

Interim Financial Statements

**1st Quarter
1st July 2021 To 30 September 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 September 30, 2021

Particulars	Notes	Amount in Taka	
		Sep-30,2021	June 30, 2021
ASSETS:			
Non-Current Assets		3,781,218,349	3,841,632,609
Property, Plant and Equipment's	5.00	3,781,218,349	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		1,681,165,029	1,632,618,635
Inventories	9.00	1,293,682,327	1,182,102,564
Goods in Transit		17,562,305	70,360,892
Accounts Receivable	10.00	208,949,939	114,512,341
Advances, Deposits & Pre-Payments	11.00	134,603,044	241,039,582
Cash and Cash Equivalents	12.00	26,367,414	24,603,256
Total Assets		<u>5,466,904,929</u>	<u>5,478,772,795</u>
EQUITY AND LIABILITIES:			
Shareholders' Equity		1,858,759,906	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	275,435,274	250,996,287
Non-Current Liabilities		1,625,005,655	1,607,073,677
Long Term Borrowings	16.00	1,607,887,451	1,594,551,287
Deferred Tax Liability	6.00	17,118,204	12,522,390
Current Liabilities		1,983,139,368	2,037,378,199
Accounts Payable	17.00	6,599,474	6,886,372
Cash Dividend Payable	18.00	343,159	812,864
Long Term Borrowings- Current Maturity	19.00	192,519,179	193,766,270
Refundable Fund of IPO Subscribers	20.00	-	2,755,000
Short Term Borrowings	21.00	1,573,461,586	1,646,259,839
Provision for Tax	22.00	80,641,923	80,938,725
Accrued Expenses	23.00	129,574,047	105,959,129
Total Equity & Liabilities		<u>5,466,904,929</u>	<u>5,478,772,795</u>
Net Asset Value Per Share (NAVPS)	32.00	18.40	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 : 14 November, 2021

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 30 September 2021

Particulars	Notes	Amount in Taka	
		July 01, 2021 to September 30, 2021	July 01, 2020 to September 30, 2020
Turnover	24.00	408,164,837	120,214,962
Less: Cost of Goods Sold	25.00	318,531,997	115,302,157
Gross Profit		89,632,840	4,912,805
Other Income	26.00	(99,238)	(796,740)
Operating Expenses:		12,676,136	12,191,757
Administrative Expenses	27.00	12,585,136	11,981,257
Marketing and Distribution Expenses	28.00	91,000	210,500
Profit from Operation		76,857,466	(8,075,692)
Less: Financial expenses	29.00	44,582,567	41,922,102
Net Profit Before WPPF		32,274,899	(49,997,794)
Workers Profit Participation Fund		1,536,900	-
Net Profit before Tax		30,737,999	(49,997,794)
Income tax expenses:		6,299,012	(8,010,573)
Current tax	21.01	1,703,198	1,422,837
Deferred Tax Expenses/(Income)	6.02	4,595,814	(9,433,410)
Net Profit after Tax Transferred to Equity		24,438,987	(41,987,221)
Earnings Per Share (EPS)	30.00	0.24	(0.42)
Number of Shares used to compute	No's	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/-	_____ Sd/-	_____ Sd/-	_____ Sd/-	_____ Sd/-
Chief Financial Officer	Company Secretary	Director	Managing Director	Chairman

Signed in terms of our separate report of even date.

Dated : 14 November, 2021
Place : Dhaka

Mozaffar Hossain Spinning Mills LimitedStatement of Changes in Equity (Un-Audited)
For the Period from 01 July 2021 to 30 September 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	-	-	-	24,438,987	24,438,987
Cash Dividend 1%(For all Public Shareholder)	-	-	-	-	-
Balance as on 30.09.2021	1,009,933,740	72,845,417	500,545,475	275,435,274	1,858,759,906

Statement of Changes in Equity (Un-Audited)

For the year ended on 1 July 2020 to 30 September 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	-	-	-	(41,987,221)	(41,987,221)
Balance as on 30.09.2020	1,009,933,740	72,845,417	127,708,347	162,681,829	1,373,169,333

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 30 September 2021

Particulars	Notes	Amount in Taka	
		July 01, 2021 to September 30, 2021	July 01, 2020 to September 30, 2020
A. Cash flows from operating activities :			
Cash Collection from Turnover and Others		313,745,801	256,314,648
Foreign Exchange Gain/(Loss)		(117,801)	(810,508)
Cash Paid to Suppliers, Employee and Others		(201,751,218)	(480,823,316)
Cash Generated from Operation		111,876,782	(225,319,176)
Income Tax Paid		(1,753,198)	(1,422,837)
Net cash flows from/(used) in operating activities		110,123,584	(226,742,013)
B. Cash flow from investing activities:			
Acquisition of Property, Plant & Equipment		(569,040)	(1,925,625,018)
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 Investment		583,849	(1,050,000)
		-	-
Net cash flows from/ (used) in Investing Activities		138,463	(79,703,357)
C. Cash flow from financing activities:			
Received/(Repaid) short term loan		(72,798,253)	16,429,711
Financial Expenses		(44,582,567)	(41,922,102)
Cash Dividend Paid		(469,705)	-
Received/(Repaid) long term loan		12,089,073	330,857,541
Refundable fund of IPO subscriber		(2,755,000)	-
Net cash flows from/(used) in financing activities		(108,516,452)	305,365,149
D. Net Cash Increase/ (Decrease) (A+B+C)		1,745,595	(1,080,221)
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)		26,348,851	14,184,451
G. Unrealized Fc Gain/(Loss) for Cash and Cash Equivalents		18,563	13,768
H. Cash and Cash Equivalents carried forward (F+G)		26,367,414	14,198,219
Net Operating Cash Flow Per Share	32.00	1.09	(2.25)
Number of Shares used to compute NOCFPS		100,993,374	100,993,374

Sd/-
Chief Financial Officer

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Company Secretary

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Director

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Managing Director

Sd/-
Chairman

Mozaffar Hossain Spinning Mills Limited
Notes to the Financial Statements
For the Period ended September 30, 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 expansion project of 36,000 Spindle Ring Spinning Mills are ongoing. Due to up-gradation of power supply work, machinery installation and short supply of Gas 50% of Rotor machines were shut down for a long time. The commercial operation of the ring unit has been started on 5th January 2021. 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 September 30, 2021.
- ii) Statement of Profit or Loss and other Comprehensive Income for the period from 01 July 2021 to 30 September 2021.
- iii) Statement of Changes in Equity for the period from 01 July 2021 to 30 September 2021.
- iv) Statement of Cash Flows for the period from 01 July 2021 to 30 September 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 30 September 2021.

4.6 Reporting Period

The Financial year of the company under audit cover for a period of 03 months effective from 01 July 2021 to September 30, 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 30.09.2021 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 30 September 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 November 14, 2021.

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 except the balance amount of IPO subscription money shown in (Note: 21.00) yet to be refundable.

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, 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	
		30.09.2021	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	569,040	1,965,740,770
		4,020,584,219	4,020,015,179
	Less : Disposed / Sold during the period	-	-
	Total	4,020,584,219	4,020,015,179
	Depreciation:		
	Opening balance	689,143,259	527,399,862
	Depreciation during the period	60,983,300	161,743,397
		750,126,559	689,143,259
	Total (a)	3,270,457,660	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)	3,781,218,349	3,841,632,609
	Please refer to Annexure-'A' for further details		
6.00	Deferred Tax		
	Book value of Depreciable asset	2,983,836,349	3,044,250,609
	Tax base Written down value	2,573,655,926	2,684,560,487
	Unabsorbed Depreciation	364,160,490	344,308,951
	Less : Tax base value of depreciable assets	2,937,816,417	3,028,869,438
	Taxable temporary difference	46,019,932	15,381,171
	Effective Tax rate	15%	15%
	Deferred tax liabilities/(asset) on original cost of assets	6,902,990	2,307,176
	Deferred tax liabilities on revaluation surplus Note-6.01	10,215,214	10,215,214
	Total closing deferred tax liabilities/(assets)	17,118,204	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	17,118,204	12,522,390
	Opening Deferred Tax Liabilities	12,522,390	(6,966,655)
	Deferred tax (Income)/ Expenses	4,595,814	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
		4,521,551	4,451,171
	Add: Profit from the Associates	-	70,380
	Total	4,521,551	4,521,551

Notes	Particulars	Amount in Taka	
		30.09.2021	30.06.2021

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:

	Qty. (Kg)	Amounts	Amounts
Finished Goods:		298,628,385	324,859,642
Yarn	717,355	163,881,429	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	229,763	59,746,956	59,623,302
Raw Materials:		981,046,134	841,235,114
Virgin Cotton	5,691,022	870,745,582	706,511,015
Waste Cotton	436,869	29,640,552	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		5,988,556	6,112,210
Store Materials		8,019,252	9,895,598
		1,293,682,327	1,182,102,564

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)	355,866,555	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)	172,301,398	102,550,499
VI) The maximum amount of receivable due by any director or other officer of the company	-	-
	528,167,953	427,905,691
Less: Adjustment of Bill Discounting (Net off Assets : Note-10.01)	319,218,014	313,393,350
	208,949,939	114,512,341
Aging of Accounts Receivable:		
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	134,349,385	122,545,332
	528,167,953	427,905,691

Notes	Particulars	Amount in Taka		
		30.09.2021	30.06.2021	
10.01	Adjustment of Bill Discounting (Net off Assets & Liabilities)			
	Woori Bank Limited	289,068,899	265,463,503	
	Mercantile Bank Limited	-	-	
	Southeast Bank Limited	30,149,115	47,929,847	
		319,218,014	313,393,350	
11.00	Advances, Deposits & Pre-Payments			
	Advance against Purchase	Note-11.01	76,071,610	76,655,459
	Advance against Factory Expenses		2,182,166	2,308,820
	Advance against L/c Margin		25,196,092	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		5,617,996	306,172
	Tax deducted at sources	Note-11.02	11,494,829	9,741,631
			134,603,044	241,039,582
	Bank guarantee is provided for CDBL & Titas Gas security deposits purpose.			
11.01	Advance against Purchase			
	Dues within three months		52,079,620	52,303,274
	Dues above three months but within six months		13,477,425	13,713,966
	Dues above six months		10,514,565	10,638,219
			76,071,610	76,655,459
11.02	Tax Deductions at Sources			
	Opening Balance		9,741,631	953,292
	Addition during the period		1,753,198	8,788,339
			11,494,829	9,741,631
12.00	Cash and Cash Equivalents			
			2,138,315	3,849,079
	Cash in Hand		2,138,315	3,849,079
	Cash at Banks:		24,229,099	20,754,177
	IBBL Mouchak #20501450100327918		2,642,768	118,973
	IBBL Mouchak #20501452500004916		53,222	1,120,378
	IBBL Mouchak #20501452600004917		250,379	94,739
	IBBL Bhulta #20502800100215106		22,100	902,175
	IBBL(FCAD ORQ) Mouchak #20501452800001714		14,079,279	3,000
	IBBL(FC Held BB LC) Mouchak #20501452300004914		2,491,570	
	SEBL Dhanmodi #1211100015657		938,300	2,797,556
	DBBL Bhulta # 1761200001733		286,794	14,145
	DBBL Bashundhara # 1471100005894		978,333	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		1,253,620	9,596,160
	Woori Bank RQA		258,522	3,023,472
	Woori Bank #1509640002993		366,334	453,619
	NCC Bank Mohakhali Branch #1250325000048		360,891	348,759
			26,367,414	24,603,256
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
			1,009,933,740	1,009,933,740

Notes	Particulars	Amount in Taka			
		30.09.2021	30.06.2021		
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>	100.00%	<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
				<u>510,760,689</u>	<u>510,760,689</u>
	Less: Related Deferred Tax on Revaluation 2%			<u>(10,215,214)</u>	<u>(10,215,214)</u>
				<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			<u>24,438,987</u>	<u>52,426,567</u>
	Total			<u>275,435,274</u>	<u>257,095,617</u>
	Cash Dividend 1%(For all Public Shareholder)			-	(6,099,330)
	Retained Earnings			<u>275,435,274</u>	<u>250,996,287</u>
16.00	Long Term Borrowings				
	Hajj Finance Com. Ltd - 1813			32,662,781	32,975,403
	Hajj Finance Com. Ltd - 1925			61,674,617	63,150,618
	Hajj Finance Com. Ltd - 1947			185,753,403	189,515,174
	Hajj Finance Com. Ltd - 2149			26,463,615	26,495,885
	IBBL HPSM-20501454300078403			2,919,792	2,855,984
	IBBL HPSM-20501454300083317			1,568,296	1,545,374
	IBBL HPSM-20501454300083500			1,751,209	1,728,657
	IBBL HPSM-20501454300089001			13,456,226	13,281,248
	IBBL HPSM-20501454300095301			105,099,150	104,040,714
	IBBL HPSM-20501454300097909			53,760,362	53,148,856
	IBBL HPSM-20501454300098405			75,059,517	74,142,257
	IBBL HPSM-FC-20500246106759815			1,203,939,492	1,187,921,826
	IDLC			<u>36,298,169</u>	<u>37,515,560</u>
	Total			<u>1,800,406,630</u>	<u>1,788,317,557</u>
	Less: Current portion of Long term loan			<u>(192,519,179)</u>	<u>(193,766,270)</u>
				<u>1,607,887,451</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 properties.

Notes	Particulars	Amount in Taka	
		30.09.2021	30.06.2021
17.00	Accounts Payable		
	Trade Creditors (Annexure-C)	133,462	133,462
	Bills Payable (Annexure-C)	6,466,012	6,752,910
		<u>6,599,474</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	192,519,179	193,766,270
		<u>192,519,179</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	312,353,322	283,928,773
	Bai Murabaha Import Bills(MIB)	122,569,611	122,074,748
	Bai Murabaha	190,239,181	191,577,359
	MFCI	948,253,644	1,048,547,399
	Car Loan (Hajj Finance Co. Ltd-1034)	45,828	131,560
	Total short term loan	<u>1,573,461,586</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.

Notes	Particulars	Amount in Taka	
		30.09.2021	30.06.2021
22.00	Provision for Income tax		
	Opening Balance	80,938,725	84,700,386
	Provision for the period	Note-21.01 1,703,198	8,738,339
	Total	82,641,923	93,438,725
	Tax Paid to DCT against Claim for Assessment 2014-2015	1,000,000	-
	Tax Paid to DCT against Claim for Assessment 2017-2018	1,000,000	12,500,000
	Closing Balance	80,641,923	80,938,725
21.01	Current Tax		
	A. Regular tax		
	Profit Before Tax	30,737,999	80,653,951
	Less: Other Income	(99,238)	(1,453,127)
	Add: Accounting Depreciation	60,983,300	161,743,397
	Less: Tax Depreciation	(111,473,601)	(306,797,896)
	Taxable Income for the period	(19,851,539)	(65,853,675)
	Rate of Tax	15%	15%
	Tax on business	(2,977,731)	(9,878,051)
	Add: 22.5 % Tax on Other Income	(22,328)	(326,954)
	Total Provision for the Period	(3,000,059)	(10,205,005)
	B. Minimum tax		
	Turnover and other income	408,065,599	1,561,443,196
	Minimum tax rate	0.30%	0.30%
		1,224,197	4,684,330
	C. Tax deducted at Source	1,703,198	8,738,339
	Current tax expenses (Higher of A,B & C)	1,703,198	8,738,339
23.00	Accrued Expenses		
	This is unsecured, falling due within one year and consists of as follows:		
	Audit and others fees	143,750	463,750
	Salaries & Wages	9,979,173	12,263,388
	Remuneration	200,000	200,000
	Gas Bill	76,054,361	51,372,128
	WPPF Payable	43,196,763	41,659,863
		129,574,047	105,959,129

Notes	Particulars	Amount in Taka	
		30.09.2021	30.06.2021
24.00	Turnover		
		Qty. (kg.)	Avg. Rate
	Yarn 20's	124,008	345
	Yarn 16's	288,996	320
	Yarn 30's	280,810	311
	Yarn 12's	62,024	217
	Yarn 07's	6,000	176
	Yarn 10's	268,197	258
	Yarn 22's	1,150	353
	Yarn 24's,14's	35,300	358
	Yarn 26's,28's	59,787	331
	Yarn 34's	54,250	389
	Yarn 40's	102,228	468
		1,282,750	408,164,837
			120,214,962
25.00	Cost of Goods Sold		
	Raw materials consumed	Note-25.01	232,671,114
	Accessories & Stores Consumed	Note-25.02	5,801,477
	Packing Materials Consumed	Note-25.03	2,764,714
	Factory overhead	Note-25.04	126,184,670
	Opening Work-in-Process		59,623,302
	Closing Work-in-Process		(59,746,956)
	Cost of Production		367,298,321
	Opening stock of Finished Goods		190,236,340
	Cost of Goods Available for Sale		557,534,661
	Closing stock of Finished Goods		(163,881,429)
	Primary estimation of damage stock of Finished Goods and Claim to Insurance Company		(75,000,000)
	Wastage Sales		(121,235)
	Cost of Goods Sold		318,531,997
			115,302,157
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		372,482,134
	Available for use		1,213,717,248
	Primary estimation of damage of raw materials and claim to insurance company		(80,660,000)
	Closing Raw Materials		(900,386,134)
			232,671,114
			58,888,645
25.02	Accessories & Stores Consumption		
	Opening Accessories & Stores		9,895,598
	Purchase during the period		3,925,131
	Available for use		13,820,729
	Closing Accessories & Stores		(8,019,252)
			5,801,477
			7,569,806
25.03	Packing Materials Consumption		
	Opening Packing Materials		6,112,210
	Purchase during the period		2,641,060
	Available for use		8,753,270
	Closing Packing Materials		(5,988,556)
			2,764,714
			1,078,955

Notes	Particulars	Amount in Taka	
		30.09.2021	30.06.2021
25.04	Factory Overhead		
	Gas Bill	26,071,726	22,509,323
	Wages	35,859,615	17,956,097
	Repair & Maintenance	354,123	460,503
	Factory Insurance	2,178,837	1,062,544
	Sundry Carrying Charges	336,542	233,873
	Sundry daily labor charges	423,654	509,896
	Medical & other Expenses	78,414	9,675
	Depreciation	60,881,759	62,805,642
		126,184,670	105,547,553

(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	-	-
Exchange Rate Fluctuation Gain/(Loss)	(99,238)	(796,740)
Profit from Associate	-	-
	(99,238)	(796,740)

27.00 Administrative Expenses

Salary and Allowances	10,802,441	8,084,729
Festival Bonus	-	1,705,510
Audit Fee	-	-
Managing Director Remuneration	150,000	150,000
Director's Remuneration	450,000	450,000
Board Meeting Fees	18,000	30,000
Entertainment	46,272	169,941
Traveling and Conveyance	40,215	53,536
House & Office rent	224,250	188,500
Telephone & Mobile Bill	48,000	27,550
Company Secretarial, Regulatory Fee and AGM Expense	50,000	125,433
Subscription and Donations	-	73,000
Fees, Renewals and other Expenses	303,476	274,595
Fuel expenses	321,541	554,357
IT Solution	29,400	10,350
Depreciation	101,541	83,756
	12,585,136	11,981,257

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	150,000	150,000
Director's Remuneration	450,000	450,000
Board Meeting Fees	18,000	30,000
	618,000	630,000

28.00 Marketing, Selling & Distribution Expenses

Salaries and Allowances	70,000	190,000
Advertisement	21,000	20,500
	91,000	210,500

Notes	Particulars	Amount in Taka	
		30.09.2021	30.06.2021
29.00	Financial Expenses		
	Bank Charges and Commission	407,914	446,747
	Interest on HPSM	18,278,630	5,176,958
	Interest on BAI Murabaha	6,935,352	10,518,787
	Interest on Murabaha TR	6,049,950	8,636,048
	Interest on MBL -IDBP	-	40,526
	Interest on Woori -IDBP	2,570,461	1,674,174
	Interest on Hajj Finance	4,680,202	7,402,435
	Interest on MFCI	4,262,821	7,284,742
	Interest on IDLC	618,031	741,685
	Interest on IBP SEBL	779,206	-
		44,582,567	41,922,102
30.00	Basic Earning Per Share		
	Net Profit after Taxes	24,438,987	(41,987,221)
	Number of Shares for respected period	100,993,374	100,993,374
	Earning per share (Taka) (Basic)	0.24	(0.42)
	Net Profit after Taxes	24,438,987	(41,987,221)
	Weighted Average Number of Share	100,993,374	100,993,374
	Earning per share (Taka) (Adjusted)	0.24	(0.42)
	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	110,123,584	(226,742,013)
	Number of Share	100,993,374	100,993,374
	Net Operating Cash Flows per Share (NOCFPS)	1.09	(2.25)
32.00	Net Asset Value Per Share (NAVPS)		
	Net Asset Value	1,858,759,906	1,373,169,333
	Number of Shares	100,993,374	100,993,374
	Net Asset Value Per Share (NAVPS)	18.40	13.60
33.00	General:		
33.01	Claims not Acknowledged		
	There is no claim against the Company not acknowledged as debt as at 30.06.2021		
33.02	Credit Facilities not Availed		
	There is no credit facilities extended to the Company but nor availed of as at 30.06.2021, 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 30.06.2021		
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.		

Notes	Particulars	Amount in Taka	
		30.09.2021	30.06.2021

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	30,737,999	(49,997,794)
Adjustment for items not involving movement of cash:		
Depreciation on Property, Plant and Equipment	60,983,300	62,889,398
Financial Expenses	44,582,567	41,922,102
Profit from associates	-	-
Foreign Exchange Gain/(Loss)	(117,801)	(810,508)
	136,186,066	54,003,198
(Increase)/Decrease in Accounts Receivable	(94,319,798)	136,896,426
(Increase)/Decrease in Inventory	(111,579,763)	(59,442,183)
(Increase)/Decrease in Advance, Deposits & Prepayments	107,482,233	(5,265,045)
Increase/(Decrease) in Accounts Payable	(305,461)	(326,411,485)
Increase/(Decrease) in Accrued expenses	23,614,918	(25,100,089)
Increase/(Decrease) in Goods in Transit	52,798,588	-
(increase)/Decrease Revaluation deferred Tax	-	-
	(22,309,283)	(279,322,376)
Tax Paid to DCT against Claim for Assessment 2017-2018	(1,000,000)	-
Tax Paid to DCT against Claim for Assessment 2014-2015	(1,000,000)	-
Income Tax paid during the year	(1,753,198)	(1,422,837)
Net Cash Flows from operating activities	110,123,584	(226,742,013)

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	372,482,134	(232,671,114)	900,386,134
Packing Materials	6,112,210	2,641,060	(2,764,714)	5,988,556
Spare Parts	9,895,598	3,925,131	(5,801,477)	8,019,252

Value of Export

Particular	In Foreign Currency USD	In BDT
Export	\$ 4,859,105	408,164,837

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	1,167,387
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	600,000
(b)	Any other perquisite or benefits in cash or in kind stating, approximate money value applicable.	18,000
(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	198,756,533	129,005,634	172,301,398
	Total		102,550,499	198,756,533	129,005,634	172,301,398

Mozaffar Hossain Spinning Mills Limited
Annexure of Property, Plant & Equipment
As at September 30, 2021

Annexure-A
Amounts in Taka

Cost:

Particulars	COST			Rate of Dep.	DEPRECIATION			Written down value as at 30.09.2021
	As at July 01, 2021	Addition during the period	Closing Balance As on 30.09.2021		As at July 01, 2021	Charged during the Period	Closing Balance As on 30.09.2021	
Land & Land Dev.	286,621,311	-	286,621,311	-	-	-	-	286,621,311
Factory Building	1,345,639,127	369,140	1,346,008,267	5%	135,032,990	15,137,191	150,170,181	1,195,838,086
Plant & Machinery	2,379,105,000	-	2,379,105,000	10%	549,582,925	45,738,052	595,320,977	1,783,784,023
Vehicle	5,586,326	-	5,586,326	10%	2,835,241	68,777	2,904,018	2,682,308
Furniture & Fixture	1,728,415	-	1,728,415	10%	1,464,291	6,603	1,470,894	257,521
Air Condition	1,267,500	-	1,267,500	10%	221,063	26,161	247,223	1,020,277
Office Equipment	-	199,900	199,900	10%	-	4,998	4,998	194,903
Computer Equipment	67,500	-	67,500	10%	6,750	1,519	8,269	59,231
Balance as on 30.09.2021	4,020,015,179	569,040	4,020,584,219		689,143,259	60,983,300	750,126,559	3,270,457,660
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 30.09.2021
	As at July 01, 2021	Addition during the period	Closing Balance As on 30.09.2021		As at July 01, 2021	Charged during the Period	Closing Balance As on 30.09.2021	
Land & Land Dev.	510,760,689	-	510,760,689	-	-	-	-	510,760,689
Balance as on 30.09.2021	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 30.09.2021	4,530,775,868	569,040	4,531,344,908	-	689,143,259	60,983,300	750,126,559	3,781,218,349
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	101,541
Manufacturing Cost	60,881,759
Total	60,983,300

Note: 01. The company use an accounting software (Intangible asset) which is fully amortized. Damage of Machinerics & Building & Civil Construction has been Claimed to Insurance Company.

Mozaffar Hossain Spinning Mills Limited

Annexure of Accounts Receivable

Annexure-B

As at September 30, 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 30.09.2021
ACS Textile Ltd.	83,474,580	61,738,950	45,770,766	99,442,764
ACS Towel Ltd.	37,863,420	22,688,820	10,043,000	50,509,240
Rownok Textile Mills	18,489,542		16,496,392	1,993,150
Moom Tex. Expo Ltd	6,953,520	13,440,000	3,550,740	16,842,780
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		36,080,512	3,250,136
Shabab Fabrics Ltd	19,567,800	23,047,626	14,990,129	27,625,296
Alema Textile Limited	8,925,420		2,721,155	6,204,265
Arkay Knit Dyeing Mills Ltd	32,148,732	1,720,950	11,196,866	22,672,816
ClearTex Industries Ltd	2,817,360			2,817,360
F.K. Textile Mills Limited	-			-
F.M Yarn Dyeing Ltd	-			-
Farzana Fashions World Ltd	-	10,752,000		10,752,000
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	856,800		4,284,000
Mof Fashions Limited	8,505,000			8,505,000
Mohammadi Group Ltd	10,963,260			10,963,260
Noor Knit (BD) Ltd	5,532,240		5,532,240	-
Silver Apparels Limited	11,446,680	361,200		11,807,880
Hams Garments Ltd		32,462,850		32,462,850
Taratex Fashion Ltd	-	22,457,400		22,457,400
Ragadi Textile Ltd	-	8,884,428		8,884,428
Ripon Knitwear Ltd.	-	10,997,280		10,997,280
Sub-total	325,355,192	209,408,304	178,896,940	355,866,555

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 30.09.2021
SIM Fabrics Limited	102,550,499	198,756,533	129,005,634	172,301,398
Sub-total	102,550,499	198,756,533	129,005,634	172,301,398
Total	427,905,691	408,164,837	307,902,574	528,167,953

Mozaffar Hossain Spinning Mills Limited

Schedule of Trade Creditors

As at September 30, 2021

Annexure-C

Amounts in Taka

Trade Creditors:

Name of Supplier	Balance as at 01.07.2021	Payment during the Period	Bill during the Period	Balance as at 30.09.2021
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 30.09.2021
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			11,001
Beximco Online	3,450	3,450		-
Bestair Engineering	46,050			46,050
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			960,604
Mahin Enterprise & Packaging	156,147			156,147
Minarva Engineering Works	13,606			13,606
Monir Steel House	83,800			83,800
MH Rubber & Plastic Machineries Ltd.	91,552			91,552
MS Enterprise	188,260	540,000	540,000	188,260
New Mokka Trading	197,176			197,176
Maa Enterprise& Packaging	22,221			22,221
Mostakim Enterprise	19,120	435,000	435,000	19,120
Orient Plastic & Packing Ind. Ltd	30,000			30,000
Peoples Insurance Company Ltd.	856,317	762,118	583,193	677,392
Reyan Machinery	178,725			178,725
Kaizer Enterprise	49,794			49,794
Sabuj Timber & Traders	17,949			17,949
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

Name of Supplier/Service Provider	Balance as at 01.07.2021	Payment during the Period	Bill during the Period	Balance as at 30.09.2021
SAIL International Ltd	35,300			35,300
Step Transmission	90,078	50,000		40,078
Raju. Engineering & Service Centre	30,000		35,000	65,000
Riya Enterprise	64,400			64,400
Solution Technology	56,000			56,000
Fahim Transport Agency	17,500			17,500
Ahee-Sohi Transport Agency	118,100			118,100
One Inspection & Testing Services(BD) Ltd	226,882	100,000	210,477	337,359
Sub Total (B)	6,752,910	2,140,568	1,853,670	6,466,012
Total (A+B)	6,886,372	2,140,568	1,853,670	6,599,474