

Interim Financial Statements

**2nd Quarter
1st July 2021 To 31 December 2021**



Mozaffar Hossain Spinning Mills Limited

Head Office: House # 315, Road # 04, Baridhara DOHS, Dhaka-1206, Bangladesh

Mozaffar Hossain Spinning Mills Limited

Statement of Financial Position (Un-Audited)

As at December 31, 2021

Particulars	Notes	Amount in Taka	
		Dec-31,2021	June 30, 2021
ASSETS:			
Non-Current Assets		3,734,271,136	3,841,632,609
Property, Plant and Equipment's	5.00	3,734,271,136	3,841,632,609
Deferred Tax Assets	6.00	-	-
Capital Work-In-Progress	7.00	-	-
Investment		4,521,551	4,521,551
Investment	8.00	4,521,551	4,521,551
Current Assets		1,699,802,975	1,632,618,635
Inventories	9.00	1,279,843,996	1,182,102,564
Goods in Transit		-	70,360,892
Accounts Receivable	10.00	107,826,719	114,512,341
Advances, Deposits & Pre-Payments	11.00	238,597,987	241,039,582
Cash and Cash Equivalents	12.00	73,534,274	24,603,256
Total Assets		<u>5,438,595,662</u>	<u>5,478,772,795</u>
EQUITY AND LIABILITIES:			
Shareholders' Equity		1,932,160,836	1,834,320,919
Share Capital	13.00	1,009,933,740	1,009,933,740
Revaluation Reserve	14.00	500,545,475	500,545,475
Tax Holiday Reserve		72,845,417	72,845,417
Retained Earnings	15.00	348,836,204	250,996,287
Non-Current Liabilities		1,712,754,334	1,607,073,677
Long Term Borrowings	16.00	1,681,981,476	1,594,551,287
Deferred Tax Liability	6.00	30,772,858	12,522,390
Current Liabilities		1,793,680,493	2,037,378,199
Accounts Payable	17.00	11,500,540	6,886,372
Cash Dividend Payable	18.00	343,159	812,864
Long Term Borrowings- Current Maturity	19.00	225,681,581	193,766,270
Refundable Fund of IPO Subscribers	20.00	-	2,755,000
Short Term Borrowings	21.00	1,322,114,088	1,646,259,839
Provision for Tax	22.00	81,724,529	80,938,725
Accrued Expenses	23.00	152,316,596	105,959,129
Total Equity & Liabilities		<u>5,438,595,662</u>	<u>5,478,772,795</u>
Net Asset Value Per Share (NAVPS)	32.00	19.13	18.16

The accompanying notes 1 to 34 & annexure A to C form an integral part of these Financial Statements.

Sd/-
Chief Financial Officer

Sd/-
Company Secretary

Sd/-
Director

Sd/-
Managing Director

Sd/-
Chairman

Signed in terms of our separate report of even date.

Dated : 18 January, 2022

Place : Dhaka

Mozaffar Hossain Spinning Mills Limited

Statement of Profit or Loss & Other Comprehensive Income (Un-Audited)

For the Period from 01 July 2021 to 31 December 2021

Particulars	Notes	Amount in Taka		Amount in Taka	
		July 01, 2021 to December 31, 2021	July 01, 2020 to December 31, 2020	October 01, 2021 to December 31, 2021	October 01, 2020 to December 31, 2020
Turnover	24.00	1,243,229,154	354,190,893	835,064,317	233,975,931
Less: Cost of Goods Sold	25.00	999,882,549	316,052,539	681,350,552	200,750,381
Gross Profit		243,346,605	38,138,354	153,713,765	33,225,550
Other Income	26.00	(206,397)	(445,384)	(107,160)	351,356
Operating Expenses:		25,287,655	22,425,362	12,611,519	10,233,605
Administrative Expenses	27.00	25,117,798	22,199,094	12,532,662	10,217,837
Marketing and Distribution Expenses	28.00	169,857	226,268	78,857	15,768
Profit from Operation		217,852,553	15,267,608	140,995,086	23,343,301
Less: Financial expenses	29.00	89,882,555	56,306,951	45,299,988	14,384,849
Net Profit Before WPPF		127,969,998	(41,039,343)	95,695,098	8,958,452
Workers Profit Participation Fund		6,093,809	-	4,556,909	-
Net Profit before Tax		121,876,189	(41,039,343)	91,138,189	8,958,452
Income tax expenses:		24,036,272	(2,093,983)	17,737,260	5,916,590
Current tax	21.01	5,785,804	3,063,812	4,082,606	1,640,975
Deferred Tax Expenses/(Income)	6.02	18,250,468	(5,157,795)	13,654,654	4,275,615
Net Profit after Tax Transferred to Equity		97,839,917	(38,945,360)	73,400,929	3,041,862
Earnings Per Share (EPS)	30.00	0.97	(0.39)	0.73	0.03
Number of Shares used to compute	No's	100,993,374	100,993,374	100,993,374	100,993,374

The accompanying notes 1 to 34 & annexure A to C form an integral part of these Financial Statements.

Sd/- Chief Financial Officer	Sd/- Company Secretary	Sd/- Director	Sd/- Managing Director	Sd/- Chairman
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Signed in terms of our separate report of even date.

Dated : 18 January, 2022
Place : Dhaka

Mozaffar Hossain Spinning Mills LimitedStatement of Changes in Equity (Un-Audited)
For the Period from 01 July 2021 to 31 December 2021**Amount in Taka**

Particulars	Share Capital	Tax holiday Reserve	Revaluation Reserve	Retained Earnings	Total
Balance as on 01.07.2021	1,009,933,740	72,845,417	500,545,475	250,996,287	1,834,320,919
Add: During the period	-	-	-	-	-
Net Profit / (Loss) for the period	-	-	-	97,839,917	97,839,917
Cash Dividend 1%(For all Public Shareholder)	-	-	-	-	-
Balance as on 31.12.2021	1,009,933,740	72,845,417	500,545,475	348,836,204	1,932,160,836

Statement of Changes in Equity (Un-Audited)

For the year ended on 1 July 2020 to 31 December 2020

Amount in Taka

Particulars	Share Capital	Tax holiday Reserve	Revaluation Reserve	Retained Earnings	Total
Balance as on 01.07.2020	1,009,933,740	72,845,417	127,708,347	204,669,050	1,415,156,554
Net Profit / (Loss) for the period	-	-	-	(38,945,360)	(38,945,360)
Balance as on 31.12.2020	1,009,933,740	72,845,417	127,708,347	165,723,690	1,376,211,194

Sd/-
Chief Financial OfficerSd/-
Company SecretarySd/-
DirectorSd/-
Managing DirectorSd/-
Chairman

Mozaffar Hossain Spinning Mills Limited

Statement of Cash Flows (Un-Audited)

For the Period from 01 July 2021 to 31 December 2021

Particulars	Notes	Amount in Taka	
		July 01, 2021 to December 31, 2021	July 01, 2020 to December 31, 2020
A. Cash flows from operating activities :			
Cash Collection from Turnover and Others		1,249,939,806	482,227,407
Foreign Exchange Gain/(Loss)		(231,427)	(465,462)
Cash Paid to Suppliers, Employee and Others		(806,799,072)	(1,239,949,838)
Cash Generated from Operation		442,909,306	(758,187,893)
Income Tax Paid		(5,785,804)	(3,063,812)
Net cash flows from/(used) in operating activities		437,123,502	(761,251,705)
B. Cash flow from investing activities:			
Acquisition of Property, Plant & Equipment		(14,965,232)	(106,507,694)
Payment for Capital Work in Progress		-	-
Advanced for Ring Spinning Project		123,654	26,354
Advance for Acquisition of Property, Plant & Equipment Investment		(75,468,426)	2,420,200
		-	-
Net cash flows from/ (used) in Investing Activities		(90,310,004)	(104,061,140)
C. Cash flow from financing activities:			
Received/(Repaid) short term loan		(324,145,751)	244,704,438
Financial Expenses		(89,882,555)	(56,306,951)
Cash Dividend Paid		(469,705)	-
Received/(Repaid) long term loan		119,345,500	676,170,988
Refundable fund of IPO subscriber		(2,755,000)	-
Net cash flows from/(used) in financing activities		(297,907,510)	864,568,473
D. Net Cash Increase/ (Decrease) (A+B+C)		48,905,988	(744,372)
E. Opening cash and cash equivalents at the beginning of the period		24,603,256	15,264,672
F. Closing cash and cash equivalents at the end of the period (D+E)		73,509,244	14,520,300
G. Unrealized Fc Gain/(Loss) for Cash and Cash Equivalents		25,030	4,586
H. Cash and Cash Equivalents carried forward (F+G)		73,534,274	14,524,886
Net Operating Cash Flow Per Share	31.00	4.33	(7.54)
Number of Shares used to compute NOCFPS		100,993,374	100,993,374

Sd/-
Chief Financial Officer

Sd/-
Company Secretary

Sd/-
Director

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Managing Director

Sd/-
Chairman

Mozaffar Hossain Spinning Mills Limited
Notes to the Financial Statements
For the Period ended December 31, 2021

1.0 Legal Status of the Company

Mozaffar Hossain Spinning Mills Limited (herein after referred to as “MHSML” or “the Company”) was incorporated with the Registrar of Joint Stock Companies and Firms (RJSCF) vide registration no. C-59784(1791)/05 dated November 29, 2005 as a private company Limited by shares namely Mozaffar Hossain Textile Mills Limited. Subsequently the company renamed as Mozaffar Hossain Spinning Mills Limited in December 14, 2011 and the company was emerged as a public limited company on the same date and year. In January 2014, Mozaffar Hossain Spinning Mills Limited listed its shares with both Dhaka and Chittagong Stock Exchanges.

Registered office of the company

The registered office and principal place of business of the company is situated at House # 315, Road # 04, DOHS Baridhara, Dhaka-1206, Bangladesh, and the manufacturing establishment is located at Thakurbari Tec, Masumabad, Bhulta, Rupgonj, Narayangonj.

2.0 Nature of Business Activities

Mozaffar Hossain Spinning Mills Limited runs the business of 100% export oriented cotton yarn manufacturing & selling mostly to woven fabrics manufacturer. As a backward linkage industry to support 100% export oriented RMG industry of Bangladesh. Products of the company are sold at domestic market as deemed exporter delivered to the export oriented companies.

3.0 Risk Exposure

3.1 Interest Rate Risk

MHSML is exposed to the volatility of interest rate as it has long-term Bank Loan. Any higher trend in interest rate in the future will definitely aggravate the adversity.

Management perception:

The management of MHSML has decided to pay off the outstanding Bank Loan gradually to make the Gearing Ratio at a satisfactory level which is expected to reduce the financial leverage and interest burden significantly.

3.2 Exchange Rate Risk

MHSML is engaged in global trade as it procures its raw materials from overseas markets. Therefore, fluctuations in the related foreign currency rates may affect adversely to the company's liquidity and profitability and expose a threat to the stability of the Company.

Management Perception:

MHSML settles its foreign transaction through US Dollars in case of both export and import. While the value of functional currency fluctuates, the loss or gain on currency fluctuation for export automatically sets off against the loss or gain on currency fluctuation for import. As the value of export is always greater than the value of import, some balance is created in the foreign currency transaction. Furthermore, the Company is contemplating about setting a system of hedging on foreign currency transactions in the future. Movement in the exchange rate adversely may expose the company to risks of foreign currency loss.

3.3 Industry Risks

(a) Market demand:

The products of MHSML are sold to the export oriented fabrics and garments manufacturer, The ultimate buyer are from abroad. Any economic recession, changes in tastes and fashions of the consumers, national income and other related factors may cause to decline the market demand of the company products.

Management Perception:

MHSML always gives values to its customers' satisfaction and changes in tastes and fashion. Therefore, its expert team promptly dedicates their creativity and research work to respond any changes in customer's demand and product diversifications.

(b) Competition:

MHSML is operating in a free market economy regime. The company might have to face stiff competition from its competitors:

Management Perception:

Bangladesh is the prime source of cheapest garments in the world, earning comparative advantages for its industries over their global competitors. In addition, the management of MHSML employs their efficiencies; expertise and discretions to minimize the cost of its products.

(c) Rising of Raw Materials costs:

The cost of raw cotton and other material are highly volatile and can take movement in any direction. Increasing trend in the raw material cost may hamper the profitability of the company to a greater extent.

Management Perception:

MHSML is aware of the continuing market situation of its raw materials. The management of MHSML believes that long term planning for raw material management, exploring number of global markets, job wise costing for its finished products and trustworthy relations with the suppliers and mitigate the risk of rising of materials cost.

3.4 Risks steaming from technological changes:

Changes in technologies may reduce the cost efficiency of the company.

Management perception:

MHSML had gone for huge BMRE to support the technological changes. The machineries and equipment of the new unit are the latest invention in the sector which is imported from renowned manufacturers of the world.

3.5 Other risk factors:

(a) Political Unrest:

Bangladesh is prone to serious unrest in the political condition embraced by Hartal, Road-Block and many other politicized barriers to the business. Due to these factors it would stem the cost of the product upwards.

Management Perception:

During the last forty-seven years of post independence period, Bangladesh has gone through a variety of political situations. However, presently, a sound political atmosphere is prevailing in the country. Both the ruling and opposition parties are committed to the betterment of the country. Last democratic national assembly election and local council polls are instances of peaceful political situation in Bangladesh.

(b) Possible slowdown in economic growth in Bangladesh:

Our performance and growth are dependent on the sound health of the Bangladesh economy. The economy could be adversely affected by various factors such as political or regulatory action, including adverse changes in liberalization policies, social disturbances, terrorist attacks and other acts of violence or war, natural calamities, commodity and energy prices and various other factors. Any significant change may adversely affect our business and economy significantly.

Management Perception:

Bangladesh economy is booming for last few years. Consistent industrial growth along with increased agricultural production has made the Per Capita Income higher than that of recent years. In addition, favorable government policies and industry friendly policies by other regulatory bodies have proved to be congenial to the economy of the country.

(c) Natural calamities:

Bangladesh is a country where recurrent natural calamities take place every year. It is a serious threat to the business.

Management perception:

This type of situation is totally beyond the control of human being. Though the management of MHSML has a very little to do with, we can and should have some precaution measures to minimize the damage of the business in such situations.

4.0 Basis of preparation and significant accounting policies**4.1 Basis of Measurement of Elements of Financial Position**

The financial statements have been prepared on the Historical Cost convention basis and therefore, do not take into consideration the effect of inflation except that arising from revaluation of lands and land developments and buildings, as specified in Note 4.10. The accounting policies, unless otherwise stated, have been consistently applied by the Company and are consistent with that of the previous year.

4.2 Statement of Compliance with Laws

The financial statements have been prepared in accordance with the applicable International Accounting Standards (IAS) and International Financial Reporting Standard (IFRS) adopted by the Institute of Chartered Accountants of Bangladesh (ICAB) and the requirements of the Companies Act 1994 and other relevant laws and regulations as applicable in Bangladesh.

4.3 Going Concern

As per IAS-1 “Presentation of Financial Statements”, a company is required to make assessment at the end of each year to assess its capability to continue as going concern. Management of the company makes such assessment each year. The company has adequate resources to continue in operation for the foreseeable future and has wide coverage of its liabilities. For this reason, the Directors continue to adopt the going concern assumption while preparing the financial statements.

Deviation from last period Result

The well waited BMRE project of 36,000 spindles Ring unit of the company able to start its commercial operation from 5th January 2021. As well, the Rotor unit after compilation of utilities synchronization & machineries overhauling maintenance resumes its full operation from 06 April 2021. The mills had got 100% utilization of ring and Rotor unit. Hence, production and revenue have been increased during the period.

4.4 Accrual Basis

The financial statements have been prepared, except cash flow information, using the accrual basis of accounting.

4.5 Structure, Content and Presentation of Financial Position

Being the general-purpose financial statements, the presentation of these financial statements is in accordance with the guidelines provided by IAS-1: “Presentation of Financial Statements”. A complete set of financial statements comprise:

- i) Statement of Financial Position as at December 31, 2021.
- ii) Statement of Profit or Loss and other Comprehensive Income for the period from 01 July 2021 to 31 December 2021.
- iii) Statement of Changes in Equity for the period from 01 July 2021 to 31 December 2021.
- iv) Statement of Cash Flows for the period from 01 July 2021 to 31 December 2021.
- v) Notes comprising a summary of significant accounting policies and other explanatory information to the Financial Statements for the period from 01 July 2021 to 31 December 2021.

4.6 Reporting Period

The Financial year of the company under audit cover for a period of 06 months effective from 01 July 2021 to December 31, 2021.

4.7 Inventories

Inventories comprises of Raw materials, Work-in-Process, Finished goods and Stores & Spares. Raw materials and Stores and Spares have been measured lower of cost and net realizable value as per IAS-2 “Inventories”. Work-in-Process has been valued at prime cost basis as required by IAS-2 “Inventories” with proportionate addition of Factory Overheads. Finished goods have been valued at cost of material and other production overhead attributable to bringing the goods to the stage of sale under the convention of IAS-2 “Inventories”.

4.8 Revenue

Revenue represents the invoice value of goods supplied to customers during the period. Revenue from sale of goods is recognized in the statement of Comprehensive Income when the

significant risks and rewards of ownership have been transferred to the buyer. Sales are recognized when delivery certificate is raised against confirmed orders.

4.9 Property, Plant and Equipment

Initial Recognition and measurement

Property, plant and equipment are capitalized at cost of acquisition and subsequently stated at cost or valuation less accumulated depreciation in compliance with the requirements of IAS-16: "Property, Plant and Equipment". The cost of acquisition of an asset comprises its purchase price and any directly attributable cost of bringing the assets to its working condition for its intended use inclusive of inward freight, duties, non-refundable taxes and un-allocated expenditures etc. The land and land developments with an effect as on June 30, 2021 have been revalued by an independent valuer to reflect fair value (prevailing market price) thereof following "Current Cost Method".

Subsequent Costs

The cost of replacing part of an item of property, plant and equipments is recognized in the carrying amount of an item if it is probable that the future economic benefits embodied within the part will flow to the company and its cost can be measured reliably. The costs of the day-to-day servicing of property, plant and equipment are recognized in the statement of comprehensive income as "Repair & Maintenance" when it is incurred.

Depreciation on Fixed Assets

Depreciation is provided to amortize the cost or valuation of the assets after commissioning, over the period of their expected useful lives, in accordance with the provisions of IAS-16: "Property, Plant and Equipment". Depreciation of an asset begins when it is available for use. Depreciation is charged on all fixed assets except land and land developments on **Reducing Method**. Rates of depreciation are noted below:

Particular of Assets	Rate of Depreciation
Land & Land Developments	0%
Factory Building	5%
Plant & Machinery	10%
Vehicle	10%
Furniture and Fixture	10%
Air Condition	10%
Computer Equipment	10%
Office Equipment	10%

The gain or loss on disposal or retirement of assets is included statement of comprehensive income when the item is disposed off/derecognized.

The fair value of the property, plant and equipment on 31.12.2021 is not materially differing with the carrying amount.

CAPITAL WORK-IN-PROCESS

As per decision of the Board, the company has undertaken an expression program to construct a ring project. The cost of supplies, development work of land and building construction and others has been incorporated in the Capital Work-In-Process.

4.10 Revaluation Reserve

In 2021, land under the ownership of MHSML was professionally revalued by ATA KHAN & Co, Chartered Accountants. Fair market value was estimated at Tk. 797,382,000 as against net book

value of Tk. 286,621,311 resulting in a revaluation surplus of Taka 510,760,689 which was accounted for and transferred to revaluation reserve.

4.11 Cash and Cash Equivalent and Statement of Cash Flows:

Cash and cash equivalents comprise cash in-hand and in current account that are readily convertible to a known amount of cash, and that are not subject to significant risk of change in value.

The Statement of Cash Flows is prepared using the **Direct Method** as stipulated in Bangladesh Accounting Standards (IAS)-7 “Statement of Cash Flows”

4.12 Earnings per Share

The company calculates Earnings per Share (EPS) in accordance with the requirement of IAS-33: “Earning per Share”, which has been shown on the face of the Statement of Comprehensive Income.

Basic earnings:

This represents earnings for the period ended 31 December 2021 attributable to the ordinary shareholders.

Basic earnings per share:

This has been calculated by dividing the basic earning by the number of ordinary shares outstanding for the period.

Weighted average number of ordinary shares outstanding during the year:

The basis of computation of number of shares is in line with the provision of IAS-33: Earnings per Share. Therefore, the total number of shares outstanding at the end of the year multiplied by a time weighting factor which is the number of days the specific shares were outstanding as a proportion of total number of days in the year.

Diluted Earnings Per Share:

Diluted EPS is calculated if there is any commitment for issuance of equity shares in foreseeable future, i.e., potential shares, without inflow of resources to the Company against such issue. This is in compliance with the requirement of IAS-33. As the company has no dilutive potential ordinary shares, so diluted earnings per shares was not calculated.

4.13 Foreign Currency Transactions

Foreign currency transactions are recorded, on initial recognition in the functional currency at the spot exchange rate ruling at the transaction date.

At the end of each reporting period, in compliance with the provision of IAS-21: “The Effects of Changes in Foreign Exchange Rates” are determined as under:

- (a) Foreign currency monetary items are translated using the closing rate.
- (b) Non-monetary items that are measured in terms of historical costs in a foreign currency are translated using the exchange rate at the date of the transaction.

- (c) Non-monetary items that are measured at fair value in a foreign currency is translated using the exchange rate at the date when the fair value is determined.

4.14 Impairment of Assets

All assets, except inventory, arising from construction contracts and financial assets is assessed at the end of each reporting year to determine whether there is any indication that an asset may be impaired. If any such indication exists, the company assesses the recoverable amount.

And only if, the recoverable amount of an asset is less than its carrying amount, the carrying amount of the assets is reduced to its recoverable amount. The reduction is an impairment loss.

An impairment loss is recognized immediately in statement of Comprehensive Income, unless the asset is carried at revalued amount in accordance with another standard. Any impairment loss of a revalued asset is treated as a revaluation decrease. No such assets have been impaired during the year under audit and for this reason no provision has been made for impairment of assets.

4.15 Borrowing Cost

Borrowing costs are interest and other costs that an entity incurs in connection with the borrowing of fund and are recognized as an expense in the year in which it incurs.

4.16 Authorization date for issuing Financial Statements

Board of Directors authorized the financial statements for issue on January 18, 2022.

4.17 Reporting Currency

The financial statements are prepared and presented in Bangladesh Currency (Taka), which is the company's functional currency.

4.18 Risk and uncertainty for use of estimates (Provisions):

The Preparation of Financial Statements in conformity with International Accounting Standards (IAS) requires management to make estimates and assumptions that affect the reported amounts of revenue and expenses, assets and liabilities and disclosure requirements for contingent assets and liabilities during and the date of the financial statements. Due to inherent uncertainty involved in making estimates, actual result reported could differ from those estimates.

In accordance with the guidelines in IAS-37: "Provisions, Contingent Liabilities and Contingent Assets", provisions are recognized in the following situations: -

- When the company has an obligation as a result of past events;
- When it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and
- Reliable estimate can be made of the amount of the operation.

4.19 Accruals & Deferrals

Deferrals and accruals have been made as per the guidance in IAS-1 Presentation of Financial Statements. In order to meet their objectives, Financial Statements, except for cash flow statement and related information, are prepared on accrual basis of accounting. Under the

basis, the effects of transactions and other events are recognized when they occur (and not when cash or its equivalent is received or paid) and they are recorded in the accounting records and reported in the Financial Statements of the years to which they relate.

Other Payables are not interest bearing and are stated at their nominal value.

4.20 Advances, Deposits and Prepayments

Advances are initially measured at cost. After initial recognition advances are carried at cost less deductions or adjustments. Deposits are measured at payment value. Prepayments are initially measured at cost. After initial recognition prepayments are carried at cost less charges to the statement of comprehensive income.

4.21 Financial Instruments

Non-derivative financial instruments comprise accounts and other receivables, cash and cash equivalents, borrowings and other payables and are shown at transaction cost.

Initial recognition

An entity recognizes a financial assets or liabilities in its statement of financial position when, and only when, the entity becomes a party to the contractual provision of the instrument and subsequently recognized at their Amortized Cost.

Bills receivable are recognized at cost or net realizable value from the ordinary course of sales in the market whichever is lower. Bills receivables from foreign currency transactions are recognized into Bangladeshi Taka using exchange rates prevailing on the closing date of the accounts in accordance with IAS-21: The Effects of Changes in Foreign Exchange Rates.

4.22 Segment Reporting

As the Company operates in a single industry segment, so no segment reporting is applicable for the Company as per IAS-14:” Segment reporting”.

4.23 Related Party Disclosures

The information as required by IAS-24: “Related party Disclosure” has been disclosed separately in notes to the financial statements.

4.24 Corporate Tax

(a) Current Tax: Current Tax is the amount of income taxes payable (recoverable) in respect of the taxable profit (tax loss) for the period.

Current tax is recognized in statement of comprehensive income except to the extent that it relates to business combination or item recognized directly in equity.

As the company has enjoying tax holiday @ 100% up-to October 2010, has been enjoying 50% up-to October 2012, and has been enjoying 25% up-to October 2013 for which provision for current tax has been made on taxable income to that extent as prescribed in Income Tax Ordinance, 1984.

(b) Deferred Tax

Deferred tax liabilities are the amount of income taxes payable in future years in respect of taxable temporary differences. Deferred tax assets are the amount of income taxes recoverable in future years in respect of deductible temporary differences. Deferred tax assets and liabilities are recognized for the future tax consequences of timing differences arising between the carrying values of assets, liabilities, income and expenditure and their respective tax bases. Deferred tax

assets and liabilities are measured using tax rates and tax laws that have been enacted or subsequently enacted at the financial statement date.

4.25 Workers Profit Participation Fund

As per provision of Bangladesh Labor Law, Amendment 2013, Section 232(2), in case of a 100% export oriented industrial sector or for any industry investing 100% foreign exchange, the Government, through enactment of Rule, shall adopt required provisions with regard to formation of sector based central fund comprising of buyers and owners, form a Board to execute that fund, determine contributions and their realization procedure and provisions for utilizations of the money for the welfare of the beneficiaries in the sector. As per Financial Statement, Company Showing Net profit for the period for this reason Company make provision against WPPF.

4.26 Contingent Assets and Liabilities

A contingent asset is disclosed when it is a possible that asset arises from the past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity.

A contingent liability is disclosed when it is a possible obligation that arises from the past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity.

The company has no contingent assets or liabilities, which require disclosure under IAS: 37. Contingent assets and contingent liabilities are not recognized in the financial statements.

A contingent asset is disclosed as per IAS-37, where an inflow of or economic benefits is probable. A contingent liability is disclosed unless the possibility of an outflow of resources embodying economic benefits is remote.

Tax assessment for the year 2010-2011, 2011-2012, 2012-2013, and 2013-2014 is under appeal Hon'ble High Court Division of the Supreme Court of Bangladesh for Tax holiday facility.

As per the decision was taken in the 10th AGM and Board of Director's meeting held on 20/12/2015 MHSML has declare 20% Stock Dividend to all the Shareholders but later considered 15% Stock Dividend to all the Shareholders and 5% cash dividend to the general shareholder (Excluding Sponsors /Directors). As per order dated 17.01.2016 passed by the Hon'ble High Court Division of the Supreme Court of Bangladesh in Writ Petition No.447/2016.15% stock dividend credited to all shareholders through CDBL, the decision regarding the remaining 5% dividend payment is awaiting Hon'ble High Court.

4.27 Comparative Information

Comparative information has been disclosed as required by IAS 01: Interim Financial Reporting' In respect of the previous year for all numerical information in the current financial statements as below:

- Statement of Financial Position as of the end of the preceding financial year.
- Statement of Profit or Loss and other Comprehensive Income for the comparable year of preceding financial year.
- Statement of Changes in Equity for the comparable year of preceding financial year.
- Statement Cash Flows for the comparable year of preceding financial year. Comparative figures have been re-arranged wherever considered necessary to conform current year figure without causing any impact on the profit and value of assets and liabilities as reported in the financial statements.

Notes	Particulars	Amount in Taka	
		31.12.2021	30.06.2021
5.00	Property, Plant and Equipment's		
	Cost:		
	Opening balance at cost	4,020,015,179	2,054,274,409
	Add : Addition during the period	14,965,232	1,965,740,770
		4,034,980,411	4,020,015,179
	Less : Disposed / Sold during the period	-	-
	Total	4,034,980,411	4,020,015,179
	Depreciation:		
	Opening balance	689,143,259	527,399,862
	Depreciation during the period	122,326,705	161,743,397
		811,469,964	689,143,259
	Total (a)	3,223,510,447	3,330,871,920
	Revaluation:		
	Opening balance	510,760,689	130,314,640
	Add : Addition during the period	-	380,446,049
	Total (b)	510,760,689	510,760,689
	Written Down Value (WDV) (a+b)	3,734,271,136	3,841,632,609
	Please refer to Annexure-'A' for further details		
6.00	Deferred Tax		
	Book value of Depreciable asset	2,936,889,136	3,044,250,609
	Tax base Written down value	2,475,858,708	2,684,560,487
	Unabsorbed Depreciation	323,979,466	344,308,951
	Less : Tax base value of depreciable assets	2,799,838,174	3,028,869,438
	Taxable temporary difference	137,050,962	15,381,171
	Effective Tax rate	15%	15%
	Deferred tax liabilities/(asset) on original cost of assets	20,557,644	2,307,176
	Deferred tax liabilities on revaluation surplus Note-6.01	10,215,214	10,215,214
	Total closing deferred tax liabilities/(assets)	30,772,858	12,522,390
6.01	Deferred Tax on Revaluation Reserve of Land		
	Revaluation Reserve	510,760,689	510,760,689
	Effective Tax Rate	2%	2%
	Total taxable temporary difference	10,215,214	10,215,214
6.02	Deferred Tax (Income) / Expenses		
	Closing Deferred Tax Liabilities	30,772,858	12,522,390
	Opening Deferred Tax Liabilities	12,522,390	(6,966,655)
	Deferred tax (Income) / Expenses	18,250,468	19,489,045
7.00	Capital Work-In-Progress (Machinery)		
	Opening Balance	-	1,846,945,307
	Addition during the period	-	52,602,945
	Total	-	1,899,548,252
	Acquisition of the period	-	1,899,548,252
	Closing Balance	-	-

Expansion project (36,000 Spindle Ring Spinning mills) of Mozaffar Hossain Spinning Mills Limited are ongoing. Total Project Value USD 25.00 Million. Capital work in progress represents the cost incurred for acquisition and/or for construction of items of property, plant, and equipment that are ready. Machinery Value Approx. USD 15.70 million are already have been installation. CWIP is measured at cost. As per "IAS-16" Depreciation of an asset begins when it is available for use, ie when it is in the location and condition necessary for it to be capable of operating in the manner intended by management.

8.00 Investment

This represents the followings:

Suntech Energy Limited	4,521,551	4,451,171
	<u>4,521,551</u>	<u>4,451,171</u>
Add: Profit from the Associates	-	70,380
Total	<u>4,521,551</u>	<u>4,521,551</u>

The company has purchased 30% shares of Tk 4,920,000 from Suntech Energy Ltd. and accounted for complying with IAS 28 "Investment in Associates" accordingly during the period. We have assessed the project "Suntech Energy Limited" there are no too much changes on our Impairment investment.

9.00 Inventories

Break-up of this item is as follows:

	<u>Qty. (Kg)</u>	<u>Amounts</u>	<u>Amounts</u>
Finished Goods:		768,590,054	324,859,642
Yarn	1,748,828	602,606,654	190,236,340
Primary estimation of damage stock of Finished Goods and Claim to Insurance Company	250,000	75,000,000	75,000,000
Work-in-process	340,762	90,983,400	59,623,302
Raw Materials:		501,246,134	841,235,114
Virgin Cotton	1,085,541	396,352,794	706,511,015
Waste Cotton	268,960	24,233,340	32,875,119
Primary estimation of damage of raw materials and claim to insurance company	436,000	80,660,000	101,848,980
Packing Materials		4,864,902	6,112,210
Store Materials		5,142,906	9,895,598
		<u>1,279,843,996</u>	<u>1,182,102,564</u>

The above Inventories are as per physical counting made and valued by a Inventory team comprised of management nominated staff to carryout the Inventory verification except as stated below. Inventories in hand have been valued at lower of cost and net realizable value as per IAS-2. Inventories were hypothecated against working capital facilities availed from the bank (Islami Bank BD Ltd.).

Due to fire in the factory on 12.02.2021 and 26.02.2021, factory premises, machineries and inventory was damaged and an estimation of the damaged material completed by management, Fire service & Civil defense authority, and independent surveyor appointed by Insurance Company which is not yet finalized. As all the material, building and machineries were covered by fire insurance a claim has been lodged on the basis of primary assessment by the company amount of which is Tk. 20 crore. however, after completing the assessment the management will make the accounting effect in the books of record and no effect has been given during this period as the amount is not confirmed. As Management always complied with all the rules & regulations related to the fire policy & safety plan so hopefully will get the total claim against damaged Goods after finaliazation of the assessment of loss due to fire in factory premises.

10.00 Accounts Receivable

This is unsecured, considered good and is falling due within one year . No debts are considered as bad during the year. Classification schedule as required by Schedule XI of Companies Act 1994 is as follows:

I) Accounts Receivable considered good in respect of which the company is fully secured (Annexure B)	-	-
II) Accounts Receivable considered good in respect of which the company holds no security other than the debtor's personal security (Annexure B)	290,594,074	325,355,192
III) Accounts Receivable considered doubtful or bad	-	-
IV) Accounts Receivable due by any director or other officer of the company	-	-
V) Accounts Receivable due by Common management (Annexure B)	124,963,937	102,550,499
VI) The maximum amount of receivable due by any director or other officer of the company	-	-

		415,558,011	427,905,691
Less: Adjustment of Bill Discounting (Net off Assets & Liabilities)	Note-10.01	307,731,292	313,393,350
		107,826,719	114,512,341
<u>Aging of Accounts Receivable:</u>			
Dues within three months		262,577,880	174,943,325
Dues above three months but within six months		131,240,689	130,417,035
Dues above six months		21,739,442	122,545,332
		415,558,011	427,905,691
10.01 Adjustment of Bill Discounting (Net off Assets & Liabilities)			
Woori Bank Limited		273,008,429	265,463,503
Mercantile Bank Limited		-	-
Southeast Bank Limited		34,722,863	47,929,847
		307,731,292	313,393,350
11.00 Advances, Deposits & Pre-Payments			
Advance against Purchase	Note-11.01	152,123,885	76,655,459
Advance against Factory Expenses		3,418,709	2,308,820
Advance against L/c Margin		49,742,276	137,863,495
Advanced for Ring Spinning Project		1,098,802	1,222,456
Bank Guarantee for CDBL		1,176,349	1,176,349
Titas Gas Security Deposits		11,765,200	11,765,200
Prepaid Insurance		3,745,331	306,172
Tax deducted at sources	Note-11.02	15,527,435	9,741,631
		238,597,987	241,039,582
Bank guarantee is provided for CDBL & Titas Gas security deposits purpose.			
11.01 Advance against Purchase			
Dues within three months		75,733,743	52,303,274
Dues above three months but within six months		53,510,079	13,713,966
Dues above six months		22,880,063	10,638,219
		152,123,885	76,655,459
11.02 Tax Deductions at Sources			
Opening Balance		9,741,631	953,292
Addition during the period		5,785,804	8,788,339
		15,527,435	9,741,631
12.00 Cash and Cash Equivalents			
		2,014,667	3,849,079
Cash in Hand		2,014,667	3,849,079
Cash at Banks:		71,519,607	20,754,177
IBBL Mouchak #20501450100327918		85,242	118,973
IBBL Mouchak #20501452500004916		21,517,586	1,120,378
IBBL Mouchak #20501452600004917		201,912	94,739
IBBL Bhulta #20502800100215106		1,662,728	902,175
IBBL(FCAD ORQ) Mouchak #20501452800001714		27,017,119	3,000
IBBL(FC Held BB LC) Mouchak #20501452300004914		6,241,810	-
SEBL Dhanmodi #1211100015657		989,419	2,797,556
DBBL Bhulta # 1761200001733		1,600,442	14,145
DBBL Bashundhara # 1471100005894		1,545,951	2,033,333
MBL Pragati Sarani # 114711123026113		92,934	92,934
EBL Principal		1,531	1,531
EBL Principal #1011360231502		152,521	153,403
Woori Bank FC #1509640003099		6,721,820	9,596,160
Woori Bank RQA		2,519,625	3,023,472
Woori Bank #1509640002993		532,394	453,619

Agrani Bank	Foreign Ex # 0200017638659	275,682	-
NCC Bank	Mohakhali Branch #1250325000048	360,891	348,759
		<u>73,534,274</u>	<u>24,603,256</u>

13.00 Share Capital

This represents the followings:

Authorized Capital:

300,000,000 ordinary Shares of Tk 10/- each		3,000,000,000	3,000,000,000
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Issued, Subscribed and Paid-up Capital:

100,993,374 ordinary shares of taka 10/- each	Note-13.01	1,009,933,740	1,009,933,740
		<u>1,009,933,740</u>	<u>1,009,933,740</u>

13.01 Share holding Position:

i) Sponsors	6,699,343	6.63%	66,993,425	66,993,425
ii) SIM Fabrics Limited	33,300,737	32.97%	333,007,365	333,007,365
iii) General Public & Others	60,993,295	60.39%	609,932,950	609,932,950
	<u>100,993,374</u>	<u>100.00%</u>	<u>1,009,933,740</u>	<u>1,009,933,740</u>

14.00 Revaluation Reserve

Opening Balance		510,760,689	130,314,640
Add: Addition during the Year		-	380,446,049
		510,760,689	510,760,689
Less: Related Deferred Tax on Revaluation 2%		(10,215,214)	(10,215,214)
		<u>500,545,475</u>	<u>500,545,475</u>

In 2021, land under the ownership of MHSML was professionally revalued by ATA KHAN & Co, Chartered Accountants. Fair market value was estimated at Tk. 797,382,000 as against net book value of Tk. 286,621,311 resulting in a revaluation surplus of Taka 510,760,689 which was accounted for and transferred to revaluation reserve.

15.00 Retained Earnings

Details are as follows:

Opening Balance		250,996,287	204,669,050
Add: Net Profit / (Loss) for the period		97,839,917	52,426,567
Total		<u>348,836,204</u>	<u>257,095,617</u>
Cash Dividend 1%(For all Public Shareholder)		-	(6,099,330)
Retained Earnings		<u>348,836,204</u>	<u>250,996,287</u>

16.00 Long Term Borrowings

Hajj Finance Com. Ltd - 1813		18,913,534	32,975,403
Hajj Finance Com. Ltd - 1925		62,419,104	63,150,618
Hajj Finance Com. Ltd - 1947		178,870,715	189,515,174
Hajj Finance Com. Ltd - 2149		25,349,516	26,495,885
IBBL HPSM-20501454300078403		2,228,030	2,855,984
IBBL HPSM-20501454300083317		1,300,091	1,545,374
IBBL HPSM-20501454300083500		1,256,236	1,728,657
IBBL HPSM-20501454300089001		11,907,538	13,281,248
IBBL HPSM-20501454300095301		101,845,378	104,040,714
IBBL HPSM-20501454300097909		52,356,538	53,148,856
IBBL HPSM-20501454300098405		73,137,249	74,142,257
IBBL HPSM-20501454300111713		113,600,000	-
IBBL HPSM-FC-20500246106759815		1,232,592,513	1,187,921,826
IDLC		31,886,615	37,515,560
Total		<u>1,907,663,057</u>	<u>1,788,317,557</u>
Less: Current portion of Long term loan		(225,681,581)	(193,766,270)
		<u>1,681,981,476</u>	<u>1,594,551,287</u>

1. Purpose of Investment - To purchase/import of New Ring Spinning Machine, Utilities and Factory Shed building for the project.
2. Period of Investment - 07 (seven) years excluding 12 month gestration period.
3. Rate of return -9% per annum or the rate to be determined by the bank from time to time.
4. Collateral:
 - A. 156.10 decimal project land along with 88,200 sft. Project building vide FSV 81.36 million.
 - B. 397.00 decimal project land along with 1,89,4825 sft. Project building vide FSV 251.20 million.
 - C. 505.04 decimal project land along with 2,49,904 sft. Factory building vide FSV 598.51 million by SFL.
 - D. Personal Guarantee of all Directors of the Project Companies & Mortgages of their individual

17.00 Accounts Payable

Trade Creditors (Annexure-C)	133,462	133,462
Bills Payable (Annexure-C)	11,367,078	6,752,910
	<u>11,500,540</u>	<u>6,886,372</u>

18.00 Cash Dividend Payable

Opening Balance	812,864	469,705
Add: Cash Dividend During the year	-	6,099,330
	<u>812,864</u>	<u>6,569,035</u>
Less: Cash Dividend Paid to BSEC	469,705	5,756,171
	<u>343,159</u>	<u>812,864</u>

19.00 Long Term Borrowings- Current Maturity

Islami Bank Bangladesh Ltd,Hajj Finance Ltd and IDLC	225,681,581	193,766,270
	<u>225,681,581</u>	<u>193,766,270</u>

This consists of as follows and is payable within next twelve months from the Balance Sheet date.

20.00 Refundable fund of IPO subscribers

Refund warrant to IPO subscribers	2,755,000	2,755,000
Less: Paid to BSEC	2,755,000	-
	<u>-</u>	<u>2,755,000</u>

21.00 Short Term Borrowings

Murabaha TR	164,442,901	283,928,773
Stimulus Fund	109,000,000	122,074,748
Bai Murabaha	217,926,775	191,577,359
MFCI	729,142,142	1,048,547,399
Car Loan (Hajj Finance Co. Ltd-1034)	-	131,560
Agrani Bank -PAD	101,602,270	-
Total short term loan	<u>1,322,114,088</u>	<u>1,646,259,839</u>

This represents amount excluded by the following Banks as working capital which are fully secured by Stock hypothecation and Export bills receivable at the terms & condition given below.

1. Purpose of Investment - To purchase/import raw materials for the project.
2. Period of Investment - 01 (one) year on revolving basis.
3. Rate of return -9% per annum or the rate to be determined by the bank from time to time.
4. Collateral:
 - A. 156.10 decimal project land along with 88,200 sft. Project building vide FSV 81.36 million.
 - B. 397.00 decimal project land along with 1,89,4825 sft. Project building vide FSV 251.20 million.
 - C. 505.04 decimal project land along with 2,49,904 sft. Factory building vide FSV 598.51 million by SFL.
 - D. Personal Guarantee of all Directors of the Project Companies & Mortgages of their individual properties.

22.00 Provision for Income tax

Opening Balance		80,938,725	84,700,386
Provision for the period	Note-21.01	5,785,804	8,738,339
Total		86,724,529	93,438,725
Tax Paid to DCT against Claim for Assessment 2014-2015		4,000,000	-
Tax Paid to DCT against Claim for Assessment 2017-2018		1,000,000	12,500,000
Closing Balance		81,724,529	80,938,725

21.01 Current Tax**A. Regular tax**

Profit Before Tax		121,876,189	80,653,951
Less: Other Income		(206,397)	(1,453,127)
Add: Accounting Depreciation		122,326,705	161,743,397
Less: Tax Depreciation		(223,667,011)	(306,797,896)
Taxable Income for the period		20,329,486	(65,853,675)
Rate of Tax		15%	15%
Tax on business		3,049,423	(9,878,051)
Add: 22.5 % Tax on Other Income		(46,439)	(326,954)
Total Provision for the Period		3,002,984	(10,205,005)

B. Minimum tax

Turnover and other income		1,243,022,757	1,561,443,196
Minimum tax rate		0.40%	0.30%
		4,972,091	4,684,330

C. Tax deducted at Source

Current tax expenses (Higher of A,B & C)		5,785,804	8,738,339
		5,785,804	8,738,339

23.00 Accrued Expenses

This is unsecured, falling due within one year and consists of as follows:

Audit and others fees		-	463,750
Salaries & Wages		9,991,519	12,263,388
Remuneration		400,000	200,000
Gas Bill		94,171,405	51,372,128
WPPF Payable		47,753,672	41,659,863
		152,316,596	105,959,129

Notes	Particulars	Amount in Taka	
		July 01, 2021 to December 31, 2021	July 01, 2020 to December 31, 2020
24.00	Turnover		
		Qty. (kg.)	Avg. Rate
	Yarn 20's	305,754	342
	Yarn 16's	928,168	323
	Yarn 30's	604,148	356
	Yarn 12's	74,201	295
	Yarn 07's	73,500	200
	Yarn 10's	784,017	299
	Yarn 22's	59,970	331
	Yarn 24's,14's	127,900	395
	Yarn 26's,28's	305,237	377
	Yarn 32's	38,000	371
	Yarn 34's	84,300	393
	Yarn 36's	117,300	565
	Yarn 40's	105,488	505
		3,607,983	345
		1,243,229,154	354,190,893
25.00	Cost of Goods Sold		
	Raw materials consumed	Note-25.01	1,235,057,799
	Accessories & Stores Consumed	Note-25.02	9,692,208
	Packing Materials Consumed	Note-25.03	8,131,890
	Factory overhead	Note-25.04	265,975,953
	Opening Work-in-Process		59,623,302
	Closing Work-in-Process		(90,983,400)
	Cost of Production		1,487,497,752
	Opening stock of Finished Goods		190,236,340
	Cost of Goods Available for Sale		1,677,734,092
	Closing stock of Finished Goods		(602,606,654)
	Primary estimation of damage stock of Finished Goods and Claim to Insurance Company		(75,000,000)
	Wastage Sales		(244,889)
	Cost of Goods Sold		999,882,549
			316,052,539
25.01	Raw Materials Consumption		
	Opening Raw Materials		739,386,134
	Primary estimation of damage of raw materials and claim to insurance company		101,848,980
	Purchase during the period		895,068,819
	Available for use		1,736,303,933
	Primary estimation of damage of raw materials and claim to insurance company		(80,660,000)
	Closing Raw Materials		(420,586,134)
			1,235,057,799
			183,157,217
25.02	Accessories & Stores Consumption		
	Opening Accessories & Stores		9,895,598
	Purchase during the period		4,939,516
	Available for use		14,835,114
	Closing Accessories & Stores		(5,142,906)
			9,692,208
			11,485,035

Notes	Particulars	Amount in Taka	
		July 01, 2021 to December 31, 2021	July 01, 2020 to December 31, 2020
25.03	Packing Materials Consumption		
	Opening Packing Materials	6,112,210	2,734,910
	Purchase during the period	6,884,582	11,540,157
	Available for use	12,996,792	14,275,067
	Closing Packing Materials	(4,864,902)	(11,112,210)
		8,131,890	3,162,857
25.04	Factory Overhead		
	Gas Bill	87,334,402	33,429,041
	Wages	50,687,816	26,244,074
	Repair & Maintenance	478,178	571,980
	Factory Insurance	4,051,503	2,225,088
	Sundry Carrying Charges	466,215	536,115
	Sundry daily labor charges	713,887	922,591
	Medical & other Expenses	133,762	15,385
	Depreciation	122,110,191	34,215,892
		265,975,953	98,160,166
	(a) Repairs & maintenance includes maintenance of office, premises, vehicles, building, equipment and other infrastructures. Also included therein stores and spares that has been consumed during the period.		
	(b) Other expenses does not included any item exceeding 1% of total revenue.		
26.00	Other Operating Income/(loss)		
	Interest on Bank Account	-	15,492
	Exchange Rate Fluctuation Gain/(Loss)	(206,397)	(460,876)
		(206,397)	(445,384)
27.00	Administrative Expenses		
	Salary and Allowances	20,561,551	15,381,160
	Festival Bonus	-	3,232,922
	Managing Director Remuneration	500,000	300,000
	Director's Remuneration	1,500,000	900,000
	Board Meeting Fees	36,000	50,000
	Entertainment	79,600	188,554
	Traveling and Conveyance	105,890	113,851
	House & Office rent	448,500	398,750
	Telephone & Mobile Bill	112,650	82,150
	Company Secretarial, Regulatory Fee and AGM Expense	181,416	125,433
	Subscription and Donations	163,000	73,000
	Fees, Renewals and other Expenses	420,000	1,163,167
	Fuel expenses	760,126	-
	IT Solution	32,550	20,700
	Depreciation	216,515	169,407
		25,117,798	22,199,094
	Payment/ Perquisites to Directors and officers		
	The aggregate amount paid/ provided during the period in respect of Directors and officers of the company as defined in the Bangladesh Securities and Exchange Rules 1987 are disclosed below :		
	Particulars		
	Managing Director Remuneration	500,000	300,000
	Director's Remuneration	1,500,000	900,000
	Board Meeting Fees	36,000	50,000
		2,036,000	1,250,000

Notes	Particulars	Amount in Taka	
		July 01, 2021 to December 31, 2021	July 01, 2020 to December 31, 2020
28.00	Marketing, Selling & Distribution Expenses		
	Salaries and Allowances	136,467	205,768
	Advertisement	33,390	20,500
		169,857	226,268
29.00	Financial Expenses		
	Bank Charges and Commission	1,766,841	1,960,193
	Interest on HPSM	36,445,634	9,481,814
	Interest on BAI Murabaha	11,280,502	12,052,160
	Interest on Murabaha TR	13,815,618	11,013,781
	Interest on MBL -IDBP	-	40,526
	Interest on Woori -IDBP	4,568,116	3,456,506
	Interest on Hajj Finance	8,883,378	9,383,865
	Interest on MFCI	10,236,689	7,526,236
	Interest on IDLC	1,236,062	1,391,870
	Interest on IBP SEBL	1,649,715	-
		89,882,555	56,306,951
30.00	Basic Earning Per Share		
	Net Profit after Taxes	97,839,917	(38,945,360)
	Number of Shares for respected period	100,993,374	100,993,374
	Earning per share (Taka) (Basic)	0.97	(0.39)
	Net Profit after Taxes	97,839,917	(38,945,360)
	Weighted Average Number of Share	100,993,374	100,993,374
	Earning per share (Taka) (Adjusted)	0.97	(0.39)
	Weighted average/Total existing number of share:		
	Opening number of share outstanding	100,993,374	100,993,374
		100,993,374	100,993,374
31.00	Net Operating Cash Flow Per Share(NOCFPS)		
	Cash flow from operating activities	437,123,502	(761,251,705)
	Number of Share	100,993,374	100,993,374
	Net Operating Cash Flows per Share (NOCFPS)	4.33	(7.54)
32.00	Net Asset Value Per Share (NAVPS)		
	Net Asset Value	1,932,160,836	1,376,211,194
	Number of Shares	100,993,374	100,993,374
	Net Asset Value Per Share (NAVPS)	19.13	13.63
33.00	General:		
33.01	Claims not Acknowledged		
	There is no claim against the Company not acknowledged as debt as at 31.12.2021		
33.02	Credit Facilities not Availed		
	There is no credit facilities extended to the Company but nor availed of as at 31.12.2021, under any contract, other than trade credit available in the ordinary course of business.		
33.03	Commission, Brokerage or Discount Against Sales		
	No commission, brokerage or discount was incurred or paid by the Company against sales during the period ended 31.12.2021		

Notes	Particulars	Amount in Taka	
		July 01, 2021 to December 31, 2021	July 01, 2020 to December 31, 2020

33.04 Directors Responsibility Statements

The Board of Directors and management of the company takes the responsibility for the preparation and presentation of these financial statements as per section 183 of Companies Act 1994 and Corporate Governance Guidelines issued by Bangladesh Securities & Exchange Commission (BSEC) .

33.05 Employees Details:

During the period there were 1270 employees employed for the full year out of which 411 employees received salary Taka 8,425 per month and above.

33.06 Rounding Off

Amounts appearing in these financial statements have been rounded off to the nearest Taka wherever considered necessary.

33.07 Reconciliation of Net Income with Cash Flows from Operating Activities

Statement of Cash Flows have been prepared in accordance with IAS 7 "Statement of Cash Flows" under direct method and the Reconciliation of Net Income with Cash Flows from Operating Activities are shown under indirect method as activities.

Profit before Income Tax	121,876,189	(41,039,343)
		-
Adjustment for items not involving movement of cash:		-
Depreciation on Property, Plant and Equipment	122,326,705	34,385,298
Financial Expenses	89,882,555	56,306,951
Profit from associates	-	-
Foreign Exchange Gain/(Loss)	(231,427)	(465,462)
	333,854,022	49,187,444
(Increase)/Decrease in Accounts Receivable	6,917,049	128,481,898
(Increase)/Decrease in Inventory	(97,741,432)	(299,308,067)
(Increase)/Decrease in Advance, Deposits & Prepayments	83,572,172	(15,274,657)
Increase/(Decrease) in Accounts Payable	4,589,138	(565,249,424)
Increase/(Decrease) in Accrued expenses	46,357,467	(47,525,089)
Increase/(Decrease) in Goods in Transit	70,360,892	-
(increase)/Decrease Revaluation deferred Tax	-	-
	114,055,286	(798,875,339)
Tax Paid to DCT against Claim for Assessment 2017-2018	(1,000,000)	(8,500,000)
Tax Paid to DCT against Claim for Assessment 2014-2015	(4,000,000)	-
Income Tax paid during the year	(5,785,804)	(3,063,812)
Net Cash Flows from operating activities	437,123,504	(761,251,705)

33.08 Disclosed as per requirement of schedule XI, part II Para 8

Value of Raw material, packing materials and Capital goods

Particular	Opening	Purchases	Consumption	Closing
Raw Material	739,386,134	895,068,819	(1,235,057,799)	420,586,134
Packing Materials	6,112,210	6,884,582	(8,131,890)	4,864,902
Spare Parts	9,895,598	4,939,516	(9,692,208)	5,142,906

Value of Export

Particular	In Foreign Currency USD	In BDT
Export	\$ 14,800,347	1,243,229,154

33.09 Details of capacity has given below

Particular	License Capacity	Installed Capacity	Actual Production
Annual Production (kg) Rotor Unit	6,600,000	6,600,000	4,524,093
Annual Production (kg) Ring Unit	6,600,000	6,600,000	

34.00 Related Party Disclosure :

a) Transaction with Key Management Personnel of the entity:

No.	Particulars	Amounts in Tk
(a)	Managerial Remuneration paid or payable during the period to the directors, including Managing directors or manager	2,000,000
(b)	Any other perquisite or benefits in cash or in kind stating, approximate money value applicable.	36,000
(c)	Other allowances and commission including guarantee commission	Nil
(d)	Pensions etc.	Nil
	(i) Pensions	Nil
	(ii) Gratuities	Nil
	(iii) Payments from a provident funds, in excess of own subscription and interest thereon	Nil
(e)	Share Based payments	Nil

b) Transaction with Related Entity:

Sl.	Name of Customer	Relationship	Balance as at 01.07.2021	Addition during the Period	Realized during the Period	Balance as at 30.09.2021
(a)	SIM Fabrics Limited yarn sale	Common Management	102,550,499	814,972,254	792,558,816	124,963,937
	Total		102,550,499	814,972,254	792,558,816	124,963,937

Mozaffar Hossain Spinning Mills Limited
Annexure of Property, Plant & Equipment
As at December 31, 2021

Annexure-A
Amounts in Taka

Cost:

Particulars	COST			Rate of Dep.	DEPRECIATION			Written down value as at 31.12.2021
	As at July 01, 2021	Addition during the period	Closing Balance As on 31.12.2021		As at July 01, 2021	Charged during the Period	Closing Balance As on 31.12.2021	
Land & Land Dev.	286,621,311	-	286,621,311	-	-	-	-	286,621,311
Factory Building	1,345,639,127	14,757,332	1,360,396,459	5%	135,032,990	30,634,087	165,667,076	1,194,729,383
Plant & Machinery	2,379,105,000	-	2,379,105,000	10%	549,582,925	91,476,104	641,059,029	1,738,045,972
Vehicle	5,586,326	-	5,586,326	10%	2,835,241	137,554	2,972,795	2,613,531
Furniture & Fixture	1,728,415	-	1,728,415	10%	1,464,291	13,206	1,477,497	250,918
Air Condition	1,267,500	-	1,267,500	10%	221,063	52,322	273,384	994,116
Office Equipment	-	207,900	207,900	10%	-	10,395	10,395	197,505
Computer Equipment	67,500	-	67,500	10%	6,750	3,038	9,788	57,713
Balance as on 31.12.2021	4,020,015,179	14,965,232	4,034,980,411		689,143,259	122,326,705	811,469,964	3,223,510,447
Balance as on 30.06.2021	2,054,274,409	1,965,740,770	4,020,015,179		527,399,862	161,743,397	689,143,259	3,330,871,920

Revaluation:

Particulars	COST			Rate of Dep.	DEPRECIATION			Written down value as at 31.12.2021
	As at July 01, 2021	Addition during the period	Closing Balance As on 31.12.2021		As at July 01, 2021	Charged during the Period	Closing Balance As on 31.12.2021	
Land & Land Dev.	510,760,689	-	510,760,689	-	-	-	-	510,760,689
Balance as on 31.12.2021	510,760,689	-	510,760,689	-	-	-	-	510,760,689
Balance as on 30.06.2021	130,314,640	380,446,049	510,760,689	-	-	-	-	510,760,689
Balance as on 31.12.2021	4,530,775,868	14,965,232	4,545,741,100	-	689,143,259	122,326,705	811,469,964	3,734,271,136
Balance as on 30.06.2021	2,184,589,049	2,346,186,819	4,530,775,868	-	527,399,862	161,743,397	689,143,259	3,841,632,609

Depreciation Charged To:-

Administrative Cost	216,515
Manufacturing Cost	122,110,191
Total	<u>122,326,705</u>

Note: The company use an accounting software (Intangible asset) which is fully amortized. Damage of Machineries & Building & Civil Construction has been Claimed to Insurance Company.

Mozaffar Hossain Spinning Mills Limited

Annexure of Accounts Receivable

Annexure-B

As at December 31, 2021

Disclosure as per requirement of Schedule XI, Part - I (A. Horizontal Form) of Companies Act.1994

In regard to sundry debtors the following particulars' shall be given separately:-

The debtors occurred in the ordinary course of business are considered good. The details of Accounts Receivable are given below:

Amounts in Taka

Name of Customer	Balance as at 01.07.2021	Addition during the period	Realized during the period	Balance as at 31.12.2021
ACS Textile Ltd.	83,474,580	92,118,346	89,941,706	85,651,220
ACS Towel Ltd.	37,863,420	22,931,915	60,795,335	-
Rownok Textile Mills	18,489,542	4,245,085	16,496,392	6,238,235
Moom Tex. Expo Ltd	6,953,520	13,584,000	20,537,520	-
Amber Denim Mills Ltd	-			-
Crosswear Industries Ltd.	-			-
Rony Knit Composite (Pvt) Ltd	-			-
Adnan	979,440		979,440	-
Aswad Composite Mills Limited	79,800			79,800
Impress Fashion Ltd	-			-
Nazmul Hosiery (PVT.) Ltd.	-			-
Trust Knitwear Industries Ltd.	-			-
Sea Blue Textile Limited	39,330,648		37,334,227	1,996,421
Shabab Fabrics Ltd	19,567,800	30,840,022	47,370,876	3,036,946
Alema Textile Limited	8,925,420		2,721,155	6,204,265
Arkay Knit Dyeing Mills Ltd	32,148,732	1,739,389	27,531,889	6,356,232
ClearTex Industries Ltd	2,817,360		2,817,360	-
F.K. Textile Mills Limited	-			-
F.M Yarn Dyeing Ltd	-			-
Farzana Fashions World Ltd	-	10,867,200	10,867,200	-
Fashion Makers Ltd	-			-
Glorius Sun Fashion Garments L	12,215,700		12,215,700	-
Hamza Trims Ltd	5,712,000		5,712,000	-
Handz Clothing BD Ltd	13,608,000		13,608,000	-
K.R Knitwear Ltd	3,314,850			3,314,850
Heaven Textile Mills	3,427,200	865,980	3,427,200	865,980
Mof Fashions Limited	8,505,000		8,505,000	-
Mohammadi Group Ltd	10,963,260			10,963,260
Generation Next Fashions Ltd		14,097,645		14,097,645
Noor Knit (BD) Ltd	5,532,240		5,532,240	-
Silver Apparels Limited	11,446,680	365,070	8,885,150	2,926,600
Knit Reign (PVT) Ltd		4,160,100		4,160,100
Hams Garments Ltd		144,024,360	39,010,000	105,014,360
Taratex Fashion Ltd	-	30,708,542		30,708,542
Ragadi Textile Ltd	-	8,979,618		8,979,618
Ripon Knitwear Ltd.	-	48,729,629	48,729,629	-
Sub-total	325,355,192	428,256,900	463,018,018	290,594,074

Accounts Receivable due by Common management:

The debtors occurred in the ordinary course of business are considered good. The details of Accounts Receivable are given below:

Amount in Taka

Name of Customer	Balance as at 01.07.2021	Addition during the period	Realized during the period	Balance as at 31.12.2021
SIM Fabrics Limited	102,550,499	814,972,254	792,558,816	124,963,937
Sub-total	102,550,499	814,972,254	792,558,816	124,963,937
Total	427,905,691	1,243,229,154	1,255,576,834	415,558,011

Mozaffar Hossain Spinning Mills Limited

Schedule of Trade Creditors

As at December 31, 2021

Annexure-C

Trade Creditors:

Amounts in Taka

Name of Supplier	Balance as at 01.07.2021	Payment during the Period	Bill during the Period	Balance as at 31.12.2021
AB Enterprise	133,462	-	-	133,462
Sub Total (A)	133,462	-	-	133,462

Bills Payable:

Amounts in Taka

Name of Supplier/Service Provider	Balance as at 01.07.2021	Payment during the Period	Bill during the Period	Balance as at 31.12.2021
Amreen Refrigeration & Engineering	267,500			267,500
AMSLER Textile Effect Systems	199,200			199,200
Asia Pacific Textrade Ltd	715,650			715,650
Bangladesh Association of Public Listed Co.	100,000	50,000	50,000	100,000
Bangla Trac Limited	11,001	4,857,478	4,939,516	93,039
Beximco Online	3,450	13,800	24,150	13,800
Bestair Engineering	46,050	2,662		43,388
Bangla Roots Textile		145,100	436,145	291,045
Central Depository Bangladesh Service Ltd	-			-
Chemtex B.D	30,700			30,700
Chittagong Stock Exchange Ltd	1,314,734			1,314,734
Changzhou Tonghe Textile Machinery	34,128			34,128
Dhaka Stock Exchange LTd	960,604	501,987		458,617
Mahin Enterprise & Packaging	156,147	750,000	1,116,344	522,491
Minarva Engineering Works	13,606			13,606
Monir Steel House	83,800	1,800,000	3,465,000	1,748,800
MH Rubber & Plastic Machineries Ltd.	91,552		15,000	106,552
MS Enterprise	188,260	1,851,000	2,396,339	733,599
New Mokka Trading	197,176		1,483,900	1,681,076
Maa Enterprise& Packaging	22,221			22,221
Mostakim Enterprise	19,120	3,830,500	4,712,825	901,445
Orient Plastic & Packing Ind. Ltd	30,000			30,000
Peoples Insurance Company Ltd.	856,317	2,145,371	1,406,739	117,685
Reyan Machinery	178,725			178,725
Kaizer Enterprise	49,794			49,794
Sabuj Timber & Traders	17,949	142,552	186,454	61,851
Touch Paper Products	313,718	200,000		113,718
Textile Associates Ltd	99,510			99,510
S.R Shipping Agency	103,738			103,738
Amra Bangla	10,000			10,000
SAIL International Ltd	35,300			35,300
Step Transmission	90,078	250,000	366,880	206,958
Raju. Engineering & Service Centre	30,000	100,000	455,000	385,000
Riya Enterprise	64,400	100,000	47,000	11,400
Solution Technology	56,000			56,000
Fahim Transport Agency	17,500	200,000	191,500	9,000
Uttara Paper		529,100	547,244	18,144
Ahee-Sohi Transport Agency	118,100			118,100
One Inspection & Testing Services(BD) Ltd	226,882	200,000	443,682	470,564
Sub Total (B)	6,752,910	17,669,550	22,283,718	11,367,078
Total (A+B)	6,886,372	17,669,550	22,283,718	11,500,540