,556
Provision for Deferred Tax		(691,543)	(782,220)
Net Profit after Tax for the year		**85,051,241**	**60,949,316**
Add: Other Comprehensive Income		**56,612,197**	**182,417,075**
Gain/(Loss) on Marketable Securities (Unrealized)	6.01	56,612,197	182,417,075
Total Comprehensive Income/Loss for the year		**141,663,438**	**243,366,391**
Earnings per Share (EPS)	30.00	**1.38**	**0.99**

The annexed notes (1-38) form an integral part of these financial statements.

Chief Financial Officer | Company Secretary | Director | Managing Director

As per our annexed report of even date

Dated: Dhaka
29 October, 2022

KAZI ZAHIR KHAN & CO.
Chartered Accountants

METRO SPINNING LIMITED

STATEMENT OF CHANGES IN EQUITY

For the year ended June 30, 2022

Particulars	Share Capital	Share Premium	Revaluation Reserve	Loss on Marketable Securities (Unrealized)	Retained Earnings	Total
Balance as on 01-07-2021	616,982,750	103,500,000	226,339,076	66,577,563	119,255,888	1,132,655,277
Adjustment of Revaluation	-	-	(2,549,640)	-	2,549,640	-
Comprehensive Income for the year	-	-	-	56,612,197	85,051,241	141,663,438
Balance as on 30-06-2022	**616,982,750**	**103,500,000**	**223,789,436**	**123,189,760**	**206,856,768**	**1,274,318,714**
Balance as on 01-07-2020	616,982,750	103,500,000	278,276,057	(115,839,512)	13,461,111	896,380,406
Dividend	-	-	-	-	(8,627,264)	(8,627,264)
Revaluation Reserve Impact on Land Sale	-	-	(51,191,468)	-	51,191,468	-
DTL Impact on Land Sale	-	-	1,535,744	-	-	1,535,744
Adjustment of Revaluation-Excess Depreciation	-	-	(2,281,257)	-	2,281,257	-
Comprehensive Income for the year	-	-	-	182,417,075	60,949,316	243,366,391
Balance as on 30-06-2021	**616,982,750**	**103,500,000**	**226,339,076**	**66,577,563**	**119,255,888**	**1,132,655,277**

The annexed notes (1-38) form an integral part of these financial statements.

Chief Financial Officer | Company Secretary | Director | Managing Director

As per our annexed report of even date

KAZI ZAHIR KHAN & CO.
Chartered Accountants

Dated: Dhaka
29 October, 2022

METRO SPINNING LIMITED

STATEMENT OF CASH FLOWS

For the year ended June 30, 2022

Sl. No.	Particulars	Notes	Amount in Taka	
			30.06.2022	30.06.2021
A.	**CASH FLOWS FROM OPERATING ACTIVITIES**			
	Cash Received from Turnover and Others		1,029,520,397	1,064,352,266
	Payment for Cost and Expenses		(994,320,887)	(954,574,479)
	Income Tax Paid		(5,339,902)	(1,475,463)
	Interest Paid		(64,351,885)	(74,796,469)
	Net Cash Inflow/(Outflow) from Operating Activities		**(34,492,277)**	**33,505,855**
B.	**CASH FLOWS FROM INVESTING ACTIVITIES**			
	Acquisition of Fixed Assets		(23,251,712)	(14,522,606)
	Sale of Assets			79,900,000
	Net Cash Inflow/(Outflow) from Investing Activities		**(23,251,712)**	**65,377,394**
C.	**CASH FLOWS FROM FINANCING ACTIVITIES**			
	Dividend Paid		(148,026)	(6,465,512)
	Long Term Loan-Net		(79,473,987)	7,541,739
	Short Term Loan from Bank & Others		132,347,559	(75,652,359)
	Net Cash Inflow/(Outflow) from Financing Activities		**52,725,546**	**(74,576,132)**
D	**Net Increase/(Decrease) in Cash & Cash Equivalents (A+B+C)**		(5,018,443)	24,307,117
E	Unrealized Gain/(Loss) on Foreign Currency Fluctuation		663,748	637,387
F	Cash and Cash Equivalents at the beginning		29,861,214	4,916,712
G	**Cash and Cash Equivalents at the end (D+E+F)**		**25,506,518**	**29,861,216**
	Cash and Cash Equivalents as on June 30, 2022			
	Cash In Hand		280,678	151,541
	Cash at Bank		25,225,840	29,709,673
			25,506,518	**29,861,214**
	Net Operating Cash Flows Per Share (NOCFPS)	32.00	**(0.56)**	**0.54**

The annexed notes (1-38) form an integral part of these financial statements.

Chief Financial Officer | Company Secretary | Director | Managing Director

As per our annexed report of even date

Dated: Dhaka
29 October, 2022

KAZI ZAHIR KHAN & CO.
Chartered Accountants

METRO SPINNING LIMITED

NOTES TO THE FINANCIAL STATEMENTS

for the year ended June 30, 2022

1.00 Background of the Company

Metro Spinning Limited ("The Company") was incorporated in Bangladesh on 09 May, 2003 with the Registrar of Joint Stock Companies and Firms as a Private Limited Company under the Companies Act, 1913. Subsequently, The Company was converted into Public Limited Company on 02 June 1994 by Special Resolution. The Company went on (IPO) in the year 2001. As of 01 March, 2021 the Registered Office of the Company is located House No-1, Floor-05, Road-05, Sector-01, Uttara, Dhaka. The manufacturing facility is located in Rupganj, Narayanganj. The Company is listed with the Dhaka Stock Exchange (DSE) and Chittagong Stock Exchange (CSE) as a publicly quoted Company. The shares of the Company have been trading in both the stock exchanges from 14 March 2002.

1.01 Nature of Business

The principal activities of the Company are manufacturing Knit Yarn and selling to the export oriented Knit Garments industry against back to back letter of credit and receiving foreign currency on deferred payment basis.

1.02 Business with Associates Company

Name of Related Party	Relationship	Nature of Business
Maksons Spinning Mills Limited	Affiliated	Spinning
Maksons Pharmaceuticals Limited	Affiliated	Medicine

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 (IASs) as issued by International Accounting Standards Board (IASB).

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:

i. The Income Tax Ordinance 1984;
ii. The Income Tax Rules 1984;
iii. The Value Added Tax Act 1991;
iv. The Value Added Tax Rules 1991;
v. The Customs Act, 1969;
vi. Bangladesh Labour Law, 2006;
vii. The Securities and Exchange Ordinance, 1969;
viii. The Securities and Exchange Rules, 1987; and
ix. Securities and Exchange Commission Act, 1993.

2.03 Structure, content and presentation of financial statements

According to the International Accounting Standards 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 and Land & Building within Property, Plant & Equipment which are 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 & Level of precision

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 Metro Spinning 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 financial 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 Revaluation Reserve - 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 valuators. The valuation represents management's best judgment on what the value of these assets would be on the open market.
- Note 21.01 Provision for Tax - Provision for income tax expense for the current year represents management's best estimate on how much tax the Company has to 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". In addition to disclosures on direct method of cash flows, a reconciliation of net income or net profit with cash flows from operating activities making adjustments for non-cash items, for no operating items and for the net changes in operating accruals A reconciliation of Cash flow related to operating activities is also provided in Note 32.

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 3.20 set out the accounting policies on all material accounting areas. These accounting policies are based on IFRS and IAS as issued by the IASB.

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:

Sl No.	Name of the IAS	IAS's no.	Financial Statement or Note disclosure
1	Presentation of Financial Statements	1	FS and all notes
2	Inventories	2	Note 7
3	Cash Flow Statements	7	Statement of Cash Flow
4	Accounting policies, Changes in accounting Estimates & Errors	8	Note 2
5	Events after the Reporting Period	10	Note 41
6	Income Taxes	12	Note 21.01
7	Property, Plant and Equipment	16	Note 4
8	Employees Benefits	19	Note 28
9	The Effects of Changes in Foreign Exchange Rates	21	Note 27
10	Borrowing Costs	23	Note 26
11	Related Party Disclosures	24	Note 38
12	Financial Instruments (Investment in Shares)	32	Note 6
13	Earnings Per Share	33	Note 30
14	Impairment of Assets	36	Note 4

Sl No.	Name of IFRS	IFRS no.	Financial Statement or Note disclosure
1	Financial Instruments: Disclosures	7	Note 6
2	Fair Value Measurement	13	Note 6
3	Revenue from Contracts with Customers	15	Note 22
4	Leases	16	Note 17

d International Financial Reporting Standards (IFRS) and International Accounting Standards (IAS) issued by the International Accounting Standards Board (IASB) and adopted with Institute of Chartered Accountants (ICAB).

2.11 Standards, Amendments or Interpretations which became Effective during the year

During the year certain amendments to Standards and new interpretations became effective however they did not have any material effect on the financial statements of the Company.

On January 13, 2016, the IASB issued IFRS-16, "Leases" ("IFRS-16"), which outlines requirements for lessees to recognize assets and liabilities for most leases. Lessees are required to recognize the lease liability for the obligations to make lease payments and a right-of-use asset for the right to use the underlying asset for the lease term. Lease liability is measured at the present value of lease payments to be made over the term of the lease. The right-of-use asset is initially measured at the amount of the lease liability and adjusted for prepayments, direct costs and incentives received. The new standard became effective for annual periods beginning on or after January 01, 2019 and has been adopted by 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

Deprecation was computed using the diminishing balance method. 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 Construction	5%
Plant & Machinery	6.66%
Furniture & Fixture	15%
Office Equipment	10%
Transport	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 consolidated statements of loss and comprehensive loss.

There were no indicators of impairment that were identified by Management for the current year.

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 consolidated statements of loss and 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 01 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 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 is representing its rights to use underlying assets and lease liabilities representing its obligation to make lease payments. The Company applied IFRS-16 on 01 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 applied the practical expedient to the definition of a lease on transition. This means that it applied IFRS-16 to all contracts entered into before 01 January, 2019 and identified as leases in accordance with IAS-17 and IFRIC-4.

The Company applied IFRS-16 initially on 01 July, 2019, using the modified retrospective approach. Accordingly, the comparative information presented for fiscal 2019 has not been restated. The 2019 numbers are presented, as previously reported, under IAS-17 and related interpretations. This includes recognizing a lease liability at 01 July, 2019, measured at the present value of the remaining lease payments and discounted at the incremental borrowing rate. A right-of-use asset has been recognized at 01 July, 2019 measured at an amount equal to the lease liability and adjusted by any prepaid or accrued lease payments relating to that lease contained in the statement of financial position immediately before 01 July, 2019. There was no material impact on the retained earnings due to the transition.

The Company's all contractual payments to the lesser 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 re-measurement 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

Revenue from net sales of the Company represents invoiced value of sale of Knit Yarn selling to the export oriented Knit Garments industry against back to back letter of credit and receiving foreign currency on deferred payment basis. Revenue is recognized in accordance with IFRS-15 and the recognition process involves the following 5-step process:

- Identifying the contract from a customer;
- Identifying the performance obligation;
- Determining the transaction prices;
- Allocating the transaction price to the performance obligation; and
- Recognizing revenue when/as performance obligation(s) is satisfied.

If the Company satisfies a performance obligation before it receives the consideration, the Group recognizes and Accounts Receivable (See Note 7) in its statement of financial position. Similarly, if the Company receives a consideration before the performance obligation, a contract liability is recognized. As at June 30, 2022, the Company did not receive any consideration before performance obligation was completed and there is no amount recognized on the Statement of Financial position as of the end of the year.

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 Companies to determine variable factors such as sales returns when calculating the fair value of the consideration to be received. The magnitude and quantity of sales returns as a percentage of sales has been historically extremely minute and there were no returns recognized in the current year. As a result, the Company does not make a sales return allowance at the end of the year.

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 date ruling at the date of transactions. Foreign exchange fluctuation gain/losses are charged to Statement of profit or loss and other Comprehensive Income for the respective period.

3.07 Financial Expenses

Financial costs comprise of interest expense on short - term and long - term loan as well interest costs paid on finance leases. The costs are charged to profit and loss except those are capitalized in accordance with IAS-23: Borrowing Costs.

3.08 Financial Assets & Liabilities

Financial Assets are classified at initial recognition and subsequently measured at either amortized cost, fair value through other comprehensive income (OCI) and fair value through profit or loss. This is done in accordance with IFRS-9. Financial Liabilities are classified at initial recognition at fair value and then measured subsequently at fair value through profit and loss or at amortized cost (loans and borrowings). The Company has the following Financial Assets and Liabilities:

3.8.1 Trade Receivables

Trade Receivables do not contain a significant financing component Trade receivable so the Company has applied the practical expedient and have recognized the asset at transaction price (Invoice value). For foreign currency transactions, the receivables are recorded by translating the foreign currency amount to Bangladesh Taka using the rate prevailing on the date of transaction. For impairment, the practical expedient allows the Company to not track changes in credit risk but instead recognize an allowance for doubtful receivable at the year end. The allowance is based on historical credit loss experience, adjusting for forward-looking factors such as debtor's economic environment. Trade receivables which are denominated in foreign currency are translated to BDT using the prevailing exchange rate applicable at the reporting date.

3.8.2 Trade Payables

Trade payables are measured at fair value and recorded through profit and loss. 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 terms as Available for Sale and any changes in fair value of the instrument are recorded in other comprehensive income. Gains and losses on these financial assets are never recycled through profit or loss. If Dividends are received, they are recorded as other income in the statement of profit or loss when the right of payment has been established.

3.8.5 Loans and Borrowings

Loans and borrowings include long-term loans and short-term trade financing as well lease payables. They are recorded at amortized cost on the statement of financial position and interest is accrued as they are incurred on the loans and finance leases.

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 incompliance with Finance Act. 2018.

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 accounts 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 30) 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 Labour 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 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 a number of 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 38 to the accounts.

3.19 Financial Risk Management Policies

The management of 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.

3.20 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 maintains a Worker's Profit Participation and Welfare Fund which is line with Bangladesh Labor (amendment) Act, 2013.

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.

	Amount in Taka	
	June 30, 2022	June 30, 2021
4.00 Property, Plant & Equipments		
A. Cost:		
Opening Balance	1,240,604,885	1,294,659,846
Add: Addition during the year	20,250,219	14,522,606
Less: Adjustment (Transport)	(2,354,984)	-
Less: Disposal/Adjustment during the year	-	(68,577,567)
Closing Balance	**1,258,500,120**	**1,240,604,885**
B. Less: Accumulated Depreciation		
Opening Balance	541,194,041	514,997,445
Add: Addition during the year	25,331,408	26,196,596
Less: Adjustment (Transport)	(75,776)	-
Closing Balance	**566,449,673**	**541,194,041**
Written Down Value (A-B)	**692,050,447**	**699,410,844**
This is made-up as follows:		
Land & Land Development	285,632,906	285,632,906
Building & Other Construction	143,701,550	151,123,312
Plant & Machinery	259,599,281	257,007,380
Furniture & Fixture	275,096	323,642
Office Equipment	2,841,614	3,044,396
Transport	-	2,279,208
Total	**692,050,447**	**699,410,844**

A detailed schedule on Property, Plant & Equipment has been given in Annexure-A.

5.00 Right-of-Use Assets:		
A. Cost:		
Opening Balance	4,539,152	4,539,152
Add: Adjustment (Transport)	2,354,984	-
Addition during the year	3,001,493	-
Closing Balance	**9,895,629**	**4,539,152**
B. Less: Accumulated Depreciation		
Opening Balance	2,368,254	1,184,127
Add: Adjustment (Transport)	75,776	-
Addition during the year	1,689,308	1,184,127
Closing Balance	**4,133,338**	**2,368,254**
Written Down Value (A-B)	**5,762,291**	**2,170,898**

A detailed schedule on Right-of-Use Asset in accordance with IFRS-16 Leases has been given in Annexure-B.

6.00 Investment in Shares:		
Maksons Pharmaceutical Limited	400,000	400,000
Maksons Spinning Mills Limited (6.01)	303,189,761	246,577,564
Total Investment in Shares	**303,589,761**	**246,977,564**

		Amount in Taka	
		June 30, 2022	June 30, 2021
6.01	**Maksons Spinning Mills Limited:**		
	Opening Balance	246,577,564	64,160,489
	Add: Gain/(Loss) during the year (Unrealized)	56,612,197	182,417,075
	Closing Balance	**303,189,761**	**246,577,564**

Maksons Pharmaceuticals Limited (MPL) was incorporated as a public limited company in 03 February, 2002. Metro Spinning Limited (MSL) has made an investment in shares of Maksons Pharmaceuticals Limited (MPL) at the time of incorporation. The project of the Company is in the preliminary stage of the implementation. Maksons Pharmaceuticals Limited (MPL) is not a listed Company.

Metro Spinning Ltd. has 3,000,000 ordinary shares of Tk.10 each in Maksons Spinning Mills Ltd. (MSML). After attaining 1:2 right share consists of 6,000,000 shares @ 25. Initially, Metro Spinning Mills Limited has invested Taka 3,00,00,000 against 30,00,000 shares of Taka 10/- each of Maksons Spinning Mills Limited. Then again invested Taka 15,00,00,000 after attaining 1:2 Right Share, consists of 6,000,000 shares @ Taka 25/- each. Thus the total investment is now Taka 18,00,00,000. Presently, Metro Spinning Limited holds 1,25,80,488 number of shares in Maksons Spinning Mills Limited after receiving bonus shares. Which Market Value is Tk 30,31,89,761 as on 30.06.2022.

7.00	**Inventories:**		
	Raw Cotton (Note 7.01)	408,454,212	329,964,647
	Work in Process (Note 7.02)	8,890,167	10,652,516
	Finished Goods (Note 7.03)	149,581,102	103,589,069
	Store & Spares	7,966,731	10,584,355
	Total	**574,892,213**	**454,790,588**
7.01	**Raw Cotton:**		
	Cotton	408,454,212	329,964,647
	Total	**408,454,212**	**329,964,647**
7.02	**Work-in-Process:**		
	This is made-up as follows:		
	Blow Room	567,093	1,124,788
	Carding	216,546	330,111
	Drawing	260,391	510,947
	Simplex	2,721,755	3,779,488
	Ring	4,563,361	4,243,724
	Cone Winding	561,021	663,460
	Total	**8,890,167**	**10,652,516**
7.03	**Finished Goods:**		
	This is made-up as follows:		
	Yarn (Various Count)	149,581,102	103,589,069
	Total	**149,581,102**	**103,589,069**
8.00	**Trade and Other Receivable:**		
	This is made-up as under:		
	Trade Receivable-Net	354,634,878	405,244,035
	Total	**354,634,878**	**405,244,035**

	Amount in Taka	
	June 30, 2022	June 30, 2021

This is considered good and is falling due within one year. Classification schedule as required by Schedule XI of Companies Act, 1994 are as follows:

Sl. No.	Particulars	Amount in (Tk.)	Amount in (Tk.)
i	Debts considered good and in respect of which the Company is fully secured.	354,634,878	405,244,035
ii	Debts considered good for which the Company holds no security other than the debtor personal security for individual guests & for corporate guest credit is secured by corporate agreement including blank cheque.	Nil	Nil
iii	Debts considered doubtful or bad.	Nil	Nil
iv	Debts due by any director or other officer of the Company or any of them either severally or jointly with any other person or debts due by firms or private companies respectively in which any director is a partner or a director or a member to be separately stated.	Nil	Nil
v	Debts due by Companies under the same management to be disclosed with the names of the companies.	Nil	Nil
vi	The maximum amount due by Directors or other officer of the company at the time during the period to be shown by way of a note.	Nil	Nil
Total		**354,634,878**	**405,244,035**

The aging of above trade receivable is as follows:		
Within six months	319,999,215	362,033,914
Above six months	34,635,663	43,210,121
Total	**354,634,878**	**405,244,035**

9.00 Advances, Deposits & Pre-Payments:

This is made-up as follows:

Advances (Note 9.01)	250,569,058	170,987,424
Deposits (Note 9.02)	3,236,504	3,236,504
Pre-payments (Note 9.03)	3,553,782	3,381,692
Total	**257,359,344**	**177,605,621**

9.01 Advances:

This is made-up as follows:

Advance to Parties	63,737,381	31,138,713
BEPZA	29,651,139	29,651,139
Advance Income Tax	7,007,714	2,539,902
Dividend Receivable	-	2,012,878
Raw Cotton & Spares in Transit	140,460,408	100,195,115
Claim of Short Weight	9,712,416	5,449,677
Total	**250,569,058**	**170,987,424**

	Amount in Taka	
	June 30, 2022	June 30, 2021
9.02 Deposits:		
Titas Gas	1,575,442	1,575,442
Other Deposit	1,661,062	1,661,062
Total	**3,236,504**	**3,236,504**
9.03 Pre-payments:		
This is made-up as follows:		
Prepaid Office Rent	1,500,000	1,500,000
Prepaid Insurance	2,053,782	1,881,692
Toal	**3,553,782**	**3,381,692**
10.00 Cash and Cash Equivalents:		
This is made-up as follows:		
Cash in Hand	280,678	151,541
Cash at Bank (Note 10.01)	25,225,840	29,709,673
Total	25,506,518	29,861,214
10.01 Cash at Bank:		
This is made-up as follows:		
Current Account (Note 10.01.1)	21,188,320	29,163,287
Short Term Deposit (Note 10.01.2)	4,037,520	546,386
Total	25,225,840	29,709,673

	Amount in Taka	
	June 30, 2022	June 30, 2021
10.01.1 Current Account:		
This is made-up as follows:		
Sonali Bank Ltd., Local Office	69,732	69,732
City Bank Ltd., Nikunja Branch	27,904	27,904
Mutual Trust Bank Ltd., Principal Br.	58,485	58,485
Dutch Bangla Bank Ltd., Uttara Br.	157,043	51,433
Islami Bank Bangladesh Ltd., Local Office	714	714
Jamuna Bank Ltd., Uttara Br.	11,849	694,993
Southeast Bank Ltd., Principal Br.	1,069,726	310,703
Southeast Bank Ltd., Uttara Br.	3,935,307	303,436
Southeast Bank Ltd., Uttara Branch	21,346	23,821
Southeast Bank Ltd., DAD A/C-Principal	7,827,753	25,673,526
City Bank ltd., Foreign Exchange Br.	165,699	165,699
Exim Bank Ltd., Motijheel Br.	109	109
NRB Global Ltd., Uttara Branch	7,451	8,371
NRB Bank Ltd., Hatirpul Branch	38,781	501,926
NRB Bank Ltd., Hatirpul Branch	1,244,050	422,950
One Bank Ltd., Motijheel Br.	493	493
Jamuna Bank Ltd., Dilkusha Br.	5,137,800	688,089
Bank Asia Ltd., Banani Branch	5,940	6,630
Social Islami Bank Ltd., Uttara Branch	13,559	13,559
Bank Asia Ltd., Banani Branch	1,234,870	91,571
Shahjalal Islami Bank Ltd., Dhaka Branch	6,236	6,236
South Bangla Agriculture & Commerce Bank Ltd., Gulshan Br.	19,345	-
NCC Bank Ltd., Kawranbazer Br.	9,511	-
Southeast Bank Ltd., Retention	7,921	-
Pubali Bank Ltd., International Airport Br.	402	-
Bikash Ltd. A/C	116,295	42,908
Total	**21,188,320**	**29,163,287**

10.01.2 Short Term Deposit Account:

This is made-up as follows:		
Dhaka Bank Ltd., Local Office	2,025	2,025
HSBC Bank Ltd., Dhaka Br.	15,274	15,274
Southeast Bank Ltd., Principal Br.	517,835	4,239
Southeast Bank Ltd., Uttara Br.	69,719	69,966
Southeast Bank Ltd., Principal Br.	2,955	-
Southeast Bank Ltd., Uttara Br.	17,519	1,274
Southeast Bank Ltd., Principal Br.	2,911,604	317,733
Southeast Bank Ltd., Principal Br.	481,281	116,565
First Security Bank Ltd., Dilkusha Branch	2,997	2,997
Exim Bank Ltd., Motijheel Br.	16,313	16,313
Total	**4,037,520**	**546,386**

	Amount in Taka	
	June 30, 2022	June 30, 2021

11.00 Share Capital:

This represents		
Authorized	1,000,000,000	1,000,000,000
1,000,00,000 ordinary shares of Tk. 10/- each		
Issued, Subscribed and Paid-up	616,982,750	616,982,750
Paid up Share Capital of Tk. 6,16,98,27,50 is arrived at as follows:		
Sponsor's Contribution 1,85,61,956 Ordinary Shares @TK 10/each	185,619,560	185,619,560
Public Issue of 4,31,36,319 Ordinary Shares @TK 10/each	431,363,190	431,363,190
Total Ordinary Shares	**616,982,750**	616,982,750

Distribution Schedule-Disclosures under the listing regulation of Stock Exchanges: 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	No. of Shareholders		% of Total Holders		No. of Shares		% of Share Capital	
	2021-2022	2020-2021	2021-2022	2020-2021	2021-2022	2020-2021	2021-2022	2020-2021
Below 500	2120	2025	30.52%	29.61%	307,723	287,307	0.50%	0.47%
500 to 5,000	3605	3575	51.89%	52.27%	6,367,454	6,461,481	10.32%	10.47%
5,001 to 10,000	551	525	7.93%	7.68%	4,223,823	4,001,724	6.85%	6.49%
10,001 to 20,000	337	355	4.85%	5.19%	4,972,444	5,127,438	8.06%	8.31%
20,001 to 30,000	107	105	1.54%	1.54%	2,691,822	2,575,916	4.36%	4.18%
30,001 to 40,000	46	50	0.66%	0.73%	1,598,750	1,771,580	2.59%	2.87%
40,001 to 50,000	49	49	0.71%	0.72%	2,275,730	2,270,552	3.69%	3.68%
50,001 to 100,000	63	92	0.91%	1.35%	4,702,312	6,730,093	7.62%	10.91%
100,001 to 1,000,000	63	59	0.91%	0.86%	14,650,699	13,922,605	23.75%	22.57%
1,000,001 above	6	5	0.09%	0.07%	19,907,518	18,549,579	32.27%	30.06%
Total	**6,947**	**6,840**	**100.00%**	**100.00%**	**61,698,275**	**61,698,275**	**100.00%**	**100.00%**

Market Price

The Company was listed on the Dhaka and Chittagong Stock Exchanges on 14/03/2002. Each share was quoted at Tk. 27.70 (on 30-06-2022) in the Dhaka Stock Exchange Ltd and Tk. 28.10 (on 30-06-2022) in the Chittagong Stock Exchange Ltd.

Summarized list of Shareholders as on 30 June, 2022

Category	Total Shareholders	Total Shareholdings	Percentage(%)
Sponsors	6	18,561,956	30.09%
Financial Institutions	209	12,389,014	20.08%
General Public	6,732	30,747,305	49.83%
Total	**6,947**	**61,698,275**	**100%**

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.

	Amount in Taka	
	June 30, 2022	June 30, 2021
12.00 Share Premium:		
Share Premium	103,500,000	103,500,000
Total	**103,500,000**	**103,500,000**

The Company has been issued Right Shares of 20,700,000 ordinary shares @ Tk. 15 each (including premium of Tk. 5) through approval of issuance of Right Shares by Bangladesh Securities & Exchange Commission vide letter no. SEC/CI/RI-28/09/164 dated 20 August, 2009.

13.00 Revaluation Reserve:		
Opening Balance	226,339,076	278,276,057
Adjustment of Revaluation	(2,549,640)	(2,281,257)
DTL Impact on Land Sale	-	1,535,744
Revaluation Reserve Impact on Land Sale	-	(51,191,468)
Closing Balance	**223,789,436**	**226,339,076**
14.00 Fair Value Reserve:		
Opening Balance		
Add: Addition during the year	66,577,563	(115,839,512)
Closing Balance	56,612,197	182,417,075
	123,189,760	**66,577,563**
15.00 Retained Earnings:		
Opening Balance	119,255,888	13,461,111
Add: Net Profit during the year	85,051,241	60,949,316
Add: Revaluation Reserve Impact for Land Sale	-	51,191,468
Add: Adjustment for Depreciation on Revaluation Reserve	2,549,640	2,281,257
	206,856,768	**127,883,152**
Less: Payment of Cash Dividend	-	8,627,264
Closing Balance	**206,856,768**	**119,255,888**
16.00 Long Term Loan:		
This is made-up as follows:		
Southeast Bank Ltd.	108,909,093	142,065,860
Total	**108,909,093**	**142,065,860**
This is made-up as under:		
Current/Non-Current Portion Classification:		
Southeast Bank Ltd.:		
Non-Current Portion of Long Term Borrowings	108,909,093	142,065,860
Current Portion of Long Term Borrowings	60,077,380	107,514,950
Total	**168,986,473**	**249,580,810**

	Amount in Taka	
	June 30, 2022	June 30, 2021

Main features of finance from Southeast Bank Ltd. is as under:

Particulars	**Details**
Nature	Term Finance
Purpose	Adjustment
Tenure	67
Repayment	Monthly Installment Tk. 37,64,000
Rate of Interest	9%
Security	1) 154 decimal land located at karnagoup, Rupgonj , Narayangonj (Project Land), 2) Personal Guarantee of all Directors & 3) One Post dated cheque of Equivalent amount.

17.00 Lease Liability:

This is made-up as under:

Finance Lease Obligation	2,942,766	1,447,183
Lease Liability Right-of-Use Assets	1,111,688	2,353,923
Total	**4,054,454**	**3,801,106**

Current/Non-Current Portion Classification:

Non-Current Portion of Lease Liability	2,336,886	3,570,460
Current Portion of Lease Liability	1,717,568	230,646
Total	**4,054,454**	**3,801,106**

17.01 Finance Lease Obligation:

Uttara Finance Ltd.	1,126,592	1,447,183
Pubali Bank Ltd.	1,210,294	2,353,923
Total	**2,336,887**	**1,447,183**

Current/Non-Current Portion Classification:

Uttara Finance Ltd.:

Non-Current Portion of Finance Lease Obligation	1,126,592	1,216,537
Current Portion of Finance Lease Obligation	93,528	230,646
Sub Total (A)	**1,220,120**	**1,447,183**

Pubali Bank Ltd.:

Non-Current Portion of Finance Lease Obligation	1,210,294	-
Current Portion of Finance Lease Obligation	512,352	-
Sub Total (B)	**1,722,646**	**-**
Total (A + B)	**2,942,766**	**1,447,183**

	Amount in Taka	
	June 30, 2022	June 30, 2021

Main features of finance from Uttara Finance Ltd. is as under:

Particulars	**Details**
Nature	Lease Finance
Purpose	Purchase of Vehicle
Tenure	5 years/60 months
Repayment	Monthly Installment Tk. 34,902
Rate of Interest	13.00%
Security	Registration in favor of leasee, 60 installment cheque, cheque amount Tk. 15,00,000 personal guarantee of all Directors.

Main features of finance from Pubali Bank Ltd. is as under:

Particulars	**Details**
Nature	Lease Finance
Purpose	Purchase of Vehicle
Tenure	5 years/60 months
Repayment	Monthly Installment Tk. 39,441
Rate of Interest	9%
Security	Registration in favor of leasee, Monthly installment cheque, personal guarantee of all Directors.

17.02 Lease Liability Right-of-Use Assets:

Lease Liability Right-of-Use Assets	1,111,688	2,353,923
Total	**1,111,688**	**2,353,923**
Current/Non-Current Portion Classification:		
Non-Current Portion of Lease Liability Right-of-Use Assets	-	2,353,923
Current Portion of Lease Liability Right-of-Use Assets	1,111,688	-
Total	**1,111,688**	**2,353,923**

18.00 Deferred Tax Liabilities:

This is made-up as follows:		
Opening Balance	54,861,643	57,179,607
Less: DTL Impact on Land Sale	-	(1,535,744)
Add: Addition during the year	(691,543)	(782,220)
Total Deferred Tax Liabilities	**54,170,100**	**54,861,643**
WDV as per Accounting Base (excluding Land)	411,193,061	413,777,938
WDV as per Tax Base	88,182,130	86,156,722
Difference	**323,010,931**	**327,621,216**
Tax @ 15% on Difference [A]	48,451,640	49,143,182
WDV on Accounting Base (Land)	285,632,906	285,632,906
WDV as per Tax Base (Land)	95,017,564	95,017,564
Difference	**190,615,342**	**190,615,342**
Tax @ 3% on Difference [B]	5,718,460	5,718,460
Total [A+B]	**54,170,100**	**54,861,643**

	Amount in Taka	
	June 30, 2022	June 30, 2021

19.00 Short Term Loan from Bank and Others:

Short Term Loan from Bank (19.01)	637,621,081	495,465,350
Loan from Maksons Spinning Mills Ltd.	6,264,037	16,447,442
Total	**643,885,118**	**511,912,792**

19.01 Short Term Loan from Bank:

This is made-up as follows:

Jamuna Bank Ltd., OD A/C 134000403	40,909,590	41,051,420
Southeast Bank Ltd., OD A/C 73300000358	81,591,290	81,948,225
Loan on Export	150,496,351	65,101,319
Southeast Bank Ltd., Time Loan	847,780	24,270,247
Southeast Bank Ltd., EDF	259,138,427	180,299,540
Jamuna Bank Ltd., LTR	101,969,993	100,324,532
Southeast Bank Ltd., LTR	2,667,650	2,470,066
Total	**637,621,081**	**495,465,350**

Jamuna Bank Limited (Cash Credit Hypo):

The cash credit was sanctioned by Jamuna Bank limited (Dilkusha Branch) for one year and usually renewed on annual basis. The interest rate is subject to change from time to time, Such loan is secured against stock of raw materials and finished goods.

Southeast Bank Limited (Overdraft):

The Overdraft limit was sanctioned by Southeast Bank Limited (Principal Branch) for one year a revolving limit of Tk. 80,000,000 and is usually renewed on annual basis. The interest rate is subject to change from time to time.

Southeast Bank Limited (Loan against Trust Receipt):

The loan against trust receipt (LTR) were sanctioned by Southeast Bank Limited (Principal Branch) for 180 days is usually renewed on annual basis. the interest rate is subject to change from time to time. Such loan is secured against project finance security.

Jamuna Bank Limited (Loan against Trust Receipt):

The loan on trust receipt (LTR) were sanctioned by Jamuna Bank Limited (Principal Branch) for 180 days. The interest rate is subject to change that May be Made By the Bank from time to time .Such loan is secured against Land.

	Amount in Taka	
	June 30, 2022	June 30, 2021
20.00 Dividend Payable/Unpaid Dividend:		
This consists of as follows:		
Opening Balance	15,936,396	15,052,261
Add: Approved during the year	-	8,627,264
	15,936,396	23,679,525
Less: Paid during the year	148,026	7,743,129
Closing Balance	**15,788,370**	**15,936,396**
21.00 Trade and Other Payables:		
This is made-up as follows:		
Audit Fees	172,500	172,500
Other Expenses	7,280,941	9,191,242
Salary & Wages	7,065,933	6,961,526
Creditors for Goods	4,979,442	5,510,152
WPPF	5,028,325	6,539,575
Provision for Tax (21.01)	22,928,816	11,861,920
Others Liability	5,136,265	7,075,826
Total	**52,592,221**	**47,312,740**
21.01 Provision for Tax:		
Opening Balance	11,861,921	3,290,828
Add: Provision made for the year	16,406,797	10,046,556
Less: Tax Paid/Adjustment during the year	(5,339,902)	(1,475,463)
Closing Balance	**22,928,816**	**11,861,921**
22.00 Sales (Net of VAT):		
This is made-up as follows:		
Sale of Cotton Yarn (Local)	64,325,992	378,497,485
Less: Value Added Tax (VAT)	1,949,604	8,432,100
Total Local Sales	62,376,388	370,065,385
Add: Export Sales	906,477,127	625,113,415
Total	**968,853,515**	**995,178,800**

	Amount in Taka	
	June 30, 2022	June 30, 2021

23.00 Cost of Goods Sold:

Particulars	**Quantity(Lbs)**	**Amount in Taka**	**Amount in Taka**
Opening Work-in-Process	114,153	10,652,516	5,284,317
Raw Material Consumed (Note 23.01)	6,806,935	632,532,805	633,148,799
	6,921,088	643,185,321	638,433,116
Less: Recovery during the year	1,280,883	3,185,334	2,583,829
	5,640,205	639,999,987	635,849,286
Less: Invisible during the year	5,012	-	-
Material available for Consumption	**5,635,192**	**639,999,987**	**635,849,286**
Less: Closing Work-in-Process	66,134	8,890,168	10,652,516
Production during the year	**5,569,058**	**631,109,819**	**625,196,770**
Add: Direct Expenses (Note 23.02)		55,307,592	53,511,669
Add: Manufacturing Overhead (Note 23.03)		130,635,459	129,612,048
Cost of Production	**5,569,058**	**817,052,870**	**808,320,486**
Opening Finished Goods	954,603	103,589,069	130,406,963
Finished Goods available for Sale	6,523,661	920,641,939	938,727,449
Less: Closing Finished Goods	1,247,028	149,581,102	103,589,069
Total	**5,276,633**	**771,060,837**	**835,138,380**

23.01 Raw Material Consumed:

This is made-up as follows:

	Quantity(Lbs)	**Amount in Taka**	**Amount in Taka**
Opening Stock of Raw Cotton	5,377,871	329,964,647	335,858,543
Add: Purchase of Raw Cotton	7,435,268	711,022,369	627,254,903
Raw Cotton Consumption for Available	**12,813,139**	**1,040,987,016**	**963,113,446**
Less: Closing Stock of Raw Cotton	(6,006,204)	(408,454,212)	(329,964,647)
Total Raw Cotton Consumption	**6,806,935**	**632,532,805**	**633,148,799**

23.02 Direct Expenses:

This is made-up as follows:

Direct Labour/Wages	49,594,473	48,214,759
Overtime	2,928,343	2,894,968
Bonus	2,784,776	2,401,942
Total	**55,307,592**	**53,511,669**

	Amount in Taka	
	June 30, 2022	June 30, 2021

23.03 Manufacturing Overhead:

This is made-up as follows:

Factory Salary & Allowances	21,645,233	19,502,733
Factory Bonus	1,767,857	2,035,964
Overtime	1,102,825	627,917
Entertainment	508,372	385,880
Fuel For Vehicle	1,418,318	1,070,115
Gas for Vehicle	-	330,528
Gas Bill	40,193,050	45,788,089
Insurance Premium	2,995,173	1,925,682
Land Revenue	50,130	186,198
Group Insurance	-	142,890
Loading Unloading	1,912,453	1,147,481
Carrying Charges	17,270	193,180
Office Expense (Factory)	8,182	38,622
Electricity Bill	8,425,912	7,484,346
Factory Stationery	225,513	161,102
Repair & Maintenances	608,014	421,195
Repair & Maintenance (Building)	556,368	342,292
Repair & Maintenance (Gas Generator)	973,401	1,297,739
Repair & Maintenances (Machinery)	1,331,848	1,226,765
Sanitation	77,105	39,891
Store & Spare	20,946,184	18,394,316
Transport Expenses	607,707	794,910
Fire Fighting & Safety Expenses	90,313	98,357
Medical Expenses	23,096	62,564
TA /DA Conveyance	180,043	170,961
Depreciation (Schedule-A)	24,971,093	25,742,331
Total	**130,635,459**	**129,612,048**

	Amount in Taka	
	June 30, 2022	June 30, 2021

24.00 Administrative Expenses:

This is made-up as follows:

Salary & Allowances	17,573,243	8,377,704
Festival Bonus	1,782,963	885,050
Office Stationery	120,609	127,623
Conveyance	668,662	597,960
Documentation	1,361,812	512,331
Telephone & Fax	94,284	91,116
Board Meeting Expenses	400,000	400,000
Transport Expenses	149,601	124,951
Office Expenses	119,085	168,512
Entertainment Expenses	539,681	368,336
Fees & Professionals	104,938	28,750
Share Department Expenses	3,450	215,450
Internal Audit Committee Fees	48,000	48,000
AGM Expenses	501,062	312,500
Postage & Telegram	1,790	8,774
Credit Rating Expenses	53,750	-
CDBL Expenses	-	106,000
Membership Fees	298,975	102,640
Courier Expenses	-	30,038
Stock Exchange Fees	666,982	616,982
Rates & Taxes	266,850	115,714
License & Renewal	479,834	316,615
Fuel for Vehicles	616,000	403,000
Fuel for Generator	30,000	-
Audit Fees	172,500	172,500
Sanitation	56,758	62,739
Miscellaneous Expenses	927,484	860,920
Head Office Utility	305,742	153,897
ICT Expenses	305,369	418,171
Legal Expenses	-	5,000
Deprecation (Schedule-A)	2,049,623	1,638,393
Total	**29,699,047**	**17,269,666**

25.00 Selling & Distribution Expenses:

This is made-up as follows:

Packing Materials	7,915,548	8,412,093
Advertisement	530,999	311,845
Total	**8,446,547**	**8,723,938**

	Amount in Taka	
	June 30, 2022	June 30, 2021

26.00 Financial Expenses:

Interest on Bank & Others	59,093,284	72,037,011
Bank Charges and Commission	5,470,454	3,073,881
Total	**64,563,738**	**75,110,892**
Details break-up of Interest on Bank & Other Financial Interest is given below:		
Jamuna Bank Ltd., Hypo	4,392,940	4,022,565
Loan on Export	9,358,440	3,400,157
Jamuna Bank Ltd., LTR	9,150,680	10,407,428
Southeast Bank Ltd., Overdraft A/C	7,231,760	9,564,816
Southeast Bank Limited, Term Loan	18,052,407	29,566,862
PAD	2,085,227	1,252,201
Southeast Bank Ltd., EDF	6,139,722	4,214,915
Southeast Bank Ltd., LTR A/C	125,037	183,728
Southeast Bank Ltd., Force Loan	-	363
Southeast Bank Ltd., Time Loan	1,278,532	1,151,434
Other Interest	779,192	7,906,230
Pubali Bank Ltd.	95,733	-
Uttara Finance Ltd.	191,761	51,889
Interest Expenses (Lease Liability Right-of-Use Assets)	211,853	314,423
Total	**59,093,284**	**72,037,011**

27.00 Non-Operating Income:

Interest Received on Bank A/C	50,499	48,704
Currency Fluctuation Gain/(Loss) Realized	(3,831,310)	261,489
Currency Fluctuation Gain/(Loss) Unrealized	663,748	637,387
Profit/loss on Sale of Assets	-	11,322,433
Dividend Income	13,838,537	2,516,098
Miscellaneous Income	-	2,300
Total Non-Operating Income:	**10,721,474**	**14,788,410**

28.00 Contribution to Workers' Profit Participation Fund:

This represents 5% of the net profit after charging such contribution but before tax contribution by the Company as per provisions of Bangladesh Labour Act (Amendments), 2013.

29.00 Income Tax Expenses:

Current Tax (Note-29.01)	16,406,797	10,046,556
Deferred Tax (Note-29.02)	(691,543)	(782,220)
Total	**15,715,254**	**9,264,336**

	Amount in Taka	
	June 30, 2022	June 30, 2021

29.01 Current Tax:

Paragraph 81C of IAS-12 requires an explanation of relationship between Tax expense and accounting profit. The information is disclosed below:

Income from Operation	95,083,345
Income Tax Rate*	15%
Tax Payable on Income from Operation [A]	14,262,502
Income from Non-Operations	10,721,474
Income Tax Rate**	20%
Tax Payable on Income from Non-Operations [B]	2,144,295
Tax Payable on Taxable Income [C=A+B]	**16,406,797**
Minimum Tax Payable u/s 82C(4) (a) [D]	**4,844,268**
Tax deducted at Source u/s 52[E]	**7,007,714**
Tax Expenses for the year June 30, 2022 [Higher of C, D and E]	**16,406,797**

* As per Ministry of Finance SRO dated 30 June, 2019 (SRO#218)

* As per Bangladesh Finance Act, 2022

29.02 Deferred Tax:

Closing Deferred Tax Liabilities	54,170,100	54,861,643
DTL Impact on Land Sale	-	1,535,744
Opening Deferred Tax Liabilities	54,861,643	57,179,607
Current year Deferred Tax	**(691,543)**	**(782,220)**

30.00 Earnings Per Share (EPS):

(a) Earnings attributable to the ordinary shareholders (Net Profit after WPPF)	85,051,241	60,949,316
(b) Weighted average number of ordinary shares outstanding during the year	61,698,275	61,698,275
(c) Basic EPS (Before Considering Unrealized Gain/Loss on Marketable Securities)	1.38	0.99
(d) Basic EPS (Comparative Restated)	1.38	0.99
(e) Basic EPS (After Considering Unrealized Gain/Loss on Marketable Securities)	2.30	3.94

31.00 Net Assets Value (NAV) Per Share:

Total Assets	2,213,795,452	2,016,060,763
Total Liabilities	939,476,738	883,405,487
A. Net Assets	**1,274,318,714**	**1,132,655,276**
B. Total Number of Shares Outstanding	**61,698,275**	**61,698,275**
C Net Assets Value (NAV) per Share (A/B)	**20.65**	**18.36**
D Net Assets Value Per Share (NAVPS) (Comparative Adjusted)	**20.65**	**18.36**

	Amount in Taka	
	June 30, 2022	June 30, 2021

32.00 Net Operating Cash Flow Per Share (NOCFPS):

A. Net Operating Cash Flow (Numerator)	(34,492,277)	33,505,855
B. No. of Shares Outstanding	61,698,275	61,698,275
C. Net Operating Cash Flow per Shares (A/B)	**(0.56)**	**0.54**
D Net Operating Cash Flow per Shares - (Comparative Adjusted)	**(0.56)**	**0.54**

33.00 Net Operating Cash Flow Reconciliation:

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:

Net Income after Tax:	85,051,241	60,949,316
Non Cash and Non Operating Adjustment:		
Depreciation	25,331,408	26,196,597
Unrealized FX Loss/Gain	(663,748)	(637,387)
Right-off-Use Assets (Dep.)	1,184,127	1,184,127
Lease Finance Interest Expenses	211,853	314,423
Gain on Def. Tax	(691,543)	(782,220)
Gain on Sale of Land	-	(11,322,433)
Working Capital Adjustments:		
(Increase/Decrease) in Inventory	(120,101,625)	25,610,100
(Increase/Decrease) in Trade & Receivables	50,609,157	68,860,974
(Increase/Decrease) in Advance	(79,753,723)	(132,059,998)
AP & Other Liabilities	3,825,395	(4,807,644)
Net Cash from Flow Operating Activities	**(34,997,458)**	**33,505,855**

34.00 Disclosure As per Requirment 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	1.38	0.99	0.39	Due to increased of Sales price , decreased the Cost of Goods Sold and also decreased the Interest and Financial Charges.
NAV	20.65	18.36	2.30	NAV Increased due to Profit increase.
COFPS	(0.56)	0.54	(1.10)	Due to collection decreased and payment for cost and expenses increased

35.00 Value of Export

Particulars	Quantity (LBS)	In foreign Currency $	In BDT
Export	4,390,957	10,079,104	906,477,127

36.00 Plant Capacity and Capacity Utilization as per Requirement of Schedule XI, Part II Para 7

Particulars	Installed Capacity	Utilization during the periods
Annual Production of Yarn in KG	4,500,000	2,526,074

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

Salary Range	Officer & Staff		Worker	Total Employee
	Factory	Head Office		
Below 5999	-			-
Above 5999	67	14	481	562
	67	14	481	562

38.00 Disclosure on Related Party Transaction as per IAS-24 ''Related Party Disclosure''

Particulars	Relationship	A/C Type	Opening	Increase	Payment	Closing
Maksons Spinning Mills ltd.	Common Directors	Inter Company Loan & Advance	16,447,442	14,832,458	25,015,863	6,264,037

39.00 Proposed Dividend:

The Board of Directors Proposed 5% Stock and 3% 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 Recognized as a Liability at the Balance Sheet Date in Accordance with the Para 11 of IAS-10 ''Event after the Balance Sheet Date''
IAS-1''Presentation of Financial Statement'' also Requires that the Dividend Proposed after the Balance Sheet Date but before the Financial Statement are Authorized for Issue be Disclose either on the Face of the Balance Sheet as a Separate Component of Equity or in the Notes to the Financial Statements.

40.00 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.

41.00 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.

42.00 Capital Expenditure Commitment:

There is no Liabilities as on 30.06.2022 except L/C Liabilities
There was No Credit Facility available to the Company under any Contact, Other than Trade Credit available in the Ordinary Course of Business and Not available as on 30.06.2022

43.00 Payment of Foreign Currency:

Import of Machinery & Spare Parts of the Machinery ,Import of Raw Materials.
No Other Expense include Consultancy Fees, Royalty, Technical Expert and Professional Advisory Fees, Interest, etc. was Incurred or Paid in Foreign Currencies Except as Stated Above.

44.00 Foreign Exchange Earned:

Export in USD

No other Income included Consultancy Fees, Royalty, Technical Expert and Professional Advisory Fees, Interest, etc. was Incurred or Paid in Foreign Currencies Except as Stated Above.

45.00 Commission, Brokerage or Discount against Sales:

No Commission was Incurred or Paid to Distributors, Agent nor Any Brokerage or Discount was Incurred or paid against Sales.

46.00 Credit Facility Not Availed

There was No Credit Facility Available to the Company under Any Contract, But No Availed as on 30 June, 2022 Other than Trade Credit Available in the Ordinary Course of Business.

47.00 Attendance Status of Board Meeting of Directors

During the period from 01.07.2021 to 30.06.2022 There was 4 (four) Board Meeting 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. Showkot Ali	Managing Director	4	4
Mohd. Ferdous Kawser Masud	Director	4	4
Mrs. Laila Ali	Director	4	4
Dr. Mijanur Rahman	Independent Director	4	4
Md. Iftikhar-Uz-Zaman	Independent Director	4	4
Ms. Zabun Nahar	Chief Financial Officer	4	4
Md. Mozammel Hoque	Company Secretary	4	4
Iffat Addnan Dina	Head of Internal Audit & Compliance (HIAC)	4	4

48.00 Disclosure as per Requirement of Schedule XI, Part II, Para 8

1) Raw Materials, Stores and Spares, Packing Materials and Capital Machinery:

Items	Purchase in Taka			Consumption in Taka	% of Consumption of total purchas
	Import	Local	Total		
Raw Materials	661,941,513	49,080,856	711,022,369	632,532,807	89%
Stores & Spares	2,864,154	11,656,800	14,520,954	20,946,184	144%
Packing Materials	-	8,142,417	8,142,417	7,915,548	97%
Capital Machinery	19,385,645	614,675	20,000,320	-	
Total				661,394,539	

49.00 Key Management Compensation

Particular	2021-2022	2020-2021
Key Management Compensation paid during the year	12,857,625	4,239,625

In Accordance with IAS 24 Paragraph 17, the Company has Disclosed Compensation to Key Management Personnel. Key Management Personnel include Executive Employees of the Company and Board Meeting Fees of Directors. Compensation to Key Personnel includes Compensation, Bonuses and Provident Fund Expenses.

50.00 Contingent Liabilities:

No item considered as contingent liability of the Company as on 30 June, 2022 as per IAS-37 "Provisions, Contingent Liabilities and Contingent Assets".

METRO SPINNING LIMITED

SCHEDULE OF PROPERTY, PLANT & EQUIPMENT

As at June 30, 2022

Schedule-A

Particulars	Cost				Rate %	Depreciation				WDV as on June 30, 2022
	as on July 01, 2021	Addition	Disposal/ Adjustment during the year	as on June 30, 2022		as on July 01, 2021	Charged during the year	Adjustment	as on June 30, 2022	
Land & Land Development	95,017,564	-	-	95,017,564	-	-	-	-	-	95,017,564
Building & Other Construction	180,746,962	140,909	-	180,887,871	5	80,616,448	5,013,031	-	85,629,479	95,258,392
Plant & Machinery	662,280,957	20,000,323	-	682,281,280	6.66	405,273,577	17,408,422	-	422,681,999	259,599,281
Furniture & Fixture	4,815,891	-	-	4,815,891	15	4,492,249	48,546	-	4,540,795	275,096
Office Equipment	9,186,208	108,987	-	9,295,195	10	6,141,812	311,769	-	6,453,581	2,841,614
Balance as on June 30, 2022 (A)	**952,047,582**	**20,250,219**	**-**	**972,297,801**		**496,524,086**	**22,781,768**	**-**	**519,305,854**	**452,991,947**
Balance as on June 30, 2021	**957,266,059**	**14,522,606**	**17,386,099**	**954,402,567**		**473,087,097**	**23,512,765**	**-**	**496,599,862**	**457,802,705**

Revaluation Surplus

Particulars	Cost				Rate %	Depreciation				WDV as on June 30, 2022
	as on July 01, 2021	Addition	Disposal/ Adjustment during the year	as on June 30, 2022		as on July 01, 2021	Charged during the year	Adjustment	as on June 30, 2022	
Land & Land Development	190,615,342	-	-	190,615,342	-	-	-	-	-	190,615,342
Building & Other Construction	95,586,977	-	-	95,586,977	5%	44,594,179	2,549,640	-	47,143,819	48,443,158
Balance as on June 30, 2022(B)	**286,202,319**	**-**	**-**	**286,202,319**		**44,594,179**	**2,549,640**	**-**	**47,143,819**	**239,058,500**
Balance as on June 30, 2021	**337,393,787**	**-**	**51,191,468**	**286,202,319**		**41,910,348**	**2,683,831**	**-**	**44,594,179**	**241,608,139**
Total Balance as on June 30, 2022 (A+B)	**1,238,249,901**	**20,250,219**	**-**	**1,258,500,120**	**-**	**541,118,265**	**25,331,408**	**-**	**566,449,673**	**692,050,447**
Total Balance as on June 30, 2021	**1,294,659,846**	**14,522,606**	**68,577,567**	**1,240,604,885**	**-**	**514,997,445**	**26,196,596**	**-**	**541,194,041**	**699,410,844**

Right-of-Use Assets

Particulars	Right-of-Use Assets				Rate %	Depreciation				WDV as on June 30, 2022
	as on July 01, 2021	Addition	Disposal/ Adjustment during the year	as on June 30, 2022		as on July 01, 2021	Charged during the year	Adjustment	as on June 30, 2022	
Office Space	4,539,152	-		4,539,152	-	2,368,254	1,184,127	-	3,552,381	986,771
Transport	2,354,984	3,001,493	-	5,356,477	20	75,776	505,181	-	580,957	4,775,520
Total Balance as on June 30, 2022 (C)	**6,894,136**	**3,001,493**	**-**	**9,895,629**	**-**	**2,444,030**	**1,689,308**	**-**	**4,133,338**	**5,762,291**
Total Balance as on June 30, 2021	**4,539,152**			**4,539,152**		**1,184,127**	**1,184,127**		**2,368,254**	**2,170,898**
Grand Total (A+B) + (C)	**1,245,144,037**	**23,251,712**		**1,268,395,749**		**543,562,295**	**27,020,716**		**570,583,011**	**697,812,738**

Depreciation charged for the year has been allocated as follows:

Particulars	Amount
Manufacturing Overhead	24,971,093
Administrative Expenses	2,049,623
Total	**27,020,716**

METRO SPINNING LIMITED

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

PROXY FORM

The Managing Director
Metro Spinning 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 Metro Spinning 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 27th Annual General Meeting of the Company to be held on on Wednesday, 28 December, 2022 and any adjournment thereof or at any ballot to be taken in consequence thereof.

Signed this _____ day of _____ 2022.

_____
Signature of Proxy

Revenue Stamp TK 20/=

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

METRO SPINNING 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 27th ANNUAL GENERAL MEETING of the Company being held on Wednesday, 28 December, 2022, 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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- Cotton Modal Yarn
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- BCI Cotton Yarn

Group Concern

- Maksons Spinning Mills Ltd.
- Metro Spinning Ltd.
- La-Muni Apparels Ltd.
- Maksons Textiles Ltd.
- Gardenia Wears Ltd.

METRO SPINNING LIMITED

THE NAME YOU CAN TRUST FOR BEST QUALITY YARN

SALES: +88 01841 166 233

amran@maksonsgroup.com.bd

METRO SPINNING LIMITED

THE NAME YOU CAN TRUST FOR BEST QUALITY YARN

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House 17, Road 06, Sector 01, Uttara, Dhaka 1230
+88 02 8933 612, 8933739, 8933740
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info@maksonsgroup.com.bd

REGISTERED OFFICE

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