

# **Interim Financial Statements**

**3rd Quarter  
1st July 2021 To 31 March 2022**



**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 March 31, 2022

Particulars	Notes	Amount in Taka	
		March-31,2021	June 30, 2021
<b>ASSETS:</b>			
<b>Non-Current Assets</b>		<b>3,673,107,783</b>	<b>3,841,632,609</b>
Property, Plant and Equipment's	5.00	3,673,107,783	3,841,632,609
Deferred Tax Assets	6.00	-	-
Capital Work-In-Progress	7.00	-	-
<b>Investment</b>		<b>4,521,551</b>	<b>4,521,551</b>
Investment	8.00	4,521,551	4,521,551
<b>Current Assets</b>		<b>1,821,835,270</b>	<b>1,632,618,635</b>
Inventories	9.00	1,129,633,801	1,182,102,564
Goods in Transit		287,562,796	70,360,892
Accounts Receivable	10.00	100,608,080	114,512,341
Advances, Deposits & Pre-Payments	11.00	261,038,804	241,039,582
Cash and Cash Equivalents	12.00	42,991,788	24,603,256
<b>Total Assets</b>		<b><u>5,499,464,604</u></b>	<b><u>5,478,772,795</u></b>
<b>EQUITY AND LIABILITIES:</b>			
<b>Shareholders' Equity</b>		<b>1,988,684,290</b>	<b>1,834,320,919</b>
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	405,359,658	250,996,287
<b>Non-Current Liabilities</b>		<b>1,758,411,877</b>	<b>1,607,073,677</b>
Long Term Borrowings	16.00	1,713,391,105	1,594,551,287
Deferred Tax Liability	6.00	45,020,772	12,522,390
<b>Current Liabilities</b>		<b>1,752,368,437</b>	<b>2,037,378,199</b>
Accounts Payable	17.00	10,715,944	6,886,372
Cash Dividend Payable	18.00	595,533	812,864
Long Term Borrowings- Current Maturity	19.00	226,222,762	193,766,270
Refundable Fund of IPO Subscribers	20.00	-	2,755,000
Short Term Borrowings	21.00	1,275,381,562	1,646,259,839
Provision for Tax	22.00	84,484,515	80,938,725
Accrued Expenses	23.00	154,968,121	105,959,129
<b>Total Equity &amp; Liabilities</b>		<b><u>5,499,464,604</u></b>	<b><u>5,478,772,795</u></b>
<b>Net Asset Value Per Share (NAVPS)</b>	<b>32.00</b>	<b>19.69</b>	<b>18.16</b>

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 : 26 April, 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 March 2022

Particulars	Notes	Amount in Taka		Amount in Taka	
		July 01, 2021 to March 31, 2022	July 01, 2020 to March 31, 2021	January 01, 2022 to March 31, 2022	January 01, 2021 to March 31, 2021
Turnover	24.00	2,109,157,877	966,964,302	865,928,723	612,773,409
Less: Cost of Goods Sold	25.00	1,697,681,255	831,524,755	697,798,706	515,472,217
<b>Gross Profit</b>		<b>411,476,622</b>	<b>135,439,547</b>	<b>168,130,017</b>	<b>97,301,193</b>
Other Income	26.00	(950,354)	(939,016)	(743,957)	(493,632)
<b>Operating Expenses:</b>		<b>42,696,336</b>	<b>33,048,174</b>	<b>17,408,681</b>	<b>10,622,812</b>
Administrative Expenses	27.00	42,334,258	32,659,406	17,216,460	10,460,312
Marketing and Distribution Expenses	28.00	362,078	388,768	192,221	162,500
<b>Profit from Operation</b>		<b>367,829,932</b>	<b>101,452,357</b>	<b>149,977,379</b>	<b>86,184,749</b>
Less: Financial expenses	29.00	141,339,124	82,602,072	51,456,569	26,295,121
<b>Net Profit Before WPPF</b>		<b>226,490,808</b>	<b>18,850,285</b>	<b>98,520,810</b>	<b>59,889,628</b>
Workers Profit Participation Fund		10,785,277	897,633	4,691,467	2,851,887
<b>Net Profit before Tax</b>		<b>215,705,531</b>	<b>17,952,652</b>	<b>93,829,343</b>	<b>57,037,741</b>
<b>Income tax expenses:</b>		<b>43,044,171</b>	<b>5,426,539</b>	<b>19,007,899</b>	<b>7,520,522</b>
Current tax	22.01	10,545,789	17,396,378	4,759,985	14,332,566
Deferred Tax Expenses/(Income)	6.02	32,498,382	(11,969,839)	14,247,914	(6,812,044)
<b>Net Profit after Tax Transferred to Equity</b>		<b>172,661,360</b>	<b>12,526,113</b>	<b>74,821,443</b>	<b>49,517,219</b>
<b>Earnings Per Share (EPS)</b>	30.00	<b>1.71</b>	<b>0.12</b>	<b>0.74</b>	<b>0.49</b>
<b>Number of Shares used to compute</b>	No's	<b>100,993,374</b>	<b>100,993,374</b>	<b>100,993,374</b>	<b>100,993,374</b>

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

Sd/-	Sd/-	Sd/-	Sd/-	Sd/-
Chief Financial Officer	Company Secretary	Director	Managing Director	Chairman

Signed in terms of our separate report of even date.

Dated : 26 April, 2022  
Place : Dhaka

## Mozaffar Hossain Spinning Mills Limited

Statement of Changes in Equity (Un-Audited)  
For the Period from 01 July 2021 to 31 March 2022

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
Net Profit / (Loss) for the period	-	-	-	172,661,360	172,661,360
Cash Dividend 3%(For all Public Shareholder)	-	-	-	(18,297,989)	(18,297,989)
<b>Balance as on 31.03.2022</b>	<b>1,009,933,740</b>	<b>72,845,417</b>	<b>500,545,475</b>	<b>405,359,658</b>	<b>1,988,684,290</b>

## Statement of Changes in Equity (Un-Audited)

For the period ended July 01, 2020 to March 31, 2021

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	-	-	-	12,526,113	12,526,113
Cash Dividend 1%(For all Public Shareholder)	-	-	-	(6,099,330)	(6,099,330)
<b>Balance as on 31.03.2021</b>	<b>1,009,933,740</b>	<b>72,845,417</b>	<b>127,708,347</b>	<b>211,095,833</b>	<b>1,421,583,337</b>

Sd/-  
Chief Financial Officer

Sd/-  
Company Secretary

Sd/-  
Director

Sd/-  
Managing Director

Sd/-  
Chairman

## Mozaffar Hossain Spinning Mills Limited

Statement of Cash Flows (Un-Audited)

For the Period from 01 July 2021 to 31 March 2022

Particulars	Notes	Amount in Taka	
		July 01, 2021 to March 31, 2022	July 01, 2020 to March 31, 2021
<b>A. Cash flows from operating activities :</b>			
Cash Collection from Turnover and Others		2,123,146,176	1,081,844,734
Foreign Exchange Gain/(Loss)		(1,034,393)	(972,561)
Cash Paid to Suppliers, Employee and Others		(1,619,352,031)	(1,580,316,654)
<b>Cash Generated from Operation</b>		<b>502,759,752</b>	<b>(499,444,480)</b>
Income Tax Paid		(10,545,789)	(5,453,359)
<b>Net cash flows from/(used) in operating activities</b>		<b>492,213,963</b>	<b>(504,897,839)</b>
<b>B. Cash flow from investing activities:</b>			
Acquisition of Property, Plant & Equipment		(14,965,232)	(1,953,453,001)
Payment for Capital Work in Progress		-	1,846,945,307
Advanced for Ring Spinning Project		123,654	26,354
Advance for Acquisition of Property, Plant & Equipment		(76,863,039)	2,781,085
Investment		-	-
<b>Net cash flows from/ (used) in Investing Activities</b>		<b>(91,704,617)</b>	<b>(103,700,255)</b>
<b>C. Cash flow from financing activities:</b>			
Received/(Repaid) short term loan		(370,878,277)	22,094,830
Financial Expenses		(141,339,124)	(82,602,072)
Cash Dividend Paid		(18,515,320)	(5,738,439)
Received/(Repaid) long term loan		151,296,310	681,017,967
Refundable fund of IPO subscriber		(2,755,000)	-
<b>Net cash flows from/(used) in financing activities</b>		<b>(382,191,410)</b>	<b>614,772,283</b>
<b>D. Net Cash Increase/ (Decrease) (A+B+C)</b>		<b>18,317,936</b>	<b>6,174,190</b>
<b>E. Opening cash and cash equivalents at the beginning of the period</b>		<b>24,603,256</b>	<b>15,264,672</b>
<b>F. Closing cash and cash equivalents at the end of the period (D+E)</b>		<b>42,921,192</b>	<b>21,438,862</b>
<b>G. Unrealized Fc Gain/(Loss) for Cash and Cash Equivalents</b>		<b>70,596</b>	<b>3,046</b>
<b>H. Cash and Cash Equivalents carried forward (F+G)</b>		<b>42,991,788</b>	<b>21,441,908</b>
<b>Net Operating Cash Flow Per Share</b>	<b>31.00</b>	<b>4.87</b>	<b>(5.00)</b>
<b>Number of Shares used to compute NOCFPS</b>		<b>100,993,374</b>	<b>100,993,374</b>

\_\_\_\_ Sd/-  
Chief Financial Officer

\_\_\_\_ Sd/-  
Company Secretary

\_\_\_\_ Sd/-  
Director

\_\_\_\_ Sd/-  
Managing Director

\_\_\_\_ Sd/-  
Chairman

**Mozaffar Hossain Spinning Mills Limited**  
Notes to the Financial Statements  
For the Period ended March 31, 2022

## **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 5<sup>th</sup> 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 March 31, 2022.
- ii) Statement of Profit or Loss and other Comprehensive Income for the period from 01 July 2021 to 31 March 2022.
- iii) Statement of Changes in Equity for the period from 01 July 2021 to 31 March 2022.
- iv) Statement of Cash Flows for the period from 01 July 2021 to 31 March 2022.
- 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 March 2022.

### **4.6 Reporting Period**

The Financial year of the company under audit cover for a period of 09 months effective from 01 July 2021 to March 31, 2022.

### **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:

<b>Particular of Assets</b>	<b>Rate of Depreciation</b>
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 31.03.2022 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 International 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 March 2022 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 April 26, 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 been 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 10<sup>th</sup> 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	
		31.03.2022	30.06.2021
<b>5.00</b>	<b>Property, Plant and Equipment's</b>		
	<b>Cost:</b>		
	Opening balance at cost	4,020,015,179	2,054,274,409
	Add : Addition during the period	14,965,232	1,965,740,770
		<b>4,034,980,411</b>	<b>4,020,015,179</b>
	Less : Disposed / Sold during the period	-	-
	<b>Total</b>	<b>4,034,980,411</b>	<b>4,020,015,179</b>
	<b>Depreciation:</b>		
	Opening balance	689,143,259	527,399,862
	Depreciation during the period	183,490,058	161,743,397
		<b>872,633,317</b>	<b>689,143,259</b>
	<b>Total ( a)</b>	<b>3,162,347,094</b>	<b>3,330,871,920</b>
	<b>Revaluation:</b>		
	Opening balance	510,760,689	130,314,640
	Add : Addition during the period	-	380,446,049
	<b>Total (b)</b>	<b>510,760,689</b>	<b>510,760,689</b>
	<b>Written Down Value (WDV) (a+b)</b>	<b>3,673,107,783</b>	<b>3,841,632,609</b>
	Please refer to Annexure-'A' for further details		
<b>6.00</b>	<b>Deferred Tax</b>		
	Book value of Depreciable asset	<b>2,875,725,783</b>	<b>3,044,250,609</b>
	Tax base Written down value	2,364,025,203	2,684,560,487
	Unabsorbed Depreciation	279,663,524	344,308,951
	Less : Tax base value of depreciable assets	<b>2,643,688,727</b>	<b>3,028,869,438</b>
	Taxable temporary difference	<b>232,037,056</b>	<b>15,381,171</b>
	Effective Tax rate	15%	15%
	Deferred tax liabilities/(asset) on original cost of assets	34,805,558	2,307,176
	Deferred tax liabilities on revaluation surplus Note-6.01	10,215,214	10,215,214
	Total closing deferred tax liabilities/(assets)	<b>45,020,772</b>	<b>12,522,390</b>
<b>6.01</b>	<b>Deferred Tax on Revaluation Reserve of Land</b>		
	Revaluation Reserve	510,760,689	510,760,689
	Effective Tax Rate	2%	2%
	Total taxable temporary difference	<b>10,215,214</b>	<b>10,215,214</b>
<b>6.02</b>	<b>Deffered Tax (Income ) / Expenses</b>		
	Closing Deferred Tax Liabilities	45,020,772	12,522,390
	Opening Deferred Tax Liabilities	12,522,390	(6,966,655)
	<b>Deferred tax (Income )/ Expenses</b>	<b>32,498,382</b>	<b>19,489,045</b>
<b>7.00</b>	<b>Capital Work-In-Progress (Machinery)</b>		
	Opening Balance	-	1,846,945,307
	Addition during the period	-	52,602,945
	<b>Total</b>	<b>-</b>	<b>1,899,548,252</b>
	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
<b>Total</b>	<b><u>4,521,551</u></b>	<b><u>4,521,551</u></b>

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:

	<b>Qty. (Kg)</b>	<b>Amounts</b>	<b>Amounts</b>
<b>Finished Goods:</b>		<b>570,629,859</b>	<b>324,859,642</b>
Yarn	983,402	405,883,000	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	315,330	89,746,859	59,623,302
<b>Raw Materials:</b>		<b>550,996,134</b>	<b>841,235,114</b>
Virgin Cotton	1,440,585	455,352,794	706,511,015
Waste Cotton	230,689	24,233,340	32,875,119
Primary estimation of damage of raw materials and claim to insurance company	386,000	71,410,000	101,848,980
<b>Packing Materials</b>		<b>2,864,902</b>	<b>6,112,210</b>
<b>Store Materials</b>		<b>5,142,906</b>	<b>9,895,598</b>
		<b><u>1,129,633,801</u></b>	<b><u>1,182,102,564</u></b>

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 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. 18 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)	270,367,148	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)	104,847,124	102,550,499
VI)	The maximum amount of receivable due by any director or other officer of the company	-	-
		<u>375,214,272</u>	<u>427,905,691</u>
	Less: Adjustment of Bill Discounting (Net off Assets & Liabilities) Note-10.01	<u>274,606,192</u>	<u>313,393,350</u>
		<b><u>100,608,080</u></b>	<b><u>114,512,341</u></b>

**Aging of Accounts Receivable:**

Dues within three months	212,577,880	174,943,325
Dues above three months but within six months	137,364,343	130,417,035
Dues above six months	25,272,049	122,545,332
	<u>375,214,272</u>	<u>427,905,691</u>

**10.01 Adjustment of Bill Discounting (Net off Assets & Liabilities)**

Woori Bank Limited	269,348,110	265,463,503
Mercantile Bank Limited	-	-
Southeast Bank Limited	5,258,082	47,929,847
	<u>274,606,192</u>	<u>313,393,350</u>

**11.00 Advances, Deposits & Pre-Payments**

Advance against Purchase	Note-11.01	153,518,498	76,655,459
Advance against Factory Expenses		3,418,709	2,308,820
Advance against L/c Margin		67,901,163	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		1,872,663	306,172
Tax deducted at sources	Note-11.02	20,287,420	9,741,631
		<u>261,038,804</u>	<u>241,039,582</u>

Bank guarantee is provided for CDBL & Titas Gas security deposits purpose.

**11.01 Advance against Purchase**

Dues within three months	75,844,504	52,303,274
Dues above three months but within six months	53,893,934	13,713,966
Dues above six months	23,780,060	10,638,219
	<u>153,518,498</u>	<u>76,655,459</u>

**11.02 Tax Deductions at Sources**

Opening Balance	9,741,631	953,292
Addition during the period	10,545,789	8,788,339
	<b>20,287,420</b>	<b>9,741,631</b>

**12.00 Cash and Cash Equivalents**

	<b>2,138,321</b>	<b>3,849,079</b>
<b>Cash in Hand</b>	2,138,321	3,849,079
<b>Cash at Banks:</b>	<b>40,853,467</b>	<b>20,754,177</b>
IBBL Mouchak #20501450100327918	85,242	118,973
IBBL Mouchak #20501452500004916	554,778	1,120,378
IBBL Mouchak #20501452600004917	12,708	94,739
IBBL Bhulta #20502800100215106	3,093,623	902,175
IBBL(FCAD ORQ) Mouchak #20501452800001714	16,604,268	3,000
IBBL(FC Held BB LC) Mouchak #20501452300004914	3,191,187	-
SEBL Dhanmodi #1211100015657	394,320	2,797,556
DBBL Bhulta # 1761200001733	3,192,605	14,145
DBBL Bashundhara # 1471100005894	1,546,044	2,033,333
MBL Pragati Sarani # 114711123026113	92,934	92,934
EBL Principal	20,436	1,531
EBL Principal #1011360231502	152,521	153,403
Woori Bank FC #1509640003099	7,498,837	9,596,160
Woori Bank RQA	2,638,240	3,023,472
Woori Bank #1509640002993	1,399,341	453,619
Agrani Bank Foreign Ex # 0200017638659	15,492	-
NCC Bank Mohakhali Branch #1250325000048	360,891	348,759
	<b>42,991,788</b>	<b>24,603,256</b>

**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
---	---------------	---------------

**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
		<b>1,009,933,740</b>	<b>1,009,933,740</b>

**13.01 Share holding Position:**

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

**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)
	<b>500,545,475</b>	<b>500,545,475</b>

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	172,661,360	52,426,567
<b>Total</b>	<b>423,657,647</b>	<b>257,095,617</b>
Cash Dividend 1%(For all Public Shareholder)	-	(6,099,330)
Cash Dividend 3%(For all Public Shareholder)	(18,297,989)	-
<b>Retained Earnings</b>	<b>405,359,658</b>	<b>250,996,287</b>

## 16.00 Long Term Borrowings

Hajj Finance Com. Ltd - 1813	22,429,158	32,975,403
Hajj Finance Com. Ltd - 1925	58,044,220	63,150,618
Hajj Finance Com. Ltd - 1947	184,101,607	189,515,174
Hajj Finance Com. Ltd - 2149	24,160,955	26,495,885
IBBL HPSM-20501454300078403	2,305,502	2,855,984
IBBL HPSM-20501454300083317	1,328,694	1,545,374
IBBL HPSM-20501454300083500	1,283,735	1,728,657
IBBL HPSM-20501454300089001	12,161,538	13,281,248
IBBL HPSM-20501454300095301	103,381,817	104,040,714
IBBL HPSM-20501454300097909	53,244,208	53,148,856
IBBL HPSM-20501454300098405	74,468,756	74,142,257
IBBL HPSM-20501454300111713	113,640,000	-
IBBL HPSM-20501454300111814	39,630,000	-
IBBL HPSM-FC-20500246106759815	1,217,295,995	1,187,921,826
IDLC	32,137,681	37,515,560
<b>Total</b>	<b>1,939,613,867</b>	<b>1,788,317,557</b>
Less: Current portion of Long term loan	(226,222,762)	(193,766,270)
	<b>1,713,391,105</b>	<b>1,594,551,287</b>

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 )	10,582,482	6,752,910
	<b>10,715,944</b>	<b>6,886,372</b>

## 18.00 Cash Dividend Payable

Opening Balance	812,864	469,705
Add: Cash Dividend During the year	18,297,989	6,099,330
	<b>19,110,853</b>	<b>6,569,035</b>
Less: Cash Dividend Paid to BSEC	469,705	-
Less: Cash Dividend Disbursement to Public Shareholder	18,045,615	5,756,171
	<b>595,533</b>	<b>812,864</b>

**19.00 Long Term Borrowings- Current Maturity**

Islami Bank Bangladesh Ltd,Hajj Finance Ltd and IDLC	226,222,762	193,766,270
	<u>226,222,762</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	131,998,907	283,928,773
Stimulus Fund	108,156,712	122,074,748
Bai Murabaha	130,733,172	191,577,359
MFCI	804,108,759	1,048,547,399
Car Loan (Hajj Finance Co. Ltd-1034)	-	131,560
Agrani Bank -PAD	100,384,012	-
<b>Total short term loan</b>	<u>1,275,381,562</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-22.01	10,545,789	8,738,339
<b>Total</b>		<u>91,484,515</u>	<u>93,438,725</u>
Tax Paid to DCT against Claim for Assessment 2014-2015		4,000,000	-
Tax Paid to DCT against Claim for Assessment 2015-2016		2,000,000	-
Tax Paid to DCT against Claim for Assessment 2017-2018		1,000,000	12,500,000
<b>Closing Balance</b>		<u>84,484,515</u>	<u>80,938,725</u>

**22.01 Current Tax****A. Regular tax**

Profit Before Tax	215,705,531	80,653,951
Less: Other Income	(950,354)	(1,453,127)
Add: Accounting Depreciation	183,490,058	161,743,397
Less: Tax Depreciation	(335,500,516)	(306,797,896)
Taxable Income for the period	<b>64,645,427</b>	<b>(65,853,675)</b>
Rate of Tax	<b>15%</b>	<b>15%</b>
Tax on business	9,696,814	(9,878,051)
Add: 22.5 % Tax on Other Income	-	(326,954)
<b>Total Provision for the Period</b>	<b>9,696,814</b>	<b>(10,205,005)</b>

**B. Minimum tax**

Turnover and other income	<b>2,108,207,523</b>	<b>1,561,443,196</b>
Minimum tax rate	0.40%	0.30%
	<b>8,432,830</b>	<b>4,684,330</b>

**C. Advance Income Tax**

	<b>10,545,789</b>	<b>8,738,339</b>
<b>Current tax expenses ( Higher of A,B &amp; C)</b>	<b>10,545,789</b>	<b>8,738,339</b>

**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	13,703,464	12,263,388
Remuneration	400,000	200,000
Gas Bill	88,419,517	51,372,128
WPPF Payable	52,445,140	41,659,863
	<b>154,968,121</b>	<b>105,959,129</b>

Notes	Particulars	Amount in Taka	
		July 01, 2021 to March 31, 2022	July 01, 2020 to March 31, 2021
<b>24.00</b>	<b>Turnover</b>		
		<b>Qty. (kg.)</b>	<b>Avg. Rate</b>
	Yarn 20's	724,432	342
	Yarn 16's	1,234,688	341
	Yarn 30's	984,962	378
	Yarn 12's	319,431	305
	Yarn 07's	108,975	217
	Yarn 10's	1,243,787	296
	Yarn 09's	35,000	272
	Yarn 18's	-	-
	Yarn 22's	59,970	332
	Yarn 24's,14's	285,672	403
	Yarn 26's,28's	399,705	383
	Yarn 32's	58,000	384
	Yarn 34's	167,500	410
	Yarn 36's	181,740	561
	Yarn 40's	173,038	514
		<b>5,976,900</b>	<b>2,109,157,877</b>
			<b>966,964,302</b>
<b>25.00</b>	<b>Cost of Goods Sold</b>		
	Raw materials consumed	Note-25.01	1,513,190,489
	Accessories & Stores Consumed	Note-25.02	13,352,208
	Packing Materials Consumed	Note-25.03	12,131,890
	Factory overhead	Note-25.04	405,158,295
	Opening Work-in-Process		59,623,302
	Closing Work-in-Process		(89,746,859)
	<b>Cost of Production</b>		<b>1,913,709,325</b>
	Opening stock of Finished Goods		190,236,340
	Primary estimation of damage stock of Finished Goods and Claim to Insurance Company		75,000,000
	<b>Cost of Goods Available for Sale</b>		<b>2,178,945,665</b>
	Closing stock of Finished Goods		(405,883,000)
	Primary estimation of damage stock of Finished Goods and Claim to Insurance Company		(75,000,000)
	Wastage Sales		(381,410)
	<b>Cost of Goods Sold</b>		<b>1,697,681,255</b>
			<b>831,524,755</b>
<b>25.01</b>	<b>Raw Materials Consumption</b>		
	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		1,222,951,509
	Available for use		<b>2,064,186,623</b>
	Primary estimation of damage of raw materials and claim to insurance company		(71,410,000)
	Closing Raw Materials		(479,586,134)
			<b>1,513,190,489</b>
			<b>553,474,540</b>

Notes	Particulars	Amount in Taka	
		July 01, 2021 to March 31, 2022	July 01, 2020 to March 31, 2021
<b>25.02</b>	<b>Accessories &amp; Stores Consumption</b>		
	Opening Accessories & Stores	9,895,598	16,781,912
	Purchase during the period	8,599,516	10,685,262
	Available for use	<b>18,495,114</b>	<b>27,467,174</b>
	Closing Accessories & Stores	(5,142,906)	(9,895,598)
		<b>13,352,208</b>	<b>17,571,576</b>
<b>25.03</b>	<b>Packing Materials Consumption</b>		
	Opening Packing Materials	6,112,210	2,734,910
	Purchase during the period	8,884,582	11,540,157
	Available for use	<b>14,996,792</b>	<b>14,275,067</b>
	Closing Packing Materials	(2,864,902)	(9,112,210)
		<b>12,131,890</b>	<b>5,162,857</b>
<b>25.04</b>	<b>Factory Overhead</b>		
	Gas Bill	132,602,523	54,080,703
	Wages	81,465,927	68,951,006
	Repair & Maintenance	561,847	1,471,980
	Factory Insurance	5,617,998	5,602,715
	Sundry Carrying Charges	672,500	766,115
	Sundry daily labor charges	813,887	1,222,591
	Medical & other Expenses	258,327	53,198
	Depreciation	183,165,286	97,497,470
		<b>405,158,295</b>	<b>229,645,778</b>
	(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.		
<b>26.00</b>	<b>Other Operating Income/(loss)</b>		
	Interest on Bank Account	13,443	30,499
	Exchange Rate Fluctuation Gain/(Loss)	(963,797)	(969,515)
		<b>(950,354)</b>	<b>(939,016)</b>
<b>27.00</b>	<b>Administrative Expenses</b>		
	Salary and Allowances	34,495,262	23,089,149
	Festival Bonus	-	3,232,922
	Managing Director Remuneration	800,000	450,000
	Director's Remuneration	2,400,000	1,350,000
	Board Meeting Fees	72,000	50,000
	Entertainment	187,349	301,872
	Traveling and Conveyance	177,674	187,728
	House & Office rent	672,750	600,000
	Telephone & Mobile Bill	163,550	119,550
	Company Secretarial, Regulatory Fee and AGM Expense	816,987	1,095,408
	Subscription and Donations	283,000	131,000
	Fees, Renewals and other Expenses	490,813	1,763,167
	Fuel expenses	1,349,151	-
	IT Solution	100,950	34,500
	Depreciation	324,772	254,110
		<b>42,334,258</b>	<b>32,659,406</b>

Notes	Particulars	Amount in Taka	
		July 01, 2021 to March 31, 2022	July 01, 2020 to March 31, 2021
	<b>Payment/ Perquisites to Directors and officers</b>		
	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 :		
	<b>Particulars</b>		
	Managing Director Remuneration	800,000	450,000
	Director's Remuneration	2,400,000	1,350,000
	Board Meeting Fees	72,000	50,000
		<b>3,272,000</b>	<b>1,850,000</b>
<b>28.00</b>	<b>Marketing, Selling &amp; Distribution Expenses</b>		
	Salaries and Allowances	273,008	265,768
	Advertisement	89,070	123,000
		<b>362,078</b>	<b>388,768</b>
<b>29.00</b>	<b>Financial Expenses</b>		
	Bank Charges and Commission	2,674,341	2,439,728
	Interest on HPSM	50,860,129	13,653,523
	Interest on BAI Murabaha	21,024,868	14,165,198
	Interest on Murabaha TR	17,750,628	18,062,605
	Interest on MBL -IDBP	-	40,526
	Interest on Woori -IDBP	5,879,312	5,547,021
	Interest on Hajj Finance	15,748,103	13,837,001
	Interest on MFCL	21,308,796	12,205,055
	Interest on IDLC	2,919,697	2,433,060
	Interest on IBP SEBL	2,431,232	218,355
	Interest on Agrani Bank PAD	742,018	-
		<b>141,339,124</b>	<b>82,602,072</b>
<b>30.00</b>	<b>Basic Earning Per Share</b>		
	Net Profit after Taxes	<b>172,661,360</b>	<b>12,526,113</b>
	Number of Shares for respected period	100,993,374	100,993,374
	<b>Earning per share (Taka) (Basic)</b>	<b>1.71</b>	<b>0.12</b>
	Net Profit after Taxes	<b>172,661,360</b>	<b>12,526,113</b>
	Weighted Average Number of Share	100,993,374	100,993,374
	<b>Earning per share (Taka) (Adjusted)</b>	<b>1.71</b>	<b>0.12</b>
	<b>Weighted average/Total existing number of share:</b>		
	Opening number of share outstanding	100,993,374	100,993,374
		<b>100,993,374</b>	<b>100,993,374</b>
<b>31.00</b>	<b>Net Operating Cash Flow Per Share(NOCFPS)</b>		
	Cash flow from operating activities	492,213,963	(504,897,839)
	Number of Share	100,993,374	100,993,374
	<b>Net Operating Cash Flows per Share (NOCFPS)</b>	<b>4.87</b>	<b>(5.00)</b>
<b>32.00</b>	<b>Net Asset Value Per Share (NAVPS)</b>		
	Net Asset Value	1,988,684,290	1,421,583,337
	Number of Shares	100,993,374	100,993,374
	<b>Net Asset Value Per Share (NAVPS)</b>	<b>19.69</b>	<b>14.08</b>



Notes	Particulars	Amount in Taka	
		July 01, 2021 to March 31, 2022	July 01, 2020 to March 31, 2021
<b>33.00</b>	<b>General:</b>		
<b>33.01</b>	<b>Claims not Acknowledged</b>		
	There is no claim against the Company not acknowledged as debt as at 31.03.2022		
<b>33.02</b>	<b>Credit Facilities not Availed</b>		
	There is no credit facilities extended to the Company but nor availed of as at 31.03.2022, under any contract, other than trade credit available in the ordinary course of business.		
<b>33.03</b>	<b>Commission, Brokerage or Discount Against Sales</b>		
	No commission, brokerage or discount was incurred or paid by the Company against sales during the period ended 31.03.2022		
<b>33.04</b>	<b>Directors Responsibility Statements</b>		
	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) .		
<b>33.05</b>	<b>Employees Details:</b>		
	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.		
<b>33.06</b>	<b>Rounding Off</b>		
	Amounts appearing in these financial statements have been rounded off to the nearest Taka wherever considered necessary.		
<b>33.07</b>	<b>Reconciliation of Net Income with Cash Flows from Operating Activities</b>		
	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.		
	<b>Profit before Income Tax</b>	215,705,531	17,952,652
			-
	Adjustment for items not involving movement of cash:		-
	Depreciation on Property, Plant and Equipment	183,490,058	97,751,580
	Financial Expenses	141,339,124	82,602,072
	Profit from associates	-	-
	Foreign Exchange Gain/(Loss)	(1,034,393)	(972,561)
		<b>539,500,320</b>	<b>197,333,744</b>
	(Increase)/Decrease in Accounts Receivable	14,938,653	115,819,447
	(Increase)/Decrease in Inventory	52,468,763	(175,945,327)
	(Increase)/Decrease in Advance, Deposits & Prepayments	67,285,952	(13,305,157)
	Increase/(Decrease) in Accounts Payable	3,758,976	(566,599,837)
	Increase/(Decrease) in Accrued expenses	49,008,992	(46,247,352)
	Increase/(Decrease) in Goods in Transit	(217,201,904)	-
	(increase)/Decrease Revaluation deferred Tax	-	-
		<b>(29,740,567)</b>	<b>(686,278,226)</b>
	Tax Paid to DCT against Claim for Assessment 2017-2018	(1,000,000)	(10,500,000)
	Tax Paid to DCT against Claim for Assessment 2014-2015	(4,000,000)	-
	Tax Paid to DCT against Claim for Assessment 2015-2016	(2,000,000)	-
	Income Tax paid during the year	(10,545,789)	(5,453,359)
	<b>Net Cash Flows from operating activities</b>	<b>492,213,963</b>	<b>(504,897,839)</b>

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

**Value of Raw material, packing materials and Capital goods**

<b>Particular</b>	<b>Opening</b>	<b>Purchases</b>	<b>Consumption</b>	<b>Closing</b>
Raw Material	739,386,134	1,222,951,509	(1,513,190,489)	479,586,134
Packing Materials	6,112,210	8,884,582	(12,131,890)	2,864,902
Spare Parts	9,895,598	8,599,516	(13,352,208)	5,142,906

**Value of Export**

<b>Particular</b>	<b>In Foreign Currency USD</b>	<b>In BDT</b>
Export	\$ 24,813,622	2,109,157,877

**33.09 Details of capacity has given below**

<b>Particular</b>	<b>License Capacity</b>	<b>Installed Capacity</b>	<b>Actual Production</b>
Annual Production (kg) Rotor Unit	6,600,000	6,600,000	6,041,540
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:**

<b>No.</b>	<b>Particulars</b>	<b>Amounts in Tk</b>
(a)	Managerial Remuneration paid or payable during the period to the directors, including Managing directors or manager	3,200,000
(b)	Any other perquisite or benefits in cash or in kind stating, approximate money value applicable.	72,000
(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:**

<b>Sl.</b>	<b>Name of Customer</b>	<b>Relationship</b>	<b>Balance as at 01.07.2021</b>	<b>Addition during the Period</b>	<b>Realized during the Period</b>	<b>Balance as at 31.03.2022</b>
(a)	SIM Fabrics Limited yarn sale	Common Management	102,550,499	1,435,249,149	1,432,952,524	104,847,124
	<b>Total</b>		<b>102,550,499</b>	<b>1,435,249,149</b>	<b>1,432,952,524</b>	<b>104,847,124</b>

**Mozaffar Hossain Spinning Mills Limited**  
Annexure of Property, Plant & Equipment  
As at March 31, 2022

Annexure-A  
Amounts in Taka

Cost:

Particulars	COST			Rate of Dep.	DEPRECIATION			Written down value as at 31.03.2022
	As at July 01, 2021	Addition during the period	Closing Balance As on 31.03.2022		As at July 01, 2021	Charged during the Period	Closing Balance As on 31.03.2022	
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	45,951,130	180,984,120	1,179,412,339
Plant & Machinery	2,379,105,000	-	2,379,105,000	10%	549,582,925	137,214,156	686,797,080	1,692,307,920
Vehicle	5,586,326	-	5,586,326	10%	2,835,241	206,331	3,041,572	2,544,754
Furniture & Fixture	1,728,415	-	1,728,415	10%	1,464,291	19,809	1,484,100	244,315
Air Condition	1,267,500	-	1,267,500	10%	221,063	78,483	299,545	967,955
Office Equipment	-	207,900	207,900	10%	-	15,593	15,593	192,308
Computer Equipment	67,500	-	67,500	10%	6,750	4,556	11,306	56,194
<b>Balance as on 31.03.2022</b>	<b>4,020,015,179</b>	<b>14,965,232</b>	<b>4,034,980,411</b>		<b>689,143,259</b>	<b>183,490,058</b>	<b>872,633,317</b>	<b>3,162,347,094</b>
<b>Balance as on 30.06.2021</b>	<b>2,054,274,409</b>	<b>1,965,740,770</b>	<b>4,020,015,179</b>		<b>527,399,862</b>	<b>161,743,397</b>	<b>689,143,259</b>	<b>3,330,871,920</b>

Revaluation:

Particulars	COST			Rate of Dep.	DEPRECIATION			Written down value as at 31.03.2022
	As at July 01, 2021	Addition during the period	Closing Balance As on 31.03.2022		As at July 01, 2021	Charged during the Period	Closing Balance As on 31.03.2022	
Land & Land Dev.	510,760,689	-	510,760,689	-	-	-	-	510,760,689
<b>Balance as on 31.03.2022</b>	<b>510,760,689</b>	<b>-</b>	<b>510,760,689</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>510,760,689</b>
<b>Balance as on 30.06.2021</b>	<b>130,314,640</b>	<b>380,446,049</b>	<b>510,760,689</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>510,760,689</b>
<b>Balance as on 31.03.2022</b>	<b>4,530,775,868</b>	<b>14,965,232</b>	<b>4,545,741,100</b>	<b>-</b>	<b>689,143,259</b>	<b>183,490,058</b>	<b>872,633,317</b>	<b>3,673,107,783</b>
<b>Balance as on 30.06.2021</b>	<b>2,184,589,049</b>	<b>2,346,186,819</b>	<b>4,530,775,868</b>	<b>-</b>	<b>527,399,862</b>	<b>161,743,397</b>	<b>689,143,259</b>	<b>3,841,632,609</b>

Depreciation Charged To:-

Administrative Cost	324,772
Manufacturing Cost	183,165,286
<b>Total</b>	<b>183,490,058</b>

**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 March 31, 2022

**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 31.03.2022
ACS Textile Ltd.	83,474,580	171,781,323	166,133,421	89,122,482
ACS Towel Ltd.	37,863,420	23,774,925	61,638,345	-
Rownok Textile Mills	18,489,542	5,950,128	17,091,430	7,348,240
Moom Tex. Expo Ltd	6,953,520	13,600,000	20,553,520	-
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-newtex Composite Text	-	54,781,650	-	54,781,650
Nazmul Hosiery (PVT.) Ltd.	-	-	-	-
Trust Knitwear Industries Ltd.	-	-	-	-
Sea Blue Textile Limited	39,330,648	-	38,426,258	904,390
Shabab Fabrics Ltd	19,567,800	30,876,348	47,258,807	3,185,340
Alema Textile Limited	8,925,420	-	8,925,420	-
Arkay Knit Dyeing Mills Ltd	32,148,732	1,741,438	33,890,170	-
Cleartex Industries Ltd	2,817,360	-	2,817,360	-
F.K. Textile Mills Limited	-	-	-	-
F.M Yarn Dyeing Ltd	-	-	-	-
Farzana Fashions World Ltd	-	10,880,000	10,880,000	-
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	867,000	3,427,200	867,000
Mof Fashions Limited	8,505,000	-	8,505,000	-
Mohammadi Group Ltd	10,963,260	-	-	10,963,260
Generation Next Fashions Ltd	-	30,414,275	9,031,250	21,383,025
Noor Knit (BD) Ltd	5,532,240	-	5,532,240	-
Silver Apparels Limited	11,446,680	365,500	8,885,150	2,927,030
Knit Reign (PVT) Ltd	-	4,165,000	-	4,165,000
Hams Garments Ltd	-	212,398,136	157,263,620	55,134,516
Taratex Fashion Ltd	-	30,744,713	18,540,372	12,204,341
Ragadi Textile Ltd	-	8,990,195	8,990,195	-
Ripon Knitwear Ltd.	-	48,787,025	48,787,025	-
Versatile Textiles Limited	-	23,791,075	16,490,000	7,301,075
<b>Sub-total</b>	<b>325,355,192</b>	<b>673,908,729</b>	<b>728,896,772</b>	<b>270,367,148</b>

**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 31.03.2022
SIM Fabrics Limited	102,550,499	1,435,249,149	1,432,952,524	104,847,124
<b>Sub-total</b>	<b>102,550,499</b>	<b>1,435,249,149</b>	<b>1,432,952,524</b>	<b>104,847,124</b>
<b>Total</b>	<b>427,905,691</b>	<b>2,109,157,877</b>	<b>2,161,849,296</b>	<b>375,214,272</b>

**Mozaffar Hossain Spinning Mills Limited**

Schedule of Trade Creditors

As at March 31, 2022

**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 31.03.2022
AB Enterprise	133,462	-	-	133,462
<b>Sub Total (A)</b>	<b>133,462</b>	<b>-</b>	<b>-</b>	<b>133,462</b>

**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 31.03.2022
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	100,000	150,000
Bangla Trac Limited	11,001	5,654,679	6,624,319	980,641
Beximco Online	3,450	31,050	37,950	10,350
Bestair Engineering	46,050	46,050		-
Bangla Roots Textile		145,100	436,145	291,045
Central Depository Bangladesh Service Ltd	-		215,000	215,000
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	50,000	-	106,147
Minarva Engineering Works	13,606	1,047,000	1,581,339	547,945
Monir Steel House	83,800	3,325,750	3,435,900	193,950
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		1,616,680	1,813,856
Maa Enterprise& Packaging	22,221			22,221
Mostakim Enterprise	19,120	4,690,500	4,712,825	41,445
Orient Plastic & Packing Ind. Ltd	30,000			30,000
Peoples Insurance Company Ltd.	856,317	2,596,400	1,928,056	187,973
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			285,801
Fahim Transport Agency	17,500	200,000	191,500	9,000
Uttara Paper		1,081,300	1,302,871	221,571
Ahee-Sohi Transport Agency	118,100			118,100
One Inspection & Testing Services(BD) Ltd	226,882	200,000	443,682	470,564
<b>Sub Total (B)</b>	<b>6,752,910</b>	<b>22,263,368</b>	<b>26,092,940</b>	<b>10,582,482</b>
<b>Total (A+B)</b>	<b>6,886,372</b>	<b>22,263,368</b>	<b>26,092,940</b>	<b>10,715,944</b>