

ANNUAL REPORT 2023



MOZAFFAR HOSSAIN SPINNING MILLS LTD.

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Transmittal Letter

To
All Share Holders,
Bangladesh Securities and Exchanges Commission,
Registrar of Joint Stock Companies & Firms,
Dhaka Stock Exchange Limited,
Chittagong Stock Exchange Limited.

Subject: Annual Report for the year ended June 30, 2023.

Dear sir (s),
Enclosed please find a copy of Annual Report together with the Audited Financial Statements including Statement of Financial Position, Statement of Profit or Loss & Other Comprehensive Income, Statement of Changes in Equity and statement of cash flow for the year ended June 30, 2023 along with notes to thereon of Mozaffar Hossain Spinning Mills Limited for your kind information and records.

Thank you.

Sincerely yours,


(Haris Alam)
Company Secretary





Mozaffar Hossain Spinning Mills Limited

House # 315, Road # 04, DOHS, Baridhara, Dhaka-1206

Notice of the 18th Annual General Meeting

Notice is hereby given that the 18th Annual General Meeting (AGM) of the shareholders of Mozaffar Hossain Spinning Mills Limited will be held on Thursday, December 28, 2023 at 11.50 a.m. at Digital Platform through the AGM link: <https://mhsm18thagm.digitalagmbd.net> to transact the following business

1. To consider the Audit Report and Financial Statements for the year ended June 30, 2023 along with report of the Auditors and Directors.
2. To approve the dividend for the year ended June 30, 2023 as recommended by the Board of Directors.
3. To elect Directors in place of those who are to retire by rotation in terms of the provision of the Articles of Association of the Company.
4. To appoint statutory Auditors for the year 2023-2024 and to fix their remuneration.
5. To appoint Statutory Auditors and professionals for compliance of corporate governance code of the Company for the year 2023-2024 and fix their remuneration.
6. To transact any other business with the permission of the Chair.

By the order of Board

Dated: December 07, 2023


(Haris Alam)

Company Secretary

Notes:

1. The Shareholders whose name will be appeared in the share register of the company or in the depository register on the record date, i.e., November 29, 2023 will be entitled to attend and vote in the AGM and to receive dividend as approved in the AGM.
2. As per BSEC Notification no. BSEC/ CMRRCD/2006-158/208/Admin/81, dated 20 June 2018. Annual Report 2022-2023 of Mozaffar Hossain Spinning Mills Limited, in soft form shall be transmitted to the respective shareholders of the Company through their e-mail ID available in their beneficial owner (BO) accounts with the depository. This Annual Report shall also be published on our website (www.simgroup-bd.com).
3. Members entitled to attend and vote at the AGM may appoint a Proxy to attend and vote on his/her behalf. The proxy form must be affixed with requisite revenue stamp and must be submitted to the E-mail address: ilyas@simgroup-bd.com not less than 72 hours before the time fixed for the AGM.
4. The ensuing 18th AGM will be conducted via live webcast by using digital platform, pursuant to the Bangladesh Securities and Exchange Commission's (BSEC) order No. SEC/SRMIC/94-231/91 dated 31st March 2021.
5. The members will be able to submit their questions/comments, and vote electronically 24 hours before commencement of the AGM and during the AGM. For logging into the system, the members need to enter their 16-digit Beneficial Owner (BO) ID number/ Folio Number and other credentials as proof of their identity by visiting the link <https://mhsm18thagm.digitalagmbd.net>

Corporate Directory

➤ Date of Incorporation	29.11.2005
➤ License from Ministry of Environment	22.01.2009
➤ License from Bangladesh Export Promotion Bureau	14.01.2008
➤ License from Bangladesh Import Promotion Bureau	04.10.2010
➤ Signing of Management Contract with Suntech Energy Ltd.	28.02.2015

✓ Approval of Initial Public Offering by Bangladesh Securities and Exchange Commission	10.09.2013
✓ Listing with Dhaka Stock Exchange Ltd.	21.01.2014
✓ Listing with Chittagong Stock Exchange Ltd.	21.01.2014
✓ Category of Share Change to "A" from "N"	13.11.2014
✓ Authorized Share Capital	Tk. 3,000 Million
✓ Paid up Share Capital	Tk. 1,009.93 Million
✓ Date of Last AGM	29.12.2022

Corporate Management

Board of Directors

Chairman

Mrs. Rahima Hossain

Managing Director

Md. Mozaffar Hossain

Director

A.S.M. Raisul Hasan shoaib

Nominee Director

A.S.M. Rakibul Hasan

Md. Sorwar Hossain

Independent Director

Mr. Anwarul Hoque

Mr. Md. Mijanur Rahman

Company Secretary

Haris Alam

Chief Financial Officer

Biplob Kumar Mondol

In-Charge(Share Division)

Muhammad Ilyas

Audit Committee

Mr Anwarul Hoque : Chairman

Md. Sorwar Hossain : Member

Haris Alam : Secretary

Head of Internal Audit

Md. Atiqur Rahman Bhuiyan, FCMA

Auditor

M. Z. ISLAM & CO.

Chartered Accountants

Eastern view (10th Floor)

50 D. I. T Extension Road

Nayapaltan, Dhaka-1000

Banker

Islami Bank Bangladesh Limited

Mouchak Branch

Hosaf Twin Tower (Ground Floor)

New Circular Road, Malibag, Dhaka-1217

Corporate Governance Certified

Hoque Bhattacharjee Das &Co.

Chartered Accountants

106/Ka, Cosmic Tower, Naya Palton

Box Culvert Road, Dhaka 1000

Insurer

Pioneer Insurance Company Limited

Rangs Babylonia (5th Floors) 246

Bir Uttam Mir Shawkat Sarak

Tajgaon Dhaka-1208

Registered Office

House # 315, Road # 04, DOHS, Baridhara, Dhaka-1206

Phone: +88-02-8415961-3,

Fax: +88-02-8415964

Mob# 01777769736

ilyas@simgroup-bd.com

E-mail: info@simgroup-bd.com

Web: www.simgroup-bd.com

Factory Office

Thakurbari Teac, Masumabad

Bhulta, Rupgonj, Narayanganj



05 (Five) Years' Financial Summary

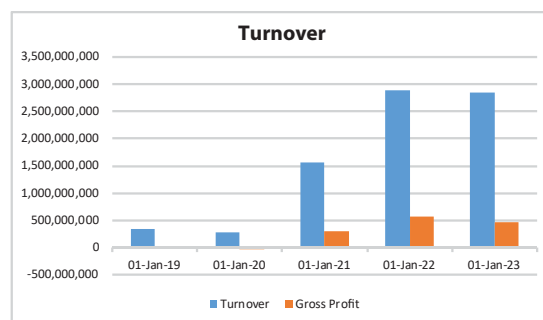


Amount in Taka

Operational Result	30-Jun-23	30-Jun-22	30-Jun-21	30-Jun-20	30-Jun-19
Turnover	2,844,162,504	2,897,696,861	1,562,896,324	283,548,166	352,279,010
Gross Profit	460,451,043	573,245,989	300,228,990	(15,898,135)	15,112,891
Profit from Operation	374,548,258	493,027,396	238,390,966	(49,285,256)	(5,540,446)
Net Profit before tax	62,906,782	242,304,074	80,653,951	(131,788,620)	(99,121,889)
Net Profit after Tax	22,661,080	193,945,214	52,426,567	(119,837,397)	(95,617,854)
Net Cash Flow From Operation	172,812,888	218,224,382	(1,048,852,159)	(750,866,485)	397,347,222

Financial Position	30-Jun-23	30-Jun-22	30-Jun-21	30-Jun-20	30-Jun-19
Fixed Assets	3,563,022,210	3,643,012,695	3,841,632,609	3,511,101,149	3,419,104,279
Current Assets	2,591,170,795	2,241,429,130	1,632,618,635	1,025,889,220	683,181,614
Shareholder's Equity	1,948,313,855	2,009,968,144	1,834,320,919	1,415,156,554	1,534,993,951
Long Term Liability	1,946,609,652	1,741,568,443	1,594,551,287	971,881,330	439,499,612

Key Financial Ratio	30-Jun-23	30-Jun-22	30-Jun-21	30-Jun-20	30-Jun-19
Current Ratio	1.14	1.07	0.80	0.48	0.32
Quick Ratio	0.31	0.39	0.22	0.11	0.21
Debt to Equity Ratio	2.13	1.77	1.87	1.48	0.72
Net Income Ratio (%)	0.80	6.69	3.35	(42.26)	(27.14)
Return on Equity (%)	1.16	9.65	2.86	(8.12)	(6.03)
Earnings Per Share	0.22	1.92	0.52	(1.19)	(0.95)



	2022-2023	2021-2022	2020-2021	2019-2020	2018-2019
Turnover	2,844,162,504	2,897,696,861	1,562,896,324	283,548,166	352,279,010
Gross Profit	460,451,043	573,245,989	300,228,990	(15,898,135)	15,112,891



Company Profile

Mozaffar Hossain Spinning Mills Limited (here in 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 Limited Company 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 share with both Dhaka and Chittagong Stock Exchange.

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 Teac, Masumabad, Bhulta, Rupgonj, and Narayangonj.

Mozaffar Hossain Spinning Mills Limited runs the business of 100% export oriented woven fabrics cotton yarn. The company's production facility is equipped with machineries of Germany. The company aims to provide high quality woven fabrics cotton yarn.

Our Vision

1. We aspire to maintain our leadership position in the Textile Industry by producing the best quality various counts of yarns and becoming a reliable business partner of our buyer and suppliers.
2. Protect the interest of our shareholder through sustainable growth and value creation.
3. Preserve the Trust of all our Stakeholders by adopting ethical business practices.
4. Support the society through corporate social responsibility initiative.

Our Mission

MHSML will remain an acknowledged leader in providing high quality products & services, to its customers.
MHSML will continue to provide superior quality of fabrics.

Our Customers see us as:

1. Provider of state of the art product.
2. Focus on their specific needs.
3. Valuable contributors to their Organizations.

Our Employees:

1. The reason for us being in business.
2. Provide cutting edge, solutions to our customers.
3. Acquire skills in anticipation of future needs.

Our Company Leadership Believes:

The Global Textile Market provides a continuous challenge for every stage of manufacturing. The MHSML diversified interests include product line catering different market segments.

Album of MHSML



Factory Highlights



Factory Highlights



Mozaffar Hossain Spinning Mills Limited



Photographs of 16th AGM, 2021



Photographs of 17th AGM, 2022



The Board of Directors

Mrs. Rahima Hossain

Chairman

Mrs. Rahima Hossain wife of Al-Haj Md. Mozaffar Hossain is the Chairman of Mozaffar Hossain Spinning Mills Limited. Her father name is Mr. Abdur Rahman and mother name is Mrs. Saleha Khatun. She was born in Jamalpur, Bangladesh on 01-Apr-1960. She is related with SIM Fabrics Limited, SIM Apparels Limited and Authentic Color Limited as Chairman. She has travelled Malaysia, Saudi Arabia etc. She is engaged in various social activities like school, college, madrasa, and mosque. She is the president of Rahima Mozaffar Girls School & College.



Md. Mozaffar Hossain (MP)

Managing Director

Md. Mozaffar Hossain (MP) is the Founder of 'SIM GROUP' and Managing Director of Mozaffar Hossain Spinning Mills Limited. His father name is Late Saim Uddin and mother name is Mossammat Matabjan Begum. He was born in Jamalpur, Bangladesh on 01-Jan-1957. Currently he is the Member, of Parliament (142) from Jamalpur-5 As well he is Member standing committee on ministry of science and Technology Bangladesh Parliament Mr, Hossain is a Textile Engineer past BSC in Textile Technology. He has long around 36 year's business experience and started his own business in 1996 later on established woven fabrics weaving mills in 2001. During his successful career he implemented the following business enterprises: Authentic Color Limited, SIM Fabrics Limited, Mozaffar Hossain Spinning Mills Limited and SIM Apparels Limited. He has travelled UK, Switzerland, Germany, France, China, Korea, Pakistan, India, Malaysia, Saudi Arabia almost around the Globe. He is also engaged in various social activities like school, college, madrasa, and mosque. He is the Ex-President of Textile Engineer Association, Ex-Director of BTMA, President of Bangubandhu Textile Engineering Association, Vice President of Jamalpur Zilla Somity, Ex-Vice President of International Lion Club (Red Sun 315 B-3), Member of IEB, Baridhara Society, Greater Myman-singh Somity and Assistant Secretary of Bangladesh Awami League.

A. S. M. Raisul Hasan Shoaib
Director

A. S. M. Raisul Hasan Shoaib is serving as Director of Mozaffar Hossain Spinning Mills Limited from the very beginning of his career. His father name is Al-Haj Md. Mozaaffar Hossain and mother name is Mrs. Rahima Hossain. He was born in Dhaka, Bangladesh on 06-May-1989. He is a Graduate from NSU; Bangladesh. He is a dynamic business personality. His acumen in business and flexible manner in terms of public relations made him a role model in developing the culture of the organization.



A.S.M. Rakibul Hasan
Nominee Director

A.S.M. Rakibul Hasan is currently serving as Nominee Directors of the Company. His father name is Al-Haj Md. Mozaaffar Hossain and mother name is Mrs. Rahima Hossain. He was born in Jamalpur, Bangladesh on 31-Jan-1979. He had completed his MBA from North South University (N. S. U). He is serving the company from its incorporation and successfully running till now. He has with over 21 year's business experience. Mr. Hasan is responsible for financial & marketing section of the company. And he is the Director of SIM Fabrics Limited.



Md. Sorwar Hossain
Nominee Director

Mr. Md. Sorwar Hossain is the Nominee Director by SIM Fabrics Limited in Mozaffar Hossain Spinning Mills Limited born on July 06, 1970 in Bangladesh. He is a commerce graduate and taking care of Mozaffar Hossain Spinning Mills Limited from the very beginning of his career.





Mr. Anwarul Hoque
Independent Director

Mr. Anwarul Hoque is an retired judge, serve the judicial of law Government of Bangladesh. He was an BCS cadre and serve the nation from 1983 to 2017. His wisdom experience , dedication towards the courts . Will help Mozaffar Hossain Spinning Mills Limited to get a new Director in the more efficient ethical business process.

Mr. Md. Mijanur Rahman
Independent Director

Mr. Md. Mijanur Rahman is an advocate by profession currently serving at Bangladesh Supreme court. He has a long experience more than 21 year with very good track record.



Mr. Haris Alam
Company Secretary

Mr. Haris Alam is currently serving Mozaffar Hossain Spinning Mills Limited (MHSML) as Company Secretary. He had completed his ACCA Course from London School of Buisness & Finance (LSBF) London UK. He had also obtained MBA & BBA (Finance & Accounting) from North South University. He had a long experience at financial control, financial arrangement at backward linkage industry.



Message from the Chairman

Distinguished Shareholders

On behalf of the Board of Directors, I welcome you all and take immense pleasure and delight in addressing the 18th Annual General Meeting of the company. I also want to thank you the honourable shareholders for joining us to make the event successful.

With pleasure I present the Report of the Board of Directors, The Audited Statements of Financial Position, Statement of Profit or Loss & Other Comprehensive Income and other Financial Statements of the company for the year 30 June, 2023. It gives me immense pleasure that we get the opportunity to meet with all of you, discuss on the performance of the concerned year of the company and sharing the views of each other's, I assumed that to the changed situation more obligations has been created on us on behalf of the valued shareholder in respect of last AGM and to offer them assurance of our sincerity in maintaining operational results up to their expectations at present as well as in future.

As we discuss the financial year in review the western world mainly EU and USA is yet to overcome the financial recession, the world economy is also struggling hard to rehabilitate and revive financially. As a part of our revenue is generated from Exporting of yarn, it is due to these factors we faced difficulties in marketing our product on regular basis. Domestically the incessant weather, political instability created hindrance in our business. In spite of various limitations and hindrances as well as political unrest, the company had its successful year in 2023. This could not be possible without your continuous support conscious suggestion, Boards prudent strategic decision and management's successful execution for the same with passion and zeal. Thanks to all of you.

I on behalf of the Board would like to express my sincere thanks to the respected shareholders for the confidence respond on the Board of the company throughout the year. I am also grateful to the Bangladesh Securities and Exchange Commission, Dhaka Stock Exchange Limited, Chittagong Stock Exchange Limited, Registrar of Joint Stock Companies & Firms, Central Depository Bangladesh Limited, Banks and Financial Institutions for their support and patronage extended to the company from time to time.

I embrace your support and seek your co-operation by all means for a brighter future for all

Thanking you.

Regards



Mrs. Rahima Hossain
Chairman

BOARD OF DIRECTORS AND MANAGEMENT OF THE COMPANY

Board of Directors

Mrs. Rahima Hossain	Chairman
Md. Mozaffar Hossain	Managing Director
Mr. A.S.M. Raisul Hasan Shoaib	Director
A.S.M. Rakibul Hasan	Nominee Director
Mr. Md. Sorwar Hossain	Nominee Director
Mr. Anwarul Hoque	Independent Director
Mr. Md. Mijanur Rahman	Independent Director

Audit Committee

Mr. Anwarul Hoque Independent Director	Chairman
Mr. Md. Sorwar Hossain Nominee Director	Member
Mr. Haris Alam Company Secretary	Member Secretary

Nomination and Remuneration Committee

Mr. Anwarul Hoque Independent Director	Chairman
Mr. Md. Sorwar Hossain Nominee Director	Member
Mr. Haris Alam Company Secretary	Member Secretary

Management Team

Sl.	Name	Designation	Department
1.	Md. Mozaffar Hossain	Managing Director	
2	Md. Kamrul Hossain	Director Technical	Operation
3.	Haris Alam	Company Secretary	Board Secretariat
4.	Biplob Kumar Mondol	Chief Financial Officer	Accounts & Finance
5.	Md. Atiqur Rahman Bhuiyan, FCMA	Head of Internal Audit	Audit
6	Md. Mohsin Alam	General Manager	Commercial
7.	Md. Taufiqul Islam	Deputy General Manager	Planning
8.	Muhammad Ilyas	In-Charge	Share Division
9.	Kuddus Ali.	Sr. Manager	Audit
10.	Md. Sahal Hossain	Manager	Procurement
11.	Mohammad Didarul Alam	Sr. Manager	Accounts & Finance
12.	Subrata Sen	Sr. Executive	Accounts & Finance
13.	Imranul Islam	Sr. Executive	Accounts & Finance

Pattern of Shareholding and No. of Shareholding as on 30 June 2023

Share Holding Range	Number of Share Holders	No. of Share	Percentage of Share Holding
1 to 500	1,380	231,568	0.22%
501 to 5,000	2,149	3,343,857	3.32%
5,001 to 10,000	275	2,094,814	2.07%
10,001 to 20,000	202	2,933,039	2.90%
20,001 to 30,000	98	2,437,394	2.41%
30,001 to 40,000	49	1,711,252	1.70%
40,001 to 50,000	28	1,293,032	1.28%
50,001 to 100,000	66	4,714,814	4.66%
100,001 to 1,000,000	73	17,885,974	17.72%
1,000,001 to Above	11	64,347,630	63.72%
Total	4,331	100,993,374	100.00%

Mozaffar Hossain Spinning Mills Limited

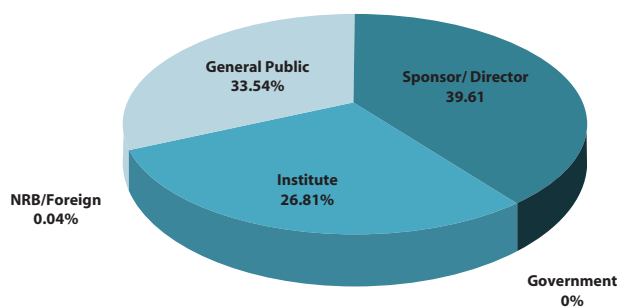
Top 10 (Ten) Shareholders as on 30 June 2023

SI No	Name Shareholders	No. of Shares Held	% of Holding
1	SIM FABRICS LTD.	33,300,736	32.97%
2	ICB	7,688,189	7.61%
3	KAS TRADING	5,145,880	5.09%
4	KAS PROPERTIES LIMITED	3,224,600	3.19%
5	INVESTMENT CORP. OF BANGLADESH	3,144,806	3.11%
6	MD. ARSAD PARVEZ	2,908,700	2.88%
7	RAISUL HASAN	2,246,990	2.22%
8	RAHIMA HOSSAIN	2,188,389	2.16%
9	MD. MOZAFFAR HOSSAIN	2,036,840	2.01%
10	BUSHRA ALAM OISHI	1,412,500	1.39%
Total		63,297,630	62.63%

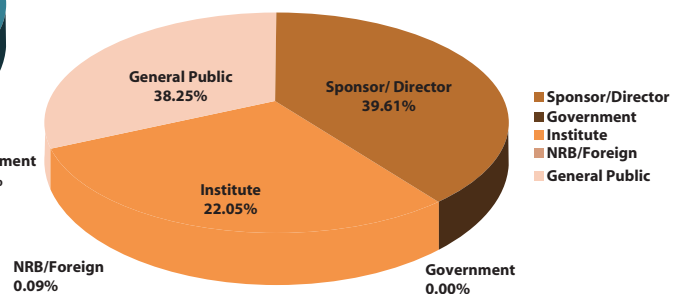
Shareholding Composition as on 30 June 2023

SI No	Shareholders Group	2023		2022	
		No. of Share	Percentage (%)	No. of Share	Percentage (%)
1	Sponsor/Director	40,000,077	39.61%	40,000,077	39.61%
2	Government	-	-	-	-
3	Institute	27,081,627	26.81%	22,260,273	22.05%
4	NRB/Foreign	47,651	0.04%	96,515	0.09%
5	General Public	3,38,64,019	33.54%	38,636,509	38.25%
Total		100,993,374	100.00%	100,993,374	100.00%

Shareholding Composition 2023



Shareholding Composition 2022



Directors' Report

Dear Shareholders,

Assalamualaikum,

On behalf of the Board of Directors of Mozaaffar Hossain Spinning Mills Limited and on my own behalf I welcome you all to 18th Annual General Meeting. The Board of Directors is pleased to take the opportunity to present you the Audited Financial Statements of the Company for the FY 2022-2023, Auditors' Report and the Directors' Report thereon along with Company's performance and other matters in terms of Companies Act, 1994, Listing regulation of DSE and CSE, the guideline issued by Bangladesh Securities and Exchanges Commission (BSEC) and International Accounting Standards and other applicable rules & regulations.

BACKGROUND

Mozaffar Hossain Spinning Mills Limited (here in 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 Limited Company 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. The Authorized capital of the company is Tk. 3,000,000,000 (Three Hundred Crore only) and paid up capital 1,009,933,740 (One Hundred Crore Ninety Nine Lac Thirty Three Thousand & Seven Hundred Forty only). The company was listed with Dhaka Stock Exchange Limited and Chittagong Stock Exchange Limited in the month of January 2014.

REVENUE

As you are aware that the company is a manufacturer of 100% export oriented woven fabrics cotton yarns, the sale proceeds from yarn stood at 284.41 crore.

The operating financial results of the Company for the year 2022-2023 as compared to previous year are summarized hereunder:

Particulars	2022-2023	2021-2022
Turnover	2,844,162,504	2,897,696,861
Gross profit	460,451,043	573,245,989
Financial Expenses	308,496,137	238,608,118
Other Income	(10,223,853)	(5,769,922)
Net profit Before Tax(NPBT)	62,906,782	242,304,074
Provision for Taxation	40,245,702	48,358,860
Net Profit After Tax (NPAT)	22,661,080	193,945,214
Gross Margin (Turnover)	16.19 %	19.78%
Net Margin Before Tax	2.21 %	8.36%
Net Margin After Tax	0.80%	6.69%
Earnings Per Share (EPS) BTD.	0.22	1.92
Number of Shares Used to Computer EPS	100,993,374	100,993,374

Industry outlook and possible future developments in the industry

The company works as a Primary Textile Sector (PTS) for the Export Oriented Garments Industries. Mozaffar Hossain Spinning Mills Limited produces the 100% export oriented woven fabrics cotton yarn and delivers to the Garments Industries. The company has been operated in the market for long with reputation and commitment. Having long experience in yarn marketing we are confident of this value added yarn and believe that we can hold our reputation as a quality yarn supplier.

With the inception of the company has become one of the very few spinning mills in Bangladesh where the garments manufacturer can really rely for various types of yarns. We believe this will add great value to the company in the coming days.

Mozaffar Hossain Spinning Mills Limited

Segment Reporting

Company operates in single product segment.

Risk and concerns

Mozaffar Hossain Spinning Mills Limited being a yarn manufacturer and catering as the backward linkage industry its risk is always associated with the global supply and demand chain. Any economic downturn in the western world has a direct impact on the business. With the demand increasing from the emerging countries of Bangladesh has become a market which is very vibrant and growing every day.

Moreover, risks and concern of the industry solely depends on the upcoming Government policy as well. However, Textile being the major foreign currency earner have always enjoyed special consideration from all the successive Governments and expectation is that it will continue in the future.

A discussion on cost of goods sold, gross margin and net profit margin

Profit from Operation	30 June 2023		30 June 2022	
	Amount	Percentage	Amount	Percentage
Turnover	2,844,162,504	100%	2,897,696,861	100%
Cost of Goods Sold	2,383,711,461	83.81%	2,324,450,872	80.22%
Gross Profit	460,451,043	16.19 %	573,245,989	19.78 %
Net profit for the year	22,661,080	0.80 %	193,945,214	6.69 %

Discussion on Continuity of extraordinary gain or loss

Extraordinary gains or losses refer to infrequent and unusual gain or loss and which is not part of the Company's ordinary/day to day operations. As for the Company, there was no such Significant gain or loss during the year under reporting.

Related party transactions

The company has transactions with its mother company which have been disclosed in related party transaction in page no. 75 of the annual report.

Significant variance of financial statements

There is no significant variance in the financial statements during the year ended on 30th June 2023.

Compliance of Notification No. BSEC/CMRRCD/2006-158/207/Admin/80 dated 30 June 2018

1.1 Board Size:

The number of members of the Board of Directors stands at 07 (including Two Independent Directors) which are within the limits given by BSEC.

Independent Directors

Md. Anwarul Hoque & Md. Mijanur Rahman as an Independent Director of the company on 29 October 2022 subject to approval of shareholders in 17th Annual General Meeting of the company

Qualification of New Independence Director:

01.Mr.Anwarul Hoque is an retired judge, serve the judicial of law Government of Bangladesh. He was an BCS cadre and serve the nation from 1983 to 2017 .His wisdom experience , dedication towards the courts . He will help Mozaffar Hossain Spinning Mills Limited to get a new Director in the more efficient ethical business process.

02. Mr. Md. Mijanur Rahman is an advocate by profession currently serving at Bangladesh Supreme court. He has a long experience more than 21 year with very good track record.

2.0 Company Secretary, Chief Financial Officer, Head of Internal Audit

As per corporate governance of BSEC, the company has allocated the responsibilities as follows:

Company Secretary	: Haris Alam
Chief Financial Officer	: Biplob Kumar Mondol
Head of Internal Audit	: Md. Atiqur Rahman Bhuiyan, FCMA

3.0 Audit Committee

The Audit Committee, as a sub-committee of the Board of Director has been constituted with the Independence Director as Chairman and two other Directors. The company Secretary acts as Secretary to the Audit Committee. This committee assists the Board in ensuring that the financial statements reflect true and fair view of the state of affairs of the company. Audit committee is responsible to the Board of Directors and its roles and responsibilities are clearly set forth. The role of the Audit Committee has been started in the annual audit committee report..

Nomination and Remuneration Committee

The Nomination and Remuneration Committee, as a sub-committee of the Board of Director has been constituted with three board of directors with one Independent director as a chairman. The company Secretary acts as Secretary to the Committee. The Nomination and Remuneration Committee assists the Board in formulation of the nomination criteria or policy for determining qualifications, positive attributes, experiences and independence of directors and top level executive as well as a policy for formal process of considering remuneration of directors, top level executive of the company. NRC is responsible to the Boar of Directors and its roles and responsibilities are clearly set forth. Since the corporate governance code has been adopted on 03 June, 2018, we have been taking necessary steps to comply with.

External Statutory Auditors

The BSEC guidelines are being strictly followed in engaging statutory Auditors for the Company.

Maintaining a website

The company has been maintaining an official website www.simgroup-bd.com which is linked with the website of the stock exchange.

Subsidiary Company

The company hold 30% share of "Suntech Energy Limited"

Duties of CEO & CFO

The provision of BSEC regulations has been complied in the Annual Report.

Directors' Appointment and Re-Appointment

With regard to the appointment, retirement and re-appointment of directors, the company is governed by its Articles of Association, the Companies Act. 1994 and other related legislations. Accordingly, the following Directors of the Board will retire at the annual general meeting:

Mozaffar Hossain Spinning Mills Limited

Share holding pattern

The share holding of directors at the end of 30th June 2023 is shown as below:

Name of the shareholders	Status(Sponsor/promoter/Director/Sponsor Director/Nominated Director/Independent Director/Depositor Director.	Shares Held	%
01.Sim Fabrics Limited	Nominees A.S.M Rakibul Hasan & Md. Sonwar Hossain.	33,300,736	32.97%
02. Mrs. Rahima Hossain	Chairman	2,188,389	2.17%
03. Md. Mozaffar Hossain	Managing Director	2,036,840	2.02%
04. A.S.M. Raisul Hasan	Director	2,246,990	2.22%
05. A.S.M Rakibul Hasan	Nominee Director	227,122	0.22%
06. Mr. Anwarul Hoque	Independent Director	Nil	-
07. Mr. Md. Mijanur Rahman	Independent Director	Nil	-
Managing Director, Company Secretary, Chief Financial Officer, Head of Internal Audit and their Spouse and Children:			
Md. Mozaffar Hossain	Managing Director, his Spouse and Children.	2,036,840	2.02%
Mrs. Rahima Hossain		2,188,389	2.17%
A.S.M. Raisul Hasan		2,246,990	2.22%
A.S.M Rakibul Hasan		227,122	0.22%
Haris Alam	Company Secretary	Nil	-
Biplob Kumar Mondol	Chief Financial Officer	Nil	-
Md. Atiqur Rahman Bhuiyan (FCMA)	Head of Internal Audit	Nil	-
Executives:	-	Nil	-
Shareholders holding 10% or more.	SIM Fabrics Limited	33,300,736	32.97%

Board Meeting and Attendance

During the year 10 (ten) Board Meetings were held. The attendance record of the directors is as given Belo

Name of Directors	Attendance
Mrs. Rahima Hossain	10
Md. Mozaffar Hossain	08
A.S.M. Raisul Hasan Shoaib	10
ASM Rakibul Hasan	09
Md. Sonwar Hossain	10
Mr. Anwarul Hoque	10
Mr. Md. Mijanur Rahman	10

Director's remuneration

Director's remuneration is shown in the page no. 72 of the notes to the Financial Statements.

Directors Responsibilities for the Financial Statements

In accordance with the Bangladesh Securities and Exchange Commission Notification No. BSEC/CMRRCD/2006-158/207 /Admin/80 dated 03 June, 2018 the Directors are pleased to confirm the following:

01. The financial statements together with notes thereon have been drawn up in conformity with the Companies Act, 1994 and Bangladesh Securities and Exchange Rules 1987. These statements present fairly the companies state of affairs, the result of its operations, cash flow and changes in equity.
 - (a) Proper books and accounts of the company have been maintained.
 - (b) Appropriate accounting policies have been applied consistently in preparation of the financial statements and the accounting estimates are based on reason able and prudent judgment.
 - (c) The International Accounting Standards, (IAS) / International Financial Reporting Standards (IFRS) as applicable in Bangladesh, have been followed in the preparation of the financial statements.
 - (d) The systems of internal control are sound and have been implemented and monitored effectively.
 - (e) The key operating and financial data for the last five years are shown on page 6.
 - (f) The pattern of shareholding is provided in Annexure-II of the annual report.

No partner or employees of the external audit firm possess any share of the company.

Mozaffar Hossain Spinning Mills Limited

Internal Control

The Board has ultimate responsibilities to establish the effective system of internal control. To ensure internal control regarding risk management, financial control and compliance legislation, the company already has a strong internal audit department to ensure internal control and compliance in place.

Going Concern

While approving the financial statements, the directors have made appropriate enquiries and analyzed the significant financial, operating as well as other indicators for enabling them to understand the ability of the company to continue its operation for a foreseeable period. Directors are convinced and have a reasonable expectation that the company has adequate resource to continue its operation consistently for the foreseeable future. Therefore the company adopted the going concern basis in preparing the financial statements.

Significant deviation of Operating Result

The government had re-fixed the rate of utilities like Gas and electricity from time to time. As per statistics, it's increased more than 100% from the period and increased of raw materials cost. Hence, revenue and net profit have been decreased during the period from the previous year.

Dividend Policy

Key Considerations in dividend decisions

The company shall endeavor to maintain a consistent dividend over the year with appropriate consideration of factors relevant to such decisions. It is the Company's practice to declare dividend on annual basis based on annual financial performance. Historically the Company declared dividends in either cash or stock or in a judicious combination of cash and stock. The company intends to pursue the same policy in future depending on the operating and financial context prevailing at that time. Multiple internal and external factors might affect Company's dividend decisions. While recommending dividend the Board of Directors shall consider among others:

- a) Worldwide business situation/scope of investment at home/abroad
- b) Company's current net earnings accumulated distributable reserves/surplus and availability of free cash flow
- c) Potential growth opportunities and investment requirements assessment of benefits of retention vs pay-out
- d) Legal and Regulatory compulsion and tax implication of retention and payout
- e) Any debt/loan covenants restricting dividend announcement
- f) Persuasion of a target capital structure
- g) Cost of external finance
- h) Policy on the consistency of the dividend over reasonable and foreseeable future years

Additionally, the Board may consider other factors or circumstances to decide on the distribution of dividends for a particular year.

Eligibility of shareholders for dividend

Dividend is declared on the face value of each Equity Share. Unless otherwise stated, all holders of Equity Share and DR (Depository Receipts) whose names appear on the registrar of the Company on the Record Date declared by the Company for entitlement of dividend are eligible to get the dividend.

Timing of Dividend Announcement and Payment

Annual dividend decision is taken in the Board Meeting to be held within 120 days from the date or closing of the financial year. Such decisions are based on the results of the audited financial statements. The dividend recommendations made by the directors are notified to the shareholders through the stock exchange website and public announcements.

Dividend recommended by the Directors are to be placed in the Annual General Meeting (AGM) of the Company for the Shareholders approval. Dividend are transferred to the respective shareholders account within 30 days from the date of its approval.

Policy Review and Amendment

Apart from mandatory revision, modification or amendment as necessitated by the legal and regulatory requirements. The company shall review this policy on a periodic basis and make necessary revisions or amendments to keep the policy-relevant and up to date. The Board of Directors of the company shall approve the revision and/or amendment as it deems fit.

Disclaimer

The above Policy Statement neither gives a guarantee of dividend to be declared by the Company nor does it constitute a commitment for any future dividend and thus be read as general guidance on different dividend-related issues. The policy upholds the board's absolute/complete liberty to recommend any dividend in deviation of the policy.

Policy Approval

The Board of Directors of Mozaffar Hossain Spinning Mills Limited (the Company) has approved this Dividend Distribution Policy to comply with the requirements.

Dividend

The Board of Directors has recommended 2% cash dividend to all general shareholders other than Sponsor/Director for the year ended June 30, 2023 (subject to the approval in the forthcoming AGM) whose names will appear in the share register of the company and/or depository register of CDBL as on record date i.e. 29th November, 2023.

Unclaimed or Undistributed or Unsettled Dividend

Bangladesh Securities and Exchange Commission issued a directive no. BSEC/CMRRCD/2021-386/03 dated 14 January, 2021 and Bangladesh Securities and Exchange Commission (Capital Market Stabilization Fund) Rules, 2021 to transfer unclaimed or undistributed dividend to the capital market stabilization fund. In compliance with the circular, Mozaffar Hossain Spinning Mills Ltd has deposited unclaimed IPO Subscription amount and unclaimed dividend amount for the year up to 2018-2019 to the Capital Market Stabilization Fund. Remaining unclaimed dividend of BDT. 13, 24,274 for 2019-2020, 2020-2021 & 2021-2022 is kept with the company. Details break up of unclaimed/unpaid dividend including BO wise shareholders list are given in our website: www.simgroup-bd.com.

Statutory Auditors

The Auditors of the Company, M.Z.ISLAM & Co. Chartered Accountants, Eastern View (10th Floor) 50 D.I.T. Extension, Road, Nayapaltan Dhaka-1000. has carried out the audit of the company for the year ended 30 June 2023. They were appointed as Statutory Auditor in 17th AGM. As per regulation 15(2) & (3) of DSE and CSE (Listing) regulations, 2015.

Professionals for Compliance of Corporate Governance Code

The board has appointed Hoque Bhattacharjee Das & Co. Chartered Accountants 106/Ka, Cosmic Tower, Naya Palton Box Culvert Road, Dhaka 1000 as professional for Report on Compliance Governance Code for the year 2022-2023.

Acknowledgment

I take this opportunity, on behalf of the Board of Directors, to express my heartfelt gratitude to all of our valued clients, shareholders and well-wishers home and abroad for their wholehearted co-operation and active support in discharging the responsibilities reposed on me and the Board during the year under review.

I also thank Registrar of Joint Stock Companies (RJSC), Bangladesh Securities and Exchange Commission (BSEC), Dhaka Stock Exchange (DSE), Chittagong Stock Exchange (CSE), Government and Private sector Organization and many others for their sincere support and whole hearted co-operation to our company.

I, on behalf of the Board, also put on record my deep appreciation for the services and loyalty of the executives, officers and employees of the company at all levels without which we could not have achieved this result.

Thanks are also due to all directors, all executives, officers, staff and workers of the company for their excellent, sincere, dedicated efforts in achieving company's target during the year under review.

To ensure financial security we always welcome your suggestions and opinion to improve present and future services of the company.

I now appeal to the magnanimity of valued shareholders to kindly accept and approve the Auditors' Report, Annual Audited Accounts 2021-2022 and Directors' Report placed before you.

Thanking you,

On behalf of the Board of Directors,



Mrs. Rahima Hossain
Chairman

Mozaffar Hossain Spinning Mills Limited CEO & CFO'S DECLARATION

Annexure- A
[As per condition No. 1(5)(xxvi)]

29 October 2023

The Board of Directors
Mozaffar Hossain Spinning Mills Limited.
H# 315, R#04; DOHS, Baridhara
Dhaka- 1206.

Subject: Declaration on Financial Statement for the year ended on 30 June 2023

Dear Sir,

Pursuant to the condition No. 1(5)(xxvi) imposed vide the Commission's Notification No. BSEC/CMRRCD/2006-158/207/Admin/80 Dated 3 June 2018 under section 2CC of the Securities and Exchange Ordinance, 1969, we do hereby declare that

- (1) The Financial Statements of Mozaffar Hossain Spinning Mills Ltd. for the year ended on 30 June 2023 have been prepared in compliance with International Accounting Standards (IAS) or International Financial Reporting Standards (IFRS), as applicable in the Bangladesh and any departure there from has been adequately disclosed;
- (2) The estimates and judgments related to the financial statements were made on a prudent and reasonable basis, in order for the financial statements to reveal a true and fair view;
- (3) The form and substance of transactions and the Company's state of affairs have been reasonably and fairly presented in its financial statements;
- (4) To ensure above, the Company has taken proper and adequate care in installing a system of internal control and maintenance of accounting records;
- (5) Our internal auditors have conducted periodic audits to provide reasonable assurance that the established policies and procedures of the Company were consistently followed; and
- (6) The management's use of the going concern basis of accounting in preparing the financial statements is appropriate and there exists no material uncertainty related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern.

In this regard, we also certify that: --

- (i) We have reviewed the financial statements for the year ended on 30 June 2023 and that to the best of our knowledge and belief:
 - (a) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - (b) these statements collectively present true and fair view of the Company's affairs and are in compliance with existing accounting standards and applicable laws.
- (ii) There are, to the best of knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or in violation of the code of conduct for the company's Board of Directors or its members.

Sincerely yours,


(Md. Mozaffar Hossain)
Managing Director


Biplob Kumar Mondol
Financial Officer (CFO)

Certificate





**REPORT TO THE SHAREHOLDERS OF
MOZAFFAR HOSSAIN SPINNING MILLS LIMITED
ON
COMPLIANCE OF CORPORATE GOVERNANCE CODE**

We have examined the compliance status to the Corporate Governance Code by **MOZAFFAR HOSSAIN SPINNING MILLS LIMITED** for the year ended on June 30, 2023. This Code relates to the Notification No. BSEC/ CMRRCD/2006 -158/207/Admin/80, dated June 3, 2018 of the Bangladesh Securities and Exchange Commission.

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

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

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

1. The Company has complied with the conditions of the Corporate Governance Code as stipulated in the above-mentioned Corporate Governance Code issued by the Commission.
2. The Company has complied with the provisions of the relevant Bangladesh Secretarial Standards (BSSs) as adopted by the Institute of Chartered Secretaries of Bangladesh (ICSB) as required by this Code;
3. Proper books and records have been kept by the company as required under the Companies Act, 1994, the securities laws and other relevant laws;
4. The standard of governance in the Company is satisfactory.

Date: Dhaka
11 December 2023


Hoque Bhattacharjee Das & Co.
Chartered Accountants

Dhaka Office:

Cosmic Tower (9th Floor), 106/Ka Naya Paltan, Box Culvert Road,
Dhaka 1000, Bangladesh. Tel: +880 (2) 9355401, Fax: + 880 (2) 9355407

Chattogram Office:

Meera Bhaban (3rd Floor), 1670, Sk Mujib Road (In front of BADC Bhaban)
Goshaidanga, Agrabad C/A, Chattogram-4100.

Email: info@hbdco.org | Website: www.hbdco.org

Mozaffar Hossain Spinning Mills Limited

Status of Compliance with the Corporate Governance Code (CGC)

For the ended 30 June, 2023

"Status of compliance with the conditions imposed by the Commission's Notification No.BSEC/CMRRCD/2006-158/207/Admin/80 dated 03 June 2018 issued under section 2CC of the Securities and Exchange Ordinance, 1969:"

(Report under Condition No. 9)

Condition No.	Title	Compliance Status (Put \checkmark in the appropriate column)		Remarks (If any)
		Complied	Non-Complied	
1	Board of Directors			
1(1)	Size of the Board of Directors			
	The total number of the board members of the company shall not be less than 5 (five) and more than 20 (twenty)	\checkmark	-	The Board of Directors are comprised (07) Seven Directors including 02 Independent Directors
1(2)	Independent Directors			
1(2)(a)	At least one fifth (1/5) of the total number of directors in the company's board shall be independent directors.	\checkmark	-	There are Two (02) Independent Directors in the Board.
1(2)(b)	For the purpose of this clause 'independent director' means a director-			
1(2)(b)(i)	Who either does not hold any share in the company or holds less than one percent (1%) shares of the total paid-up shares of the company;	\checkmark		Does not hold any share of the Company
1(2)(b)(ii)	who is not a sponsor of the company and is not connected with the company's any sponsor or director or nominated director or shareholder of the company or any of its associates, sister concerns, subsidiaries and parents or holding entities who holds one percent (1%) or more shares of the total paid-up shares of the company on the basis of family relationship and his or her family members also shall not hold above mentioned shares in the company;	\checkmark	-	-
1(2)(b)(iii)	who has not been an executive of the company in immediately preceding 2 (two) financial years;	\checkmark	-	-
1(2)(b)(iv)	who does not have any other relationship, whether pecuniary or otherwise, with the company or its subsidiary or associated companies;	\checkmark	-	-
1(2)(b)(v)	who is not a member or TREC (Trading Right Entitlement Certificate) holder, director or officer of any stock exchange;	\checkmark	-	-
1(2)(b)(vi)	who is not a shareholder, director excepting independent director or officer of any member or TREC holder of stock exchange or an intermediary of the capital market;	\checkmark	-	-
1(2)(b)(vii)	who is not a partner or an executive or was not a partner or an executive during the preceding 3 (three) years of the concerned company's statutory audit firm or audit firm engaged in internal audit services or audit firm conducting special audit or professional certifying compliance of this Code;	\checkmark	-	-
1(2)(b)(viii)	who is not an independent director in more than 5 (five) listed companies;	\checkmark	-	-

Condition No.	Title	Complied	Not Complied	Remarks (If any)
1(2)(b)(ix)	who has not been convicted by a court of competent jurisdiction as a defaulter in payment of any loan or any advance to a bank or a Non-Bank Financial Institution (NBFI);	√	-	-
1(2)(b)(x)	who has not been convicted for a criminal offence involving moral turpitude;	√		
1(2)(c)	The independent director(s) shall be appointed by the Board of Directors and approved by the shareholders in the Annual General Meeting (AGM);	√	-	-
1(2)(d)	The post of independent director cannot remain vacant for more than 90 (ninety) days;	√	-	
1(2)(e)	The tenure of office of an independent director shall be for a period of 3 (three) years, which may be extended for 1 (one) term only.	√	-	-
1(3)	Qualification of Independent Director(ID)			
1(3)(a)	Independent Director shall be a knowledgeable individual with integrity who is able to ensure compliance with financial laws, regulatory requirements and corporate laws and can make meaningful contribution to business;	√	-	-
1(3)(b)	Independent Director shall have following qualifications			
1(3)(b)(i)	Business leader who is or was a promoter or director of an unlisted company having minimum paid up capital of Tk. 100.00 million or any listed company or a member of any national or international chamber of commerce or business association; or	-	-	N/A
1(3)(b)(ii)	Corporate leader who is or was a top level executive not lower than Chief Executive Officer or Managing Director or Deputy Managing Director or Chief Financial Officer or Head of Finance or Accounts or Company Secretary or Head of Internal Audit and Compliance or Head of Legal Service or a candidate with equivalent position of an unlisted company having minimum paid up capital of Tk. 100.00 million or of a listed company;	√	-	
1(3)(b)(iii)	Former official of government or statutory or autonomous or regulatory body in the position not below 5th Grade of the national pay scale, who has at least educational background of bachelor degree in economics or commerce or business or law;	√	-	
1(3)(b)(iv)	University Teacher who has educational background in Economics or Commerce or Business Studies or Law;	-	-	N/A
1(3)(b)(v)	Professional who is or was an advocate practicing at least in the High Court Division of Bangladesh Supreme Court or a Chartered Accountant or Cost and Management Accountant or Chartered Financial Analyst or Chartered Certified Accountant or Certified Public Accountant or Chartered Management Accountant or Chartered Secretary or equivalent qualification;	√	-	-

Condition No.	Title	Complied	Not Complied	Remarks (If any)
1(3)(c)	The independent director shall have at least 10 (ten) years of experiences in any field mentioned in clause (b);	√	-	-
1(3)(d)	In special cases, the above qualifications or experiences may be relaxed subject to prior approval of the Commission;	-	-	No such issue arose
1(4)	Duality of Chairperson of the Board of Directors and Managing Director or Chief Executive Officer			
1(4)(a)	The positions of the Chairperson of the Board and the Managing Director MD/ or Chief Executive Officer (CEO) of the company shall be filled by different individuals;	√	-	-
1(4)(b)	The Managing Director (MD) and/ or Chief Executive Officer (CEO) of a listed company shall not hold the same position in another listed company;	√	-	-
1(4)(c)	The Chairperson of the Board shall be elected from among the non-executive directors of the company;	√	-	-
1(4)(d)	The Board shall clearly define respective roles and responsibilities of the chairperson and the Managing Director and/ or Chief Executive Officer;	√	-	-
1(4)(e)	In the absence of the chairperson of the Board, the remaining members may elect one of themselves from non-executive directors as Chairperson for that particular Board's meeting; the reason of absence of the regular Chairperson shall be duly recorded in the minutes.	√	-	No such incident aros yet
1(5)	The Directors' Report to Shareholders:			
1(5)(i)	An industry outlook and possible future developments in the industry;	√	-	-
1(5)(ii)	The Segment-wise or product-wise performance;			
1(5)(iii)	Risks and concerns including internal and external risk factors, threat to sustainability and negative impact on environment, if any;	√	-	-
1(5)(iv)	A discussion on Cost of Goods sold, Gross Profit Margin and Net Profit Margin; where applicable	√	-	-
1(5)(v)	A discussion on continuity of any Extra-Ordinary activities and their implications (gain or loss);	-		No such issue arose
1(5)(vi)	A detailed discussion on related party transactions along with a statement showing amount, nature of related party, nature of transactions and basis of transactions of all related party transactions;	√	-	-
1(5)(vii)	A statement of utilization of proceeds raised through public issues, rights issues and/or any other instruments;	-	-	
1(5)(viii)	An explanation if the financial results deteriorate after the company goes for Initial Public Offering (IPO), Repeat Public Offering (RPO), Rights Share Offer, Direct Listing, etc;	√	-	
1(5)(ix)	An explanation on any significant variance that occurs between Quarterly Financial performance and Annual Financial statements;	√	-	Properly described in Director's Report

Condition No.	Title	Complied	Not Complied	Remarks (If any)
1(5)(x)	A statement of remuneration paid to the directors including independent directors	√	-	-
1(5)(xi)	The financial statements prepared by the management of the issuer company present fairly its state of affairs, the result of its operations, cash flows and changes in equity;	√	-	-
1(5)(xii)	Proper books of account of the issuer company have been maintained;	√	-	-
1(5)(xiii)	Appropriate accounting policies have been consistently applied in preparation of the financial statements and that the accounting estimates are based on reasonable and prudent judgment;	√	-	-
1(5)(xiv)	International Accounting Standards (IAS) or International Financial Reporting Standards (IFRS), as applicable in Bangladesh, have been followed in preparation of the financial statements and any departure there from has been adequately disclosed;	√	-	-
1(5)(xv)	The system of internal control is sound in design and has been effectively implemented and monitored;	√	-	-
1(5)(xvi)	Minority shareholders have been protected from abusive actions by, or in the interest of, controlling shareholders acting either directly or indirectly and have effective means of redress;	√	-	-
1(5)(xvii)	There is no significant doubt upon the issuer company's ability to continue as a going concern, if the issuer company is not considered to be a going concern, the fact along with reasons there of shall be disclosed;	√	-	-
1(5)(xviii)	An explanation that significant deviations from the last year's operating results of the issuer company shall be highlighted and the reasons thereof shall be explained;		-	Properly described in Director's Report
1(5)(xix)	Key operating and financial data of at least preceding 5 (five) years shall be summarized;	√	-	-
1(5)(xx)	An explanation on the reasons if the issuer company has not declared dividend (cash or stock) for the year;			The Board has declared dividend 2% Cash Dividend for the year for the year ended 30 June 2023
1(5)(xxi)	Board's statement to the effect that no bonus share or stock dividend has been or shall be declared as interim dividend;	-	-	N/A
1(5)(xxii)	The total number of Board meetings held during the year and attendance by each director;	√	-	
1(5)(xxiii)	A report on the pattern of shareholding disclosing the aggregate number of shares (along with name-wise details where stated below) held by:-			
1(5)(xxiii)(a)	Parent Subsidiary/Associated Companies and other related parties (name-wise details);	√	-	-
1(5)(xxiii)(b)	Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer, Head of Internal Audit and Compliance and their spouses and minor children (name-wise details);	√	-	-
1(5)(xxiii)(c)	Executives;		-	-
1(5)(xxiii)(d)	Shareholders holding ten percent (10%) or more voting interest in the company (name-wise details);	√	-	-

Condition No.	Title	Complied	Not Complied	Remarks (If any)
1(5)(xxiv)	In case of the appointment/re-appointment of a director the company shall disclose the following information to the shareholders:			
1(5)(xxiv)(a)	A brief resume of the director	√	-	-
1(5)(xxiv)(b)	Nature of his or her expertise in specific functional areas;	√	-	-
1(5)(xxiv)(c)	Names of companies in which the person also holds the directorship and the membership of committees of the Board;	√	-	-
1(5)(xxv)	A Management's Discussion and Analysis signed by CEO or MD presenting detailed analysis of the company's position and operations along with a brief discussion of changes in the financial statements, among others, focusing on:			
1(5)(xxv)(a)	accounting policies and estimation for preparation of financial statements;	√	-	-
1(5)(xxv)(b)	changes in accounting policies and estimation, if any, clearly describing the effect on financial performance or results and financial position as well as cash flows in absolute figure for such changes;	√	-	-
1(5)(xxv)(c)	comparative analysis (including effects of inflation) of financial performance or results and financial position as well as cash flows for current financial year with immediate preceding five years explaining reasons thereof;	√	-	-
1(5)(xxv)(d)	compare such financial performance or results and financial position as well as cash flows with the peer industry scenario;	√	-	-
1(5)(xxv)(e)	The financial and economic scenario of the country and the globe;	√	-	-
1(5)(xxv)(f)	Risks and concerns issues related to the financial statements, explaining such risk and concerns mitigation plan of the company;	√	-	-
1(5)(xxv)(g)	Future plan or projection or forecast for company's operation, performance and financial position, with justification thereof, i.e., actual position shall be explained to the shareholders in the next AGM;	√	-	-
1(5)(xxvi)	Declaration or certification by the CEO and the CFO to the Board as required under condition No. 3(3) shall be disclosed as per Annexure-A;	√	-	-
1(5)(xxvii)	The report as well as certificate regarding compliance of conditions of this Code as required under condition No. 9 shall be disclosed as per Annexure-B and Annexure-C.	√	-	-
1(6)	Meetings of the Board of Directors			
	The company shall conduct its Board meetings and record the minutes of the meetings as well as keep required books and records in line with the provisions of the relevant Bangladesh Secretarial Standards (BSS) as adopted by the Institute of Chartered Secretaries of Bangladesh (ICSB) in so far as those standards are not inconsistent with any condition of this code	√	-	-
1(7)	Code of Conduct for the Chairperson, other Board members and Chief Executive Officer			

Condition No.	Title	Complied	Not Complied	Remarks (If any)
1(7)(a)	The Board shall lay down a code of conduct, based on the recommendation of the Nomination and Remuneration Committee (NRC) at condition No. 6, for the Chairperson of the Board, other board members and Chief Executive Officer of the company;	√	-	-
1(7)(b)	The code of conduct as determined by the NRC shall be posted on the website of the company including, among others, prudent conduct and behavior; confidentiality; conflict of interest; compliance with laws, rules and regulations; prohibition of insider trading; relationship with environment, employees, customers and suppliers; and independency.	√	-	-
2	Governance of Board of Directors of Subsidiary Company			
2(a)	Provisions relating to the composition of the Board of the holding company shall be made applicable to the composition of the Board of the subsidiary company;	-	-	N/A
2(b)	At least 1 (one) independent director on the Board of the holding company shall be a director on the Board of the subsidiary company;	-	-	N/A
2(c)	The minutes of the Board meeting of the subsidiary company shall be placed for review at the following Board meeting of the holding company;	-	-	N/A
2(d)	The minutes of the respective Board meeting of the holding company shall state that they have reviewed the affairs of the subsidiary company also;	-	-	N/A
2(e)	The Audit Committee of the holding company shall also review the financial statements, in particular the investments made by the subsidiary company.	-	-	N/A
3	Managing Director (MD) or Chief Executive Officer (CEO), Chief Financial Officer (CFO), Head of Internal Audit and Compliance (HIAC) and Company Secretary (CS).-			
3(1)	Appointment			
3(1)(a)	The Board shall appoint a Managing Director (MD) or Chief Executive Officer (CEO), a Company Secretary (CS), a Chief Financial Officer (CFO) and a Head of Internal Audit and Compliance (HIAC);	√	-	-
3(1)(b)	The positions of the Managing Director (MD) or Chief Executive Officer (CEO), Company Secretary (CS), Chief Financial Officer (CFO) and Head of Internal Audit and Compliance (HIAC) shall be filled by different individuals;	√	-	-
3(1)(c)	The MD or CEO, CS, CFO and HIAC of a listed company shall not hold any executive position in any other company at the same time;	√	-	-
3(1)(d)	The Board shall clearly define respective roles, responsibilities and duties of the CFO, the HIAC and the CS;	√	-	-
3(1)(e)	The MD or CEO, CS, CFO and HIAC shall not be removed from their position without approval of the Board as well as immediate dissemination to the Commission and stock exchange(s).	√	-	-

Condition No.	Title	Complied	Not Complied	Remarks (If any)
3(2)	Requirement to attend Board of Directors' Meetings:			
	The MD or CEO, CS, CFO and HIAC of the companies shall attend the meetings of the Board of Directors provided that the CS, CFO and/or the HIAC shall not attend such part of a meetings of the Board of Directors which involves consideration of an agenda item relating to their personal matter.	√	-	-
3(3)	Duties of Managing Director (MD) or Chief Executive Officer (CEO) and Chief Financial Officer (CFO)			
3(3)(a)	The MD or CEO and CFO shall certify to the board that have reviewed financial statements for the year and that to the best of their knowledge and belief;	√	-	-
3(3)(a)(i)	These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;	√	-	-
3(3)(a)(ii)	These statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards and applicable laws;	√	-	-
3(3)(b)	The MD or CEO and CFO shall also certify there are to the best of their knowledge and belief no transactions entered into by the company during the year which are fraudulent, illegal or in violation of the code of conduct for the company's Board or its members;	√	-	-
3(3) (c)	The certification of the MD or CEO and CFO shall be disclosed in the Annual Report.	√	-	Disclosed in the Annual Report.
4	Board of Directors' Committee:- For ensuring good governance in the company, the Board shall have at least following subcommittees:			
4(i)	Audit Committee	√	-	-
4(ii)	Nomination and Remuneration Committee	√	-	-
5	Audit Committee			
5(1)	Responsibility to the Board of Directors			
5(1)(a)	The company shall have an Audit Committee as a sub-committee of the Board of Directors;	√	-	-
5(1)(b)	The Audit Committee shall assist the Board of Directors in ensuring that the financial statements reflect true and fair view of the state of affairs of the company and in ensuring a good monitoring system within the business;	√	-	-
5(1)(c)	The Audit Committee shall be responsible to the Board of Directors. The duties of the Audit Committee shall be clearly set forth in writing.	√	-	-
5(2)	Constitution of the Audit Committee			
5(2)(a)	The Audit Committee shall be composed of at least 3 (three) members;	√	-	-
5(2)(b)	The Board of Directors shall appoint members of the Audit Committee who shall be directors of the company and shall include at least 1 (one) independent director;	√	-	-

Condition No.	Title	Complied	Not Complied	Remarks (If any)
5(2)(c)	All members of the audit committee should be “financially literate” and at least 1 (one) member shall have accounting or related financial management background and 10 (ten) years of such experience;	√	-	-
5(2)(d)	When the term of service of any Committee members expires or there is any circumstance causing any Committee member to be unable to hold office before expiration of the term of service, thus making the number of the Committee members to be lower than the prescribed number of 3 (three) persons, the Board of Directors shall appoint the new Committee members to fill up the vacancies immediately or not later than 1 (one) month from the date of vacancies in the Committee to ensure continuity of the performance of work of the Audit Committee;	√	-	-
5(2)(e)	The company secretary shall act as the secretary of the Committee;	√	-	-
5(2)(f)	The quorum of the Audit Committee meeting shall not constitute without at least 1 (one) independent director.	√	-	-
5(3)	Chairman of the Audit Committee			
5(3)(a)	The Board of Directors shall select 1 (one) member of the Audit Committee to be Chairman of the Audit Committee, who shall be an independent director;	√	-	-
5(3)(b)	In the absence of the Chairperson of the Audit Committee, the remaining members may elect one of themselves as Chairperson for that particular meeting, in that case there shall be no problem of constituting a quorum as required under condition No.5(4)(b) and the reason of absence of the regular Chairperson shall be duly recorded in the minutes.	√	-	No such incident arose yet
5(3)(c)	Chairman of the Audit Committee shall remain present in the Annual General Meeting (AGM) provided that in absence of chairperson of the Audit Committee, any other member from the Audit Committee shall be selected to be present in the annual general meeting (AGM) and reason for absence of the Chairperson of the Audit Committee shall be recorded in the minutes of the AGM	√	-	-
5(4)	Meeting of the Audit Committee			
5(4)(a)	The Audit Committee shall conduct at least its four meetings in a financial year	√	-	-
5(4)(b)	The quorum of the meeting of the Audit Committee shall be constituted in presence of either two members or two third of the members of the Audit Committee, whichever is higher, where presence of an independent director is a must.	√	-	-
5(5)	Role of Audit Committee: The Audit Committee shall:-			
5(5)(a)	Oversee the financial reporting process;	√	-	-
5(5)(b)	Monitor choice of accounting policies and principles;	√	-	-
5(5)(c)	Monitor Internal Audit and Compliance process to ensure that it is adequately resourced, including approval of the Internal Audit and Compliance Plan and review of the Internal Audit and Compliance Report;	√	-	-

Condition No.	Title	Complied	Not Complied	Remarks (If any)
5(5)(d)	Oversee hiring and performance of external auditors;	√	-	-
5(5)(e)	Hold meeting with the external or statutory auditors for review of the annual financial statements before submission to the Board for approval or adoption;	√	-	-
5(5)(f)	Review along with the management, the annual financial statements before submission to the Board for approval;	√	-	-
5(5)(g)	Review along with the management, the quarterly and half yearly financial statements before submission to the Board for approval;	√	-	-
5(5)(h)	Review the adequacy of internal audit function;	√	-	-
5(5)(i)	Review the Management's Discussion and Analysis before disclosing in the Annual Report;	√	-	-
5(5)(j)	Review statement of significant related party transactions submitted by the management;	√	-	-
5(5)(k)	Review Management Letters or Letters/Letter of Internal Control weakness issued by statutory auditors;	√	-	-
5(5)(l)	Oversee the determination of audit fees based on scope and magnitude, level of expertise deployed and time required for effective audit and evaluate the performance of external auditors;	√	-	-
5(5)(m)	Oversee whether the proceeds raised through Initial Public Offering (IPO) or Repeat Public Offering (RPO) or Rights Share Offer have been utilized as per the purposes stated in relevant offer document or prospectus approved by the Commission:		-	N/A
5(6)	Reporting of the Audit Committee			
5(6)(a)	Reporting to the Board of Directors			
5(6)(a)(i)	The Audit Committee shall report on its activities to the Board of Directors.	√	-	-
5(6)(a)(ii)	The Audit Committee shall immediately report to the Board of Directors on the following findings, if any:-			
5(6)(a)(ii)(a)	report on conflicts of interests;	-	-	No such event occurred
5(6)(a)(ii)(b)	suspected or presumed fraud or irregularity or material defect identified in the internal control system;	-	-	No such event occurred
5(6)(a)(ii)(c)	suspected infringement of laws, regulatory compliances including securities related laws, rules and regulations; and	-	-	No such event occurred
5(6)(a)(ii)(d)	Any other matter which shall be disclosed to the Board of Directors immediately;	-	-	No such event occurred
5(6)(b)	Reporting to the Authorities			
	If the Audit Committee has reported to the Board of Directors about anything which has material impact on the financial condition and results of operation and has discussed with the Board of Directors and the management that any rectification is necessary and if the Audit Committee finds that such rectification has been unreasonably ignored, the Audit Committee shall report such finding to the Commission, upon reporting of such matters to the Board of Directors for three times or completion of a period of 6 (six) months from the date of first reporting to the Board, whichever is earlier.	-	-	No such event occurred

Condition No.	Title	Complied	Not Complied	Remarks (If any)
5(7)	Reporting to the Shareholders and General Investors:			
	Report on activities carried out by the Audit Committee, including any report made to the Board of Directors under condition No. 5(6)(a)(ii) above during the year, shall be signed by the Chairperson of the Audit Committee and disclosed in the annual report of the issuer company.	-	-	No such event occurred
6	Nomination and Remuneration Committee (NRC)			
6(1)	Responsibility to the Board of Directors			
6(1)(a)	The company shall have a Nomination and Remuneration Committee (NRC) as a subcommittee of the Board;	√	-	-
6(1)(b)	The NRC shall assist the Board in formulation of the nomination criteria or policy for determining qualifications, positive attributes, experiences and independence of directors and top level executive as well as a policy for formal process of considering remuneration of directors, top level executive;	√	-	-
6(1)(c)	The Terms of Reference (TOR) of the NRC shall be clearly set forth in writing covering the areas stated at the condition No. 6(5)(b).	√	-	-
6(2)	Constitution of the NRC			
6(2)(a)	The Committee shall comprise of at least three members including an independent director;	√	-	NRC is Comprised of 03 (Three) members including 01 (one) Independent Directors
6(2)(b)	All members of the Committee shall be non-executive directors;	√	-	
6(2)(c)	Members of the Committee shall be nominated and appointed by the Board;	√	-	-
6(2)(d)	The Board shall have authority to remove and appoint any member of the Committee;	√	-	-
6(2)(e)	In case of death, resignation, disqualification, or removal of any member of the Committee, the board shall fill the vacancy within 180 (one hundred eighty) days of occurring such vacancy in the Committee;	√	-	-
6(2)(f)	The Chairperson of the Committee may appoint or co-opt any external expert and/or member(s) of staff to the Committee as advisor who shall be non-voting member, if the Chairperson feels that advice or suggestion from such external expert and/or member(s) of staff shall be required or valuable for the Committee;	-	-	No such event occurred
6(2)(g)	The company secretary shall act as the secretary of the Committee;	√	-	-
6(2)(h)	The quorum of the NRC meeting shall not constitute without attendance of at least an independent director;	√	-	-
6(2)(i)	No member of the NRC shall receive any remuneration for any advisory role or otherwise, other than Director's fees or honorarium from the company;	√	-	-
6(3)	Chairperson of the NRC			

Condition No.	Title	Complied	Not Complied	Remarks (If any)
6(3)(a)	The Board shall select 1 (one) member of the NRC to be Chairperson of the Committee, who shall be an independent director;	√	-	-
6(3)(b)	In the absence of the Chairperson of the NRC, the remaining members may elect one of themselves as Chairperson for that particular meeting, the reason of absence of the regular Chairperson shall be duly recorded in the minutes;	√	-	-
6(3)(c)	The Chairperson of the NRC shall attend the annual general meeting (AGM) to answer the queries of the shareholders.	√	-	-
6(4)	Meeting of the NRC			
6(4)(a)	The NRC shall conduct at least one meeting in a financial year;	√	-	-
6(4)(b)	The Chairperson of the NRC may convene any emergency meeting upon request by any member of the NRC;	-	-	No Such event Occured
6(4)(c)	The quorum of the meeting of the NRC shall be constituted in presence of either two members or two third of the members of the Committee, whichever is higher, where presence of an independent director is must as required under condition No. 6(2)(h);	√	-	-
6(4)(d)	The proceedings of each meeting of the NRC shall duly be recorded in the minutes and such minutes shall be confirmed in the next meeting of the NRC.	√	-	-
6(5)	Role of the NRC			
6(5)(a)	NRC shall be independent and responsible or accountable to the Board and shareholders;	√	-	-
6(5)(b)	NRC shall oversee, among others, the following matters:	√	-	-
6(5)(b)(i)	Formulating the criteria for determining qualifications, positive attributes and independence of a director and recommend a policy to the Board, considering the following:	√	-	-
6(5)(b)(i)(a)	The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate suitable directors to run the company successfully;	√	-	-
6(5)(b)(i)(b)	The relationship of remuneration to performance is clear and meets appropriate performance benchmarks;	√	-	-
6(5)(b)(i)(c)	Remuneration to directors, top level executive involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals;	√	-	-
6(5)(b)(ii)	Devising a policy on Board's diversity taking into consideration age, gender, experience, ethnicity, educational background and nationality;	√	-	-
6(5)(b)(iii)	Identifying persons who are qualified to become directors and who may be appointed in top level executive position in accordance with the criteria laid down, and recommend their appointment and removal to the Board;	√	-	-

Condition No.	Title	Complied	Not Complied	Remarks (If any)
6(5)(b)(iv)	Formulating the criteria for evaluation of performance of independent directors and the Board;	√	-	-
6(5)(b)(v)	Identifying the company's needs for employees at different levels and determine their selection transfer or replacement and promotion criteria	√	-	-
6(5)(b)(vi)	developing, recommending and reviewing annually the company's human resources and training policies;	√	-	-
6(5) (c)	The company shall disclose the nomination and remuneration policy and the evaluation criteria and activities of NRC during the year at a glance in its annual Report.	√	-	-
7	External/Statutory Auditors			
7(1)	The issuer company shall not engage its external or statutory auditors to perform the following services of the company, namely:-			
7(1)(i)	Appraisal or valuation services or fairness opinions;	√	-	-
7(1)(ii)	Financial information systems design and implementation;	√	-	-
7(1)(iii)	book-keeping or other services related to the accounting records or financial statements;	√	-	-
7(1)(iv)	broker-dealer services;	√	-	-
7(1)(v)	actuarial services;	√	-	-
7(1)(vi)	internal audit services or special audit services;	√	-	-
7(1)(vii)	any service that the Audit Committee determines;	√	-	-
7(1)(viii)	Audit/certification services on compliance of corporate governance as required under condition No. 9(1);	√	-	-
7(1)(ix)	any other service that creates conflict of interest.	√	-	-
7(2)	No partner or employees of the external audit firms shall possess any share of the company they audit at least during the tenure of their audit assignment of that company; his or her family members also shall not hold any shares in the said company	√	-	-
7(3)	Representative of external or statutory auditors shall remain present in the Shareholders' Meeting (Annual General Meeting or Extraordinary General Meeting) to answer the queries of the shareholders.	√	-	-
8	Maintaining a website by the Company			
8(1)	The company shall have an official website linked with the website of the stock exchange.	√	-	-
8(2)	The company shall keep the website functional from the date of listing.	√	-	-
8(3)	The company shall make available the detailed disclosures on its website as required under the listing regulations of the concerned stock exchange(s).	√	-	-

Condition No.	Title	Complied	Not Complied	Remarks (If any)
9	Reporting and Compliance of Corporate Governance			
9(1)	The company shall obtain a certificate from a practicing Professional Accountant or Secretary (Chartered Accountant or Cost and Management Accountant or Chartered Secretary) other than its statutory auditors or audit firm on yearly basis regarding compliance of conditions of Corporate Governance Code of the Commission and shall such certificate shall be disclosed in the Annual Report.	√	-	Required certificate has been obtained from "Hoque Bhattacharjee Das & Co." Chartered Accountants for the year ended 30 June 2023
9(2)	The professional who will provide the certificate on compliance of this Corporate Governance Code shall be appointed by the shareholders in the annual general meeting.	√	-	
9(3)	The directors of the company shall state, in accordance with the Annexure attached, in the directors' report whether the company has complied with these conditions or not.	√	-	-

AUDIT COMMITTEE REPORT

(FOR THE YEAR ENDED 30 JUNE 2023)

Dear Shareholders

Mozaffar Hossain Spinning Mills Limited established an audit committee as a sub-committee of the Board of Directors and they assist the Board of Directors in fulfilling its oversight responsibilities and ensuring that the financial statement reflects true and fair view.

Composition of Audit Committee

As per requirements of BSEC circular, The Board of Directors of **Mozaffar Hossain Spinning Mills Limited** formed an Audit Committee headed by Company's Independent Director Mr. Anwarul Hoque. The Committee is composed of 3 (three) members of the Board. The members of the Audit Committee are as follows:

Mr. Anwarul Hoque Independent Director	Chairman
Mr. Md Sorwar Hossain Director	Member
Mr. Haris Alam Company Secretary	Secretary
Mr. Atiqur Rahman Bhuiyan, FCMA Head of Internal Audit	Member

Audit Committee Meeting Attendance record of the Members

Name	Position	Meeting Held	Meeting Attended
Mr. Anwarul Hoque	Chairman	4	4
Mr. Md Sorwar Hossain	Member		4
Mr. Haris Alam	Secretary		4
Mr. Atiqur Rahman Bhuiyan, FCMA	Head of Internal Audit		4

The Role and Responsibilities of the Audit Committee

The Role and Responsibilities of the Audit committee are clearly mentioned in the Compliance of Corporate Governance Guidelines of Bangladesh Securities and Exchange Commission (BSEC) Notification No. SEC/CMRRCD/2006-158/207/Admin/80 dated 3 June 2018 condition no 5.5. The key responsibilities of the Audit Committee are as follows.

- Oversee the financial reporting process.
- Monitor choice of accounting policies and principles.
- Monitor Internal Control Risk management process.
- Oversee hiring and performance of external auditors
- Review along with the Management, the Annual Financial Statements before submission to the board for approval.
- Review along with the management, the quarterly and half-yearly Financial Statements before submission to the Board for approval.
- Review the adequacy of internal Audit function.
- Review statement of significant related party transactions submitted by the management.
- Review Management letter/Letter of Internal Control weakness issued by statutory auditors.

During the period under report the committee met four times and its activities includes:

- The financial statements of the quarterly, half yearly and the full year were reviewed by the committee and subsequently recommended to the Board for adoption consideration and circulation as per the requirement of Bangladesh Securities & Exchange Commission.
- The committee also reviewed the audited financial statements of the Company for the year ended June 30, 2023 this reviews incorporated the accounting policies and key judgments and estimates underpinning financial statements as disclosed in Notes to the Accounts.
- The committee also reviewed the work of the internal audit department and made suggestions for improvement.
- The committee reviewed the compliance with existing laws and regulation.
- Approved the internal audit plan.
- Reviewed the effectiveness and independence of the Statutory auditors and recommended re-appointment of external auditors.



On behalf of the Committee

Mr. Anwarul Hoque

Chairman, Audit Committee

Report of the Nomination and Remuneration Committee (NRC)

The Company has formed a Nomination and Remuneration Committee (NRC) as per notification no. BSEC/CMRRCD/2006-158/207/Admin/80 Dated 3 June 2018.

Members of NRC:

The committee consists of 3 members; which is as follows:

- | | |
|--------------------------|------------------|
| 1. Mr. Anwarul Hoque | Chairman |
| 2. Mr. Md Sorwar Hossain | Member |
| 3. Mr. Haris Alam | Member Secretary |

The main role of the Committee is to assist and advise the Board on the Company's remuneration policy for the Board and key management personnel, drive diversity and inclusion in the organization, guide standards of behavior and culture code, ensure appropriate processes for performance-related pay in order to motivate and retain executives and ensure that the Company is able to attract the best talent in the market in order to maximize shareholder value.

During this year, the Committee held 1 (One) meeting, complying with the requirement of at least one meeting to be held during the year.

NRC Meeting Attendance record of the Members

Name	Position	Meeting Held	Meeting Attended
Mr. Anwarul Hoque	Chairman	1	1
Mr. Md Sorwar Hossain	Member		1
Mr. Haris Alam	Member		1

Terms of Reference:

The terms of reference of the Committee as set out by the Nomination & Remuneration Committee which was adopted by the Board during the year under review. The Committee shall oversee, among others, the following matters and shall recommend the following for review and/or approval of the Board, as the case may be:

- the criteria for determining qualifications, positive attributes and independence of a director
- a policy relating to the remuneration of the directors, top level executive, considering the following:
 - the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate suitable directors to run the company successfully;
 - the relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
 - remuneration to directors, top level executive involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals;
- a policy on Board's diversity taking into consideration age, gender, experience, ethnicity, educational background and nationality;
- the plan in relation to identification of persons who are qualified to become directors and who may be appointed in top level executive position in accordance with the criteria laid down, and recommend their appointment and removal to the Board;
- the criteria for evaluation of performance of independent directors and the Board;
- the plan or proposal on company's needs for employees at different levels and the selection, transfer or replacement and promotion criteria/ principles; and
- the annual exercise on the developments, recommendations and review of the company's human resources and training policies;

Major Activities during the year:

During the year under review, the Committee carried out the following activities:

- a. Reviewed and ratified the uniform Code of Conduct for the Company which would be also applicable to members of the Board and key management personnel or top-level executives which was adopted by the Board
- b. Reviewed the available document of the Company which underlies all aspects of individual and collective performance and functioning of the Company
- c. Reviewed the core human resources principles and philosophy of the Company including recruitment, performance evaluation across all levels of members and talent value proposition of the Company

The NRC Committee expressed their sincere thanks to the members of the Board and Management of the company for their support in carrying out its duties and responsibilities effectively. The Committee will proceed to function by adopting and adhering to a calendar or plan for the year and monitor progress on the same.



On behalf of the Committee

Mr. Anwarul Hoque

Chairman

Nomination and Remuneration Committee

Nomination & Remuneration Committee-terms Of Reference Mozaffar Hossain Spinning Mills Limited

1. Purpose

- 1.1 The purpose of the Nomination and Remuneration Committee is to assist the Board in ensuring that the Board and Executive Committee retain an appropriate structure, size and balance of skills to support the strategic objectives and values of the Company.
- 1.2 The Committee assists the Board in meeting its responsibilities regarding the determination, implementation and oversight of senior remuneration arrangements to enable the recruitment, motivation and retention of partners generally.
- 1.3 The Committee oversees arrangements for senior appointments (including election processes) and succession planning.
- 1.4 The Committee also assists the Board by reviewing and making recommendations in respect of the remuneration policies and framework for all staff.

2. Authority

- 2.1 The Nomination and Remuneration Committee is a Committee of the Board of Mozaffar Hossain Spinning Mills Limited ("the Board") from which it derives its authority and to which it regularly reports.
- 2.2 The Committee has delegated authority from the Board in respect of the functions and powers set out in these Terms of Reference.
- 2.3 The Committee has authority to investigate any matter within its Terms of Reference and to obtain such information as it may require from any Director, officer or employee.

3. Constitution

3.1 Chairperson

- 3.1.1 The Chair of the Committee will be an at-large Non-Executive Board member appointed by the Board.
- 3.1.2 In the absence of the Chair of the Committee or an appointed deputy, the remaining members present shall elect one of them selves to chair the meeting.
- 3.1.3 The Committee Chair does not have a casting vote.
- 3.1.4 The Chair shall hand non-voting chairmanship of the Committee to the Independent Non-Executive attendee of the Committee, solely for the Committee's deliberation and determination of the Director's performance evaluation and remuneration.

3.2 Membership

- 3.2.1 The Committee will comprise at least three Non-Executive members.
- 3.2.2 One Independent Non-Executive shall be invited to attend all meetings of the Committee, but shall not be a voting member.
- 3.2.3 Members of the Committee shall be appointed by the Board on the recommendation of the Non-Executive Board Member; in the case of co-opted members, appointments shall be made by the Board on recommendation of the Chair of the Committee.
- 3.2.4 Non-Executive Members shall comprise a majority of the Committee at all times.
- 3.2.5 Members may be removed from the Committee at any time by the Board.

3.3 Duration of appointments

- 3.3.1 Unless otherwise determined by the Board, the duration of appointments of Non- Executive members of the Committee and of co-opted members shall be for a period of up to three years which may be extended by the Board.

3.4 Secretary

- 3.4.1 The Board Secretary or their nominee shall act as Secretary to the Committee and attend all meetings.
- 3.4.2 The Secretary shall record the proceedings and decisions of the Committee meetings and the minutes shall be circulated to all members and attendees, as appropriate, taking into account any conflicts of interest that may exist.

4. Proceedings of Meetings

4.1 Frequency of Meetings

- 4.1.1 The Committee shall meet at least one times a year and otherwise as required.
- 4.1.2 Meetings of the Committee may be called by the Chair of the Committee at any time to consider any matters falling within these Terms of Reference.

4.2 Quorum

- 4.2.1 Any two members or two-third members of the Committee may form a quorum, provided at least one at- large Non-Executive Board member is in attendance.
- 4.2.2 A duly convened meeting of the Committee at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions vested in or exercisable by the Committee.
- 4.2.3 In the event of difficulty in forming a quorum, Non-Executive Board members who are not members of the Committee may be co-opted as members for individual meetings.

4.3 Attendees

- 4.3.1 Only the members of the Committee and other Non-Executive members of the Board have the right to attend Committee meetings.
- 4.3.2 In addition to one Independent Non-Executive, the following will be expected to attend Committee meetings on a regular basis:
 - a) Managing Director/other Director
 - b) Chief Financial Officer
 - c) Head of Administration and other departmental head
 - d) Board Secretary.
- 4.3.3 Any Director, officer or employee of the Company may attend at the invitation of the Chair of the Committee and they may collectively or individually be requested to withdraw from meetings of the Committee if required to do so by the Chair of the Committee.

5. Responsibilities

The committee shall:

5.1 Nomination

- 5.1.1 oversee and support a formal, rigorous and transparent approach to senior appointments in the firm, including considering and making recommendations regarding appointments to leadership roles, as defined by the Board
- 5.1.2 review and approve appointments of Directors to Executive seats on the Board, on nomination by the Chairman;
- 5.1.3 consider and make recommendations regarding potential external Independent Non-Executives;
- 5.1.4 advise the Chairman (who shall consult with the Committee) in relation to other leadership or market-facing appointments, which are high profile or involve potential concerns that could have a material impact on the reputation of the firm, or as defined by the Board;
- 5.1.5 oversee the maintenance of an effective framework for succession planning including reviewing and commenting for succession planning for senior leadership roles;
- 5.1.6 in conjunction with the Independent Non-Executives, determine the criteria for candidacy for Directors' election as Non-Executive Members of the Board;
- 5.1.7 determine and oversee, in coordination with the Non-Executive Member and General Body, the election processes for at-large Non-Executive Members and short list nominees as candidates for election;

- 5.1.8 Form an Extended Nomination Committee, with additional co-opted members, attended by the Independent Non-Executives and chaired by the Non- Executive Member to determine and oversee the Chairman and Director election process in coordination with the General Body and to shortlist nominees ascandidates.

5.2 Remuneration

- 5.2.1 Review, approve and oversee the implementation of remuneration policies for all directors which are designed both to recognize in-year performance and to support the long term business strategy and values of Company as well as promote effective risk management;
- 5.2.2 Establish a framework and determine criteria for the balance scorecard and Company of the Director by which his/her performance is measured;
- 5.2.3 determine the remuneration of the Managing Director taking into account the evidence and feedback on his/her performance presented by the Non-Executive Member;
- 5.2.4 approve the remuneration of the Managing Director taking into account the assessment of his/her performance by the Chairman;
- 5.2.5 approve the remuneration of the other members of taking into account the assessment of their performance by the Chairman and Managing Director;
- 5.2.6 review remuneration and benefits arrangements, and make recommendations, in respect of any Director or senior employee that involve making material exceptions to policy, or material payments or guarantees outside the normal remuneration model, and be consulted by the Managing Director in respect of them;
- 5.2.7 oversee the implementation of the pay appeals process approved by the Board and determine appeals submitted to the Committee by Directors in respect of their benchmark remuneration;
- 5.2.8 review and make recommendations, where appropriate, in respect of the remuneration policies and framework for all staff to ensure they support the strategic objectives, culture and values of the Company.

6. Reporting

- 6.1 Minutes of each Committee meeting will be disclosed at the next meeting of the Board unless there are privacy and confidentiality reasons that prevent disclosure beyond the members of the Committee. Periodically the Chair of the Committee shall report to the Board on matters within its duties and responsibilities.
- 6.2 The Committee shall compile a report of the work of the Committee in discharging its responsibilities for inclusion in the Annual Report, including a description of significant issues dealt with by the Committee.
- 6.3 The Committee shall work and liaise as necessary with other committees of the Board.

7. Governance and Resources

- 7.1 The Committee shall, via the Secretary to the Committee, make available to new members of the Committee a suitable induction process and, for existing members, ongoing training as discussed and agreed by the Committee.
- 7.2 The Committee shall conduct an annual self-assessment of its activities under these Terms of Reference and report any conclusions and recommendations to the Board and, as part of this assessment, shall consider whether or not it receives adequate and appropriate support in fulfillment of its role and whether or not its annual plan of work is manageable.
- 7.3 The Committee shall in its decision making, give due regard to any relevant legal or regulatory requirements, and associated best practice guidance, as well as to the risk and reputation implications of its decisions (liaising where relevant with other committees).
- 7.4 In order to ensure the integrity of its decision making, where the Committee is considering any proposal related to either the appointment to a leadership position, or the remuneration, of a Director who: (i) is a member of the Committee; or (ii) was within the previous 12 months a member of the Extended Nomination Committee for the chairman election, then the Committee shall co-opt at least one additional Non-Executive and one Independent Non-Executive (in a non-voting capacity) for the specific consultation and decision-making process and that discussion will be chaired by the Independent Non- Executive.
- 7.5 The Committee shall have access to sufficient resources in order to carry out its duties and have the power to engage independent body and other professional advisers and to invite them to attend meetings.

8. Terms of Reference

- 8.1 The Committee shall annually review its Terms of Reference and may recommend to the board any amendments to its Terms of Reference.

*Terms of Reference approved/Revised by the Board on January 18, 2023

**Independent Auditors' Report
To the Shareholders of
Mozaffar Hossain Spinning Mills Limited
Report on the Audit of the Financial Statements**

Opinion

We have audited the financial statements of Mozaffar Hossain Spinning Mills Limited (the 'Company'), which comprise the statement of financial position as at June 30, 2023, statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information disclosed in notes 1 to 32 & Annexure- A to C.

In our opinion, the accompanying financial statements presents fairly, in all material respects, the financial position of the Company as at June 30, 2023, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) and other applicable laws and regulations.

Basis for Opinion

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

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in the audit of the financial statements for the year ended on June 30, 2023. These matters were addressed in the context of the audit of the financial statements as a whole and in forming the auditors' opinion thereon and we do not provide a separate opinion on these matters.

We have fulfilled the responsibilities described in the auditors' responsibilities for the audit of the financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatements of our financial statements, the results of our audit procedures, including the procedures performed to address the matters below;

Risk	Our response to the risk
Revenue	
Refer note no. 23.00 to the Statement of Profit or Loss and Other Comprehensive Income	
The company has different procedure of revenue recognition. Move over inter-company sales makes it complex audit issue	<p>Our procedure includes:</p> <p>Control test: testing the effectiveness of the entity's control around the recording revenue recognition.</p> <p>Test of details: obtaining supporting documents of revenue recognition, point of revenue recognition, sales return adjustments, rebates, commissions, etc. and transaction recorded either side of the year and debit notes issued after the year end to determine whether the amount recorded in correct period.</p> <p>Test the adjustments made for commission, sales return, discounts with the revenue.</p> <p>Assessing disclosure: considering the adequacy of the entity's disclosure regarding revenue.</p> <p>Our result: the result of our testing is satisfactory and we considered the carrying amount of revenue recognized to be acceptable and recorded in correctly.</p>

Risk	Our response to the risk
Income tax	
Refer note no 21.00 to the statement of financial position and Note no 21.01 to the statement of profit or loss and other comprehensive Income.	
<p>The company has different items of income, assets and provisions which requires significant judgment for both in current tax and deferred tax calculation</p>	<p>Our Procedure includes:</p> <p>Control test: testing the effectiveness of the entity's control around the recording and re-assessment of the amount of tax expenses and related assets and liabilities.</p> <p>Test of details: obtaining supporting documents, checked calculation and challenged the amount as per our knowledge of corporate taxation both for current and deferred portion.</p> <p>Assessing disclosure: considering the adequacy of the entity's disclosure regarding tax.</p> <p>Our result: the results of our testing were satisfactory and we found the level of tax provisioning is acceptable.</p>
Long Term Borrowings	
Refer note no. 16.00 to the Statement of Financial Position	
<p>Long term loans were taken from Islami Bank Bangladesh Ltd., IDLC and Haj Finance company Ltd.</p> <p>Moreover, transfer of capital progress to PPE is also judgmental requires estimation.</p>	<p>Our procedure includes:</p> <ul style="list-style-type: none"> • Testing the effectiveness of the company's control around the recording of loan, interest, and repayments. • Obtaining supporting documents of loan taken, utilization of loan, bank statements, and transaction recorded either side of the year and credit notes issued after the year-end to determine whether the amount recorded in the correct period; • Test interest rates application, calculation, and repayments for carrying amount and current and non-current distinguish; • Considering the adequacy of the company's disclosure regarding the Loan; and the result of our testing is satisfactory and we considered the carrying amount of the loan recognized to be acceptable and recorded correctly.

Other Information

Management is responsible for the other information. The other information comprises all of the information in the Annual report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information.

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

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

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards (IFRSs), the Companies Act 1994 other applicable laws and regulation and the Securities and Exchange Rules 1987 and other applicable laws and regulations and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Mozaffar Hossain Spinning Mills Limited

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

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

Report on other Legal and Regulatory Requirements

In accordance with the Companies Act 1994 and the Securities and Exchange Rules 2020 and relevant notifications issued by Bangladesh Securities and Exchange Commission, we also report that:

- a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit and made due verification thereof;
- b) In our opinion, proper books of accounts, as records and other statutory books as required by law have been kept by the Company so far as it appeared from our examination of these books;
- c) The statements of financial position and statement of profit or loss and other comprehensive income dealt with by the report are in agreement with the books of accounts and returns; and
- d) The expenditure incurred was for the purposes of the Company's business.

Place: Dhaka

Dated : November 04, 2023



Md. Golam Kibria, FCA

Partner

M.Z. Islam & Co

Chartered Accountants

DVC:2311040796AS675340

Mozaffar Hossain Spinning Mills Limited

Mozaffar Hossain Spinning Mills Limited
Statement of Financial Position
As at June 30, 2023

Particulars	Notes	Amount in Taka	
		June 30, 2023	June 30, 2022
ASSETS:			
Non-Current Assets		3,563,022,210	3,643,012,695
Property, Plant and Equipment's	5.00	3,563,022,210	3,643,012,695
Investment		5,142,199	4,669,399
Investment	6.00	5,142,199	4,669,399
Current Assets		2,591,170,795	2,241,429,130
Inventories	7.00	1,880,401,086	1,418,814,384
Goods in Transit		-	82,313,831
Accounts Receivable	8.00	383,427,710	483,673,383
Advances, Deposits & Pre-Payments	9.00	293,221,651	190,426,528
Cash and Cash Equivalents	10.00	34,120,349	66,201,005
Total Assets		6,159,335,204	5,889,111,224
EQUITY AND LIABILITIES:			
Shareholders' Equity		1,948,313,855	2,009,968,144
Share Capital	11.00	1,009,933,740	1,009,933,740
Revaluation Reserve	12.00	500,545,475	500,545,475
Tax Holiday Reserve		72,845,417	72,845,417
Retained Earnings	13.00	364,989,223	426,643,512
Non-Current Liabilities		1,946,609,652	1,790,586,809
Long Term Borrowings	14.00	1,886,621,690	1,741,568,443
Deferred Tax Liability	15.00	59,987,962	49,018,366
Current Liabilities		2,264,411,697	2,088,556,271
Accounts Payable	16.00	16,443,117	18,857,321
Cash Dividend Payable	17.00	1,324,274	562,660
Long Term Borrowings- Current Maturity	18.00	220,942,900	242,355,832
Short Term Borrowings	19.00	1,791,024,462	1,579,500,509
Provision for Tax	20.00	107,521,912	81,801,609
Accrued Expenses	21.00	127,155,032	165,478,340
Total Equity & Liabilities		6,159,335,204	5,889,111,224
Net Asset Value Per Share (NAVPS)	30.00	19.29	19.90

The accompanying notes 1 to 32 & annexure A to C form an integral part of these Financial Statements.


Chief Financial Officer


Company Secretary



Director


Managing Director


Chairman

Signed in terms of our separate report of even date.

Date : 04 November 2023
Place : Dhaka


Md. Golam Kibria, FCA
Partner
M.Z. Islam & Co
Chartered Accountants
DVC:2311040796AS675340

Mozaffar Hossain Spinning Mills Limited
Statement of Profit or Loss & Other Comprehensive Income
For the Period from 01 July 2022 to 30 June 2023

Particulars	Notes	Amount in Taka	
		July 01, 2022 to June 30, 2023	July 01, 2021 to June 30, 2022
Turnover	22.00	2,844,162,504	2,897,696,861
Less: Cost of Goods Sold	23.00	2,383,711,461	2,324,450,872
Gross Profit		460,451,043	573,245,989
Other Income	24.00	(10,223,853)	(5,769,922)
Operating Expenses:		75,678,932	74,448,671
Administrative Expenses	25.00	75,022,397	74,030,524
Marketing and Distribution Expenses	26.00	656,535	418,147
Profit from Operation		374,548,258	493,027,396
Less: Financial expenses	27.00	308,496,137	238,608,118
Net Profit Before WPPF		66,052,121	254,419,278
Workers Profit Participation Fund		3,145,339	12,115,204
Net Profit before Tax		62,906,782	242,304,074
Income tax expenses:		40,245,702	48,358,860
Current tax	20.01	29,276,106	11,862,884
Deferred Tax Expenses/(Income)	15.03	10,969,596	36,495,976
Net Profit after Tax Transferred to Equity		22,661,080	193,945,214
Earnings Per Share (EPS)	28.00	0.22	1.92
Number of Shares used to compute	No's	100,993,374	100,993,374

The accompanying notes 1 to 32 & annexure A to C form an integral part of these Financial Statements.



Chief Financial Officer



Company Secretary



Director



Managing Director



Chairman

Signed in terms of our separate report of even date.

Date : 04 November 2023

Place : Dhaka



Md. Golam Kibria, FCA

Partner

M.Z. Islam & Co

Chartered Accountants

DVC:2311040796AS675340

Mozaffar Hossain Spinning Mills Limited

Mozaffar Hossain Spinning Mills Limited
Statement of Changes in Equity
For the Period from 01 July 2022 to 30 June 2023

Amount in Taka

Particulars	Share Capital	Tax holiday Reserve	Revaluation Reserve	Retained Earnings	Total
Balance as on 01.07.2022	1,009,933,740	72,845,417	500,545,475	426,643,512	2,009,968,144
Net Profit / (Loss) for the period	-	-	-	22,661,080	22,661,080
Cash Dividend 6% for all Shareholder				(60,596,024)	(60,596,024)
Tax paid for the Assessment year 2020-2021				(697,045)	(697,045)
Tax Claim by DCT for the Assessment year 2020-2021				(12,547,010)	(12,547,010)
Tax Claim by DCT for the Assessment year 2021-2022				(3,475,290)	(3,475,290)
Paid for VaT Assessment for the year 2018-2019 and 2019-2020				(7,000,000)	(7,000,000)
Balance as on 30.06.2023	1,009,933,740	72,845,417	500,545,475	364,989,223	1,948,313,855

Mozaffar Hossain Spinning Mills Limited
Statement of Changes in Equity
For the Period from 01 July 2021 to 30 June 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	-	-	-	193,945,214	193,945,214
Cash Dividend 3%(For all Public Shareholder)	-	-	-	(18,297,989)	(18,297,989)
Balance as on 30.06.2022	1,009,933,740	72,845,417	500,545,475	426,643,512	2,009,968,144



Chief Financial Officer



Company Secretary



Director



Managing Director



Chairman

Mozaffar Hossain Spinning Mills Limited
Statement of Cash Flows
For the Period from 01 July 2022 to 30 June 2023

Particulars	Notes	Amount in Taka	
		July 01, 2022 to June 30, 2023	July 01, 2021 to June 30, 2022
A. Cash flows from operating activities :			
Cash Collection from Turnover and Others		2,726,397,552	2,446,222,660
Foreign Exchange Gain/(Loss)		207,313,973	76,395,388
Cash Paid to Suppliers, Employee and Others		(2,741,250,634)	(2,292,468,283)
Cash Generated from Operation		192,460,891	230,149,766
Income Tax Paid		(19,648,003)	(11,925,384)
Net cash flows from/(used) in operating activities		172,812,888	218,224,382
B. Cash flow from investing activities:			
Acquisition of Property, Plant & Equipment		(146,470,201)	(53,534,051)
Payment for Capital Work in Progress		-	-
Advanced for Ring Spinning Project		1,222,456	-
Advance for Acquisition of Property, Plant & Equipment		(28,742,404)	6,588,194
Investment		-	-
Net cash flows from/ (used) in Investing Activities		(173,990,149)	(46,945,857)
C. Cash flow from financing activities:			
Received/(Repaid) short term loan		211,523,953	(66,759,330)
Financial Expenses		(308,496,137)	(238,608,118)
Cash Dividend Paid		(59,834,410)	(18,548,193)
Received/(Repaid) long term loan		123,640,315	195,606,718
Refundable fund of IPO subscriber		-	(2,755,000)
Net cash flows from/(used) in financing activities		(33,166,279)	(131,063,923)
D. Net Cash Increase/ (Decrease) (A+B+C)		(34,343,540)	40,214,602
E. Opening cash and cash equivalents at the beginning of the period		66,201,005	24,603,256
F. Closing cash and cash equivalents at the end of the period (D+E)		31,857,465	64,817,858
G. Unrealized Fc Gain/(Loss) for Cash and Cash Equivalents		2,262,883	1,383,148
H. Cash and Cash Equivalents carried forward (F+G)		34,120,349	66,201,005
Net Operating Cash Flow Per Share	30.00	1.71	2.16
Number of Shares used to compute NOCFPS		100,993,374	100,993,374

The accompanying notes 1 to 32 & annexure A to C form an integral part of these Financial Statements.



Chief Financial Officer



Company Secretary



Director



Managing Director



Chairman

MOZAFFAR HOSSAIN SPINNING MILLS LIMITED
Notes to the Financial Statements
For the period from 01 July, 2022 to 30 June, 2023

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, Narayanganj.

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 government had re-fixed the rate of utilities like Gas and electricity from time to time. As per statistics, it's increased more than 100% from the period and increased of raw materials cost. Hence, revenue and net profit have been decreased during the period from the previous year.

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 June 30, 2023.
- ii) Statement of Profit or Loss and other Comprehensive Income for the period from 01 July 2022 to 30 June 2023.
- iii) Statement of Changes in Equity for the period from 01 July 2022 to 30 June 2023.
- iv) Statement of Cash Flows for the period from 01 July 2022 to 30 June 2023.
- v) Notes comprising a summary of significant accounting policies and other explanatory information to the Financial Statements for the period from 01 July 2022 to 30 June 2023.

4.6 Reporting Period

The Financial year of the company under audit cover for a period of 12 months effective from 01 July 2022 to June 30, 2023.

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, 2022 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 %

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 30.06.2023 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 June 2023 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 October 28, 2023.

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	
		30.06.2023	30.06.2022

5.00 Property, Plant and Equipment**A. Cost:**

Opening balance at cost

Add : Addition during the period

Less : Damage Goods

Closing Balance**B. Accumulated Depreciation:**

Opening balance

Depreciation during the period

Less: Damage Goods Depreciation

Closing Balance**Written Down Value****Revaluation:**

Opening balance

Add : Addition during the period

Closing Balance**Total Written Down Value (WDV) (a+b)**

Please refer to Annexure-'A' for further details

6.00 Investment

This represents the followings:

Suntech Energy Limited

Add: Profit from the Associates

Total

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.

7.00 Inventories

Break-up of this item is as follows:

Finished Goods:

Yarn

Primary estimation of damage stock of

Finished Goods and Claim to Insurance

Work-in-process

Raw Materials:

Virgin Cotton

Waste Cotton

Closing Damaged cotton of Fire under insurance claim

Packing Materials**Store Materials**

Qty. (Kg)	Amounts	Amounts
	735,498,576	602,761,850
1,875,426	559,567,449	418,261,377
158,767	55,453,739	91,353,739
466,483	120,477,388	93,146,734
	1,122,235,807	781,397,454
2,703,575	636,848,528	711,032,631
3,884,876	433,559,706	18,537,250
386,000	51,827,573	51,827,573
	6,988,520	9,512,174
	15,678,183	25,142,906
	1,880,401,086	1,418,814,384

Notes	Particulars	Amount in Taka	
		30.06.2023	30.06.2022

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. 16.97 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.

8.00 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)	389,764,617	236,478,351
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)	252,334,891	452,001,807
VI)	The maximum amount of receivable due by any director or other officer of the company	-	-
		642,099,508	688,480,158
	Add: Exchange gain	58,372,683	59,641,595
	Less: Adjustment of Bill Discounting (Net off Assets & Liabilities) Note-8.01	317,044,482	264,448,370
		383,427,710	483,673,383
	<u>Aging of Accounts Receivable:</u>		
	Dues within three months	221,354,924	441,669,016
	Dues above three months but within six months	144,048,984	136,534,324
	Dues above six months	276,695,600	110,276,818
		642,099,508	688,480,158

8.01 Adjustment of Bill Discounting (Net off Assets & Liabilities)

Woori Bank Limited	171,995,133	261,949,483
Southeast Bank Limited	31,384,967	2,498,887
IBBL -MDB	41,121,002	-
IBBL -MDB-Foreign	48,310,503	-
NCC-IBP	24,232,876	-
Total	317,044,482	264,448,370

9.00 Advances, Deposits & Pre-Payments

Advance against Purchase Note-9.01	98,809,669	70,067,265
Advance against Factory Expenses	7,931,248	2,648,968
Advance against L/c, L/C Margin and BG Margin	127,929,100	81,571,440
Advanced for Ring Spinning Project	-	1,222,456
Bank Guarantee for CDBL	1,176,349	1,176,349
Titas Gas Security Deposits	15,727,350	11,765,200
Prepaid Insurance	332,918	307,835
Tax deducted at sources Note-9.02	41,315,018	21,667,015
	293,221,651	190,426,528

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

Mozaffar Hossain Spinning Mills Limited

Notes	Particulars	Amount in Taka	
		30.06.2023	30.06.2022
9.01 Advance against Purchase			
	Dues within three months	40,445,640	16,715,971
	Dues above three months but within six months	33,083,443	29,571,234
	Dues above six months	25,280,586	23,780,060
		98,809,669	70,067,265
9.02 Tax Deductions at Sources			
	Opening Balance	21,667,015	9,741,631
	Addition during the period	29,276,106	11,925,384
		50,943,121	21,667,015
	Less : AIT adjusted during the Assessment 2020-2021	839,764	-
	Less : AIT adjusted during the Assessment 2021-2022	8,788,339	-
		41,315,018	21,667,015
	Break-up of opening balance as follows:		
	Fiancial year:		
	2018-2019	113,528	113,528
	2019-2020	-	839,764
	2020-2021	-	8,788,339
	2021-2022	11,925,384	11,925,384
	2022-2023	29,276,106	-
	Total	41,315,018	21,667,015
10.00 Cash and Cash Equivalents			
	Cash in Hand	3,234,597	1,611,423
	Cash at Banks	30,885,752	64,589,582
		34,120,349	66,201,005
10.01 Cash at Banks:			
	IBBL Mouchak #20501450100327918	99,048	1,287,848
	IBBL Mouchak #20501452500004916	9,467	197,449
	IBBL Mouchak #20501452600004917	12,533	60,812
	IBBL Bhulta #20502800100215106	19,816	5,922,818
	IBBL(FCAD ORQ) Mouchak #20501452800001714	1,366,030	98,216
	IBBL(FC Held BB LC) Mouchak #20501452300004914	63,385	389,504
	SEBL Dhanmodi #1211100015657	1,996,562	18,213
	SEBL Bhulta # 7713100000379	18,411	-
	DBBL Bhulta # 1761200001733	328,111	12,749
	DBBL Bashundhara # 1471100005894	1,875,530	2,045,700
	MBL Pragati Sarani # 1111000926026	72,644	74,254.00
	EBL Principal	1,969	1,568
	EBL Principal #1011360231502	157,375	155,371
	Woori Bank FC #1509640003099	7,887,555	2,252,453
	Woori Bank RQA	6,397,996	13,226,369
	Woori Bank #1509640002993	22,759	177,764
	Agrani Bank Foreign Ex # 0200017638659	25,829	4,082
	Agrani Bank ERQ # 0200018773999	81,930	-
	Agrani Bank Foreign Ex # 0200018756001	31,685	38,095,256
	NCC Bank Mohakhali Branch #1250325000048	172,211	349,656
	NCC Bank Dilkusha Branch #0028-0210022678	292,848	219,501
	NCC Bank Dilkusha Branch #0028-0325001170	859,215	-
	NCC Bank Dilkusha Branch #0028-0268000093	3,705,280	-
	NCC Bank Dilkusha Branch #0028-0259000252	5,387,562	-
	Total	30,885,752	64,589,582

Notes No	Particulars	Amount in Taka	
		30.06.2023	30.06.2022

11.00 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-11.01

1,009,933,740

1,009,933,740

1,009,933,740

1,009,933,740

11.01 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
	100,993,374	100.00%	1,009,933,740	1,009,933,740

Date	Particulars	Shares	Amount (Taka)
2008-2009	Opening from 30.06.209		1,000,000
2009-2010	9,875,000 Shares increase of Tk.10 each		98,750,000
2012-2013	25,000,000 Shares increase of Tk.10 each		250,000,000
2013-2014	27,500,000 Fresh Shares increase of Tk.10 each		275,000,000
2014-2015	15,618,750 Shares increase of Tk.10 each (25%)		156,187,500
2015-2016	11,714,063 Shares increase of Tk.10 each(15%)		117,140,625
2017-2018	4,490,389.5 Shares increase of Tk.10 each (5%)		44,903,895
2018-2019	4,714,910 Shares increase of Tk.10 each (5%)		47,149,100
2019-2020	1,980,262 Shares increase of Tk.10 each (5%)		19,802,620
Total			1,009,933,740

12.00 Revaluation Reserve

Opening Balance	510,760,689	510,760,689
Add: Addition during the Year	-	-
	510,760,689	510,760,689
Less: Related Deferred Tax on Revaluation 2%	(10,215,214)	(10,215,214)
	500,545,475	500,545,475

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.

Notes No	Particulars	Amount in Taka	
		30.06.2023	30.06.2022
13.00	Retained Earnings		
	Details are as follows:		
	Opening Balance	426,643,512	250,996,287
	Add: Net Profit / (Loss) for the period	22,661,080	193,945,214
	Total	449,304,592	444,941,501
	Cash Dividend 6%(For all Public Shareholder)	(60,596,024)	-
	Cash Dividend 3%(For all Public Shareholder)	-	(18,297,989)
	Tax paid for the Assessment year 2020-2021	(697,045)	-
	Tax Claim by DCT for the Assessment year 2020-2021	(12,547,010)	-
	Tax Claim by DCT for the Assessment year 2021-2022	(3,475,290)	-
	Paid for VaT Assessment for the year 2018-2019 and 2019-2020	(7,000,000)	-
	Retained Earnings	364,989,223	426,643,512
14.00	Long Term Borrowings		
	Hajj Finance Com. Ltd - 1813	21,867,201	28,614,166
	Hajj Finance Com. Ltd - 1925	47,825,660	57,752,884
	Hajj Finance Com. Ltd - 1947	171,145,507	191,244,230
	Hajj Finance Com. Ltd - 2149	25,675,186	25,263,530
	IBBL HPSM-20501454300078403	-	941,772
	IBBL HPSM-20501454300083317	752,099	1,016,638
	IBBL HPSM-20501454300083500	518,513	1,231,534
	IBBL HPSM-20501454300089001	10,327,203	11,907,361
	IBBL HPSM-20501454300095301	101,408,340	103,905,327
	IBBL HPSM-20501454300097909	52,665,936	53,981,741
	IBBL HPSM-20501454300098405	73,959,159	75,735,058
	IBBL HPSM-20501454300111713	124,171,529	113,640,000
	IBBL HPSM-20501454300111814	69,587,670	56,670,000
	IBBL HPSM-FC-20500246106759815	1,382,296,492	1,226,678,881
	IDLC	25,364,094	35,341,153
	Total	2,107,564,590	1,983,924,275
	Less: Current portion of Long term loan	(220,942,900)	(242,355,832)
	Total	1,886,621,690	1,741,568,443
	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.		
15.00	Deferred Tax		
	Book value of Depreciable asset	2,683,299,576	2,840,924,578
	Tax base Written down value	1,975,832,092	2,278,827,740
	Unabsorbed Depreciation	373,124,167	300,884,155
	Less : Tax base value of depreciable assets	2,348,956,259	2,579,711,895
	Taxable temporary difference	334,343,317	261,212,683
	Effective Tax rate	15%	15%
	Deferred tax liabilities/(asset) on original cost of assets	50,151,498	39,181,902
	Deferred tax liabilities on revaluation surplus Note-15.01	10,215,214	10,215,214
	Deferred tax liabilities/(asset) on Gratuty Provision Note-15.02	(378,750)	(378,750)
	Total closing deferred tax liabilities/(assets)	59,987,962	49,018,366

Mozaffar Hossain Spinning Mills Limited

Notes No	Particulars	Amount in Taka	
		30.06.2023	30.06.2022
15.01	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
15.02	Deferred Tax on Gratuity Provision		
	Gratuity Provision	2,525,000	2,525,000
	Effective Tax Rate	15%	15%
	Total taxable temporary difference	378,750	378,750
15.03	Deffered Tax (Income) / Expenses		
	Closing Deferred Tax Liabilities	59,987,962	49,018,366
	Opening Deferred Tax Liabilities	49,018,366	12,522,390
	Deferred tax (Income)/ Expenses	10,969,596	36,495,976
16.00	Accounts Payable		
	Trade Creditors (Annexure-C)	-	165,640
	Bills Payable (Annexure-C)	16,443,117	18,691,681
	Total	16,443,117	18,857,321
17.00	Cash Dividend Payable		
	Opening Balance	562,660	812,864
	Add: Cash Dividend During the year	60,596,024	18,297,989
		61,158,684	19,110,853
	Less: Cash Dividend Paid to BSEC	-	469,705
	Less: Cash Dividend Disbursement to Public Shareholder	59,834,410	18,078,488
	Closing Balance	1,324,274	562,660
18.00	Long Term Borrowings- Current Maturity		
	Islami Bank Bangladesh Ltd,Hajj Finance Ltd and IDLC	220,942,900	242,355,832
	Total	220,942,900	242,355,832
This consists of as follows and is payable within next twelve months from the Balance Sheet date.			
19.00	Short term Borrowings		
	Murabaha TR	528,340,282	234,330,544
	Stimulus Fund	-	107,047,122
	MPI	56,847,280	
	Bai Murabaha	502,477,396	110,826,775
	MFCI	304,549,193	939,738,081
	Agrani Bank -PAD	369,503,665	103,840,120
	Add: Exchange Loss	29,306,646	83,717,867
	Total short term loan	1,791,024,462	1,579,500,509

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 No	Particulars	Amount in Taka	
		30.06.2023	30.06.2022
20.00	Provision for Income tax		
	Opening Balance	81,801,609	80,938,725
	Provision for the period Note-20.01	29,276,106	11,862,884
	Total	111,077,715	92,801,609
	Tax Claim by DCT for the Assessment year 2020-2021	12,547,010	
	Tax Claim by DCT for the Assessment year 2021-2022	3,475,290	
	Less: Liability adjusted after the DCT Assessment 2020-2021	839,764	-
	Less: Tax Paid to DCT against Claim for Assessment 2014-2015	-	6,000,000
	Less: Tax Paid to DCT against Claim for Assessment 2015-2016	6,000,000	4,000,000
	Less: Tax Paid to DCT against Claim for Assessment 2017-2018	2,000,000	1,000,000
	Less: Tax Paid to DCT against Claim for Assessment 2016-2017	2,000,000	-
	Less: Liability adjusted after the DCT Assessment 2021-2022	8,738,339	
	Closing Balance	107,521,912	81,801,609
20.01	Current Tax		
	A. Regular tax		
	Profit Before Tax	62,906,782	242,304,074
	Less: Other Income	(10,223,853)	(5,769,922)
	Add: Accounting Depreciation	226,460,685	246,155,981
	Less: Tax Depreciation	(371,831,332)	(450,805,181)
	Taxable Income for the period	(72,240,012)	43,424,796
	Rate of Tax	15%	15%
	Tax on business	(10,836,002)	6,513,719
	Add: 22.5 % Tax on Other Income	(2,405,050)	(1,334,402)
	Total Provision for the Period	(13,241,052)	5,179,317
	B. Minimum tax		
	Turnover and other income	2,833,938,651	2,891,926,939
	Minimum tax rate	0.40%	0.40%
		11,335,755	11,567,708
	C. Advance Income Tax	29,276,106	11,862,884
	Current tax expenses (Higher of A,B & C)	29,276,106	11,862,884
21.00	Accrued Expenses		
	This is unsecured, falling due within one year and consists of as follows:		
	Audit and others fees	345,000	186,750
	Salaries & Wages	12,729,979	17,962,491
	Remuneration	300,000	400,000
	Gas Bill	49,752,062	86,046,447
	WPPF Payable	61,502,991	58,357,652
	Gratuity	2,525,000	2,525,000
	Total	127,155,032	165,478,340

Notes	Particulars	Amount in Taka	
		July 01, 2022 to June 30, 2023	July 01, 2021 to June 30, 2022
22.00	Turnover		
	Qty. (kg.)	Avg. Rate	
	Yarn 20's	1,463,002	324
	Yarn 06's	43,000	289
	Yarn 16's	1,640,547	319
	Yarn 30's	2,359,814	343
	Yarn 12's	87,583	343
	Yarn 07's	938,208	225
	Yarn 08's	14,550	259
	Yarn 10's	1,522,344	256
	Yarn 09's	160,700	246
	Yarn 14's	-	-
	Yarn 22's	14,450	317
	Yarn 24's,	25,510	333
	Yarn 26's	366,500	381
	Yarn 28's	-	-
	Yarn 32's	20,000	396
	Yarn 34's	20,000	405
	Yarn 36's	2,150	322
	Yarn 40's	485,750	371
	Total	9,164,108	
23.00	Cost of Goods Sold		
	Raw materials consumed	Note-23.01	1,880,322,521
	Accessories & Stores Consumed	Note-23.02	36,896,940
	Packing Materials Consumed	Note-23.03	23,318,535
	Factory overhead	Note-23.04	576,617,205
	Opening Work-in-Process		93,146,734
	Closing Work-in-Process		(120,477,388)
	Cost of Production		2,489,824,548
	Opening stock of Finished Goods		418,261,377
	Primary estimation of damage stock of Finished Goods and Claim to Insurance Company		91,353,739
	Cost of Goods Available for Sale		2,999,439,664
	Closing stock of Finished Goods		(559,567,449)
	Primary estimation of damage stock of Finished Goods and Wastage Sales		(55,453,739)
	Cost of Goods Sold		2,383,711,461
			2,897,696,861
			2,569,714,716
			2,834,951,056
			2,324,450,872

Notes	Particulars	Amount in Taka	
		July 01, 2022 to June 30, 2023	July 01, 2021 to June 30, 2022
23.01 Raw Materials Consumption			
	Opening Raw Materials	729,569,881	739,386,134
	Opening Damaged cotton of Fire under insurance claim	51,827,573	101,848,980
	Recovery from Damaged cotton of Fire	-	33,233,292
	Purchase during the period	2,221,160,873	1,951,842,273
	Available for use	3,002,558,327	2,826,310,679
	Damaged cotton adjusted	-	(16,788,115)
	Transferred damaged cotton of fire as recovery	-	(33,233,292)
	Closing Damaged cotton of Fire under insurance claim	(51,827,573)	(51,827,573)
	Closing Raw Materials	(1,070,408,233)	(729,569,881)
	Total	1,880,322,521	1,994,891,818
23.02 Accessories & Stores Consumption			
	Opening Accessories & Stores	25,142,906	9,895,598
	Purchase during the period	27,432,217	58,293,694
	Available for use	52,575,123	68,189,292
	Closing Accessories & Stores	(15,678,183)	(25,142,906)
	Total	36,896,940	43,046,386
23.03 Packing Materials Consumption			
	Opening Packing Materials	9,512,174	6,112,210
	Purchase during the period	20,794,881	20,444,741
	Available for use	30,307,055	26,556,951
	Closing Packing Materials	(6,988,520)	(9,512,174)
	Total	23,318,535	17,044,777
23.04 Factory Overhead			
	Gas Bill	233,128,577	179,176,589
	Wages	106,254,583	108,002,002
	Repair & Maintenance	1,450,831	1,689,479
	Factory Insurance	7,465,578	7,488,998
	Sundry Carrying Charges	801,879	269,094
	Sundry daily labor charges	1,095,920	1,028,759
	Damage of Building and Civil Construction	-	4,619,184
	Medical & other Expenses	421,707	339,030
	Depreciation	225,998,130	245,642,032
	Total	576,617,205	548,255,167

(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.

Notes	Particulars	Amount in Taka	
		July 01, 2022 to June 30, 2023	July 01, 2021 to June 30, 2022
24.00 Other Income			
	Interest on Bank Account	36,835	21,561
	Exchange Rate Fluctuation Gain/(Loss)	(10,733,487)	(5,939,331)
	Profit from Associate	472,800	147,848
		(10,223,853)	(5,769,922)
25.00 Administrative Expenses			
	Salary and Allowances	48,805,133	45,683,687
	Festival Bonus	14,769,651	9,343,416
	Audit Fee	345,000	186,750
	Managing Director Remuneration	1,200,000	1,100,000
	Director's Remuneration	2,400,000	3,300,000
	Board Meeting Fees	105,000	108,000
	Credit Rating Fees	43,000	-
	Employee Fooding Bill	531,555	539,212
	Traveling and Conveyance	420,780	97,002
	House & Office rent	897,000	897,000
	Telephone & Mobile Bill	189,600	242,800
	Company Secretarial, Regulatory Fee and AGM Expense	914,385	1,496,563
	Subscription and Donations	7,000	183,000
	Fees, Renewals and other Expenses	1,264,468	1,484,444
	Fuel expenses	2,554,720	1,595,716
	Gratuity	-	2,525,000
	IT Solution	112,550	151,400
	Interest on WPPF	-	4,582,585
	Depreciation	462,555	513,949
	Total	75,022,397	74,030,524
	Payment/ Perquisites to Directors and officers		
	The aggregate amount paid/ provided during the period in respect of Directors and officers of the		
	Particulars		
	Managing Director Remuneration	1,200,000	1,100,000
	Director's Remuneration	2,400,000	3,300,000
	Board Meeting Fees	105,000	108,000
		3,705,000	4,508,000
26.00 Marketing and Distribution Expenses			
	Salaries and Allowances	527,535	254,467
	Advertisement	129,000	163,680
	Total	656,535	418,147

Notes	Particulars	Amount in Taka	
		July 01, 2022 to June 30, 2023	July 01, 2021 to June 30, 2022
27.00 Financial Expenses			
	Bank Charges and Commission	5,109,352	4,203,110
	Interest on HPSM	121,621,760	86,512,303
	Interest on BAI Murabaha	35,922,826	19,827,686
	Interest on Murabaha TR	43,724,001	24,335,619
	Interest on Woori -IDBP	13,538,336	10,023,088
	Interest on Hajj Finance	26,109,554	43,155,324
	Interest on MFCI	43,913,596	39,485,214
	Interest on MPI	2,708,797	-
	Interest on IDLC	2,743,587	7,077,763
	Interest on IBP SEBL	8,054,095	2,738,495
	Interest on Agrani PAD	2,483,806	1,249,516
	Interest on NCC IBP	2,566,427	-
	Total	308,496,137	238,608,118
28.00 Basic Earning Per Share			
	Net Profit after Taxes	22,661,080	193,945,214
	Number of Shares for respected period	100,993,374	100,993,374
	Earning per share (Taka) (Basic)	0.22	1.92
	Net Profit after Taxes	22,661,080	193,945,214
	Weighted Average Number of Share	100,993,374	100,993,374
	Earning per share (Taka) (Adjusted)	0.22	1.92
	Weighted average/Total existing number of share:		
	Opening number of share outstanding	100,993,374	100,993,374
	Add: Issued during the year (% Stock dividend)	-	-
		100,993,374	100,993,374
29.00 Net Operating Cash Flow Per Share(NOCFPS)			
	Cash flow from operating activities	172,812,888	218,224,382
	Number of Share	100,993,374	100,993,374
	Net Operating Cash Flows per Share (NOCFPS)	1.71	2.16
30.00 Net Asset Value Per Share (NAVPS)			
	Net Asset Value	1,948,313,855	2,009,968,144
	Number of Shares	100,993,374	100,993,374
	Net Asset Value Per Share (NAVPS)	19.29	19.90
31.00 General:			
31.01 Claims not Acknowledged	There is no claim against the Company not acknowledged as debt as at 30.06.2023		
31.02 Credit Facilities not Availed	There is no credit facilities extended to the Company but nor availed of as at 30.06.2023, under any contract, other than trade credit available in the ordinary course of business.		

Mozaffar Hossain Spinning Mills Limited

Notes	Particulars	Amount in Taka	
		July 01, 2022 to June 30, 2023	July 01, 2021 to June 30, 2022

31.03 Commission, Brokerage or Discount Against Sales

No commission, brokerage or discount was incurred or paid by the Company against sales during the period ended 30.06.2023

31.04 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) .

31.05 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.

31.06 Rounding Off

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

31.07 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	62,906,782	242,304,074
Adjustment for items not involving movement of cash:		-
Depreciation on Property, Plant and Equipment	226,460,685	246,155,981
Damage of Building and Civil Construction	-	5,997,984
Financial Expenses	308,496,137	238,608,118
Profit from associates	(472,800)	(147,848)
Foreign Exchange Gain/(Loss)	207,313,973	76,395,388
	804,704,777	809,313,697
(Increase)/Decrease in Accounts Receivable	(107,068,300)	(445,556,431)
(Increase)/Decrease in Inventory	(461,586,702)	(236,711,820)
(Increase)/Decrease in Advance, Deposits & Prepayments	(55,627,173)	55,950,244
Increase/(Decrease) in Accounts Payable	(4,677,087)	10,587,801
Increase/(Decrease) in Accrued expenses	(38,323,308)	59,519,211
Increase/(Decrease) in Goods in Transit	82,313,831	(11,952,938)
(increase)/DecreaseRevaluation deferred Tax	(7,000,000)	-
	(591,968,738)	(568,163,932)
Tax Paid to DCT against Claim for Assessment 2017-2018	(2,000,000)	(1,000,000)
Tax Paid to DCT against Claim for Assessment 2014-2015	-	(6,000,000)
Less:Tax Paid to DCT against Claim for Assessment 2015-2016	(6,000,000)	(4,000,000)
Tax Paid to DCT against Claim for Assessment 2016-2017	(2,000,000)	-
Tax paid for the Assessment year 2020-2021	(697,045)	
Liability adjusted after the DCT Assessment 2021-2022	(8,738,339)	
Liability adjusted after the DCT Assessment 2020-2021	(839,764)	
Income Tax paid during the year	(19,648,003)	(11,925,384)
Net Cash Flows from operating activities	172,812,888	218,224,382

Notes	Particulars	Amount in Taka	
		July 01, 2022 to June 30, 2023	July 01, 2021 to June 30, 2022

31.08 Disclosed as per requirement of schedule XI, part II Para 8
Value of Raw material, packing materials and Capital goods

Particular	Quantity (kg)	Opening	Quantity (kg)	Purchases	Quantity (kg)	Consumption	Quantity (kg)	Closing
Raw Material	4,153,263	729,569,881	-	2,221,160,873	-	(1,880,322,521)	6,588,451	1,070,408,233
Packing Materials	-	9,512,174	-	20,794,881	-	(23,318,535)	-	6,988,520
Spare Parts	-	25,142,906	-	27,432,217	-	(36,896,940)	-	15,678,183
Work in progress	-	93,146,734	-	-	-	-	-	120,477,388
Finished goods	1,379,661	418,261,377	-	-	-	-	1,875,426	559,567,449

Value of Export

Particular	In Foreign Currency USD	In BDT
Export	\$ 29,252,047	2,844,162,504

31.09 Details of capacity has given below

Particular	License Capacity	Installed Capacity	Actual Production
Annual Production (kg) Rotor Unit	6,300,000	6,300,000	9,659,873
Annual Production (kg) Ring Unit	7,000,000	7,000,000	

32.00 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	3,600,000
(b)	Any other perquisite or benefits in cash or in kind stating, approximate money value applicable.	105,000
(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	Nil
(e)	Share Based payments	Nil

b) Transaction with Related Entity:

Sl.	Name of Customer	Relationship	Balance as at 01.07.2022	Addition during the Period	Realized during the Period	Balance as at 30.06.2023
(a)	SIM Fabrics Limited	Common Management	452,001,807	1,880,852,348	2,080,519,264	252,334,891
	Total		452,001,807	1,880,852,348	2,080,519,264	252,334,891

Mozaffar Hossain Spinning Mills Limited

Annexure of Property, Plant & Equipment

As at June 30, 2023

Annexure-A

Amounts in Taka

Particulars	COST			Rate of Dep.	DEPRECIATION				Written down value as at 30.06.2023
	As at July 01, 2022	Addition during the period	Adjustment	Closing Balance As on 30.06.2023	As at July 01, 2022	Charged during the Period	Adjustment	Closing Balance As on 30.06.2023	
Land & Land Dev.	291,327,428	77,634,517	-	368,961,945	-	-	-	-	368,961,945
Factory Building	1,382,595,145	54,153,366	-	1,436,748,511	5%	60,173,887	-	256,632,636	1,180,115,875
Plant & Machinery	2,382,222,166	14,682,318	-	2,396,904,484	10%	165,824,243	-	897,883,775	1,499,020,709
Vehicle	5,586,326	-	-	5,586,326	10%	247,598	-	3,357,947	2,228,379
Furniture & Fixture	1,728,415	-	-	1,728,415	10%	23,771	-	1,514,474	213,941
Air Condition	2,030,700	-	-	2,030,700	10%	162,867	-	564,894	1,465,806
Office Equipment	199,900	-	-	199,900	10%	17,991	-	37,981	161,919
Computer Equipment	121,500	-	-	121,500	10%	10,328	-	28,553	92,947
Balance as on 30.06.2023	4,065,811,580	146,470,201	-	4,212,281,781		226,460,685	-	1,160,020,260	3,052,261,521

Revaluation:

Particulars	COST			Rate of Dep.	DEPRECIATION				Written down value as at 30.06.2023
	As at July 01, 2022	Addition during the period	Adjustment	Closing Balance As on 30.06.2023	As at July 01, 2022	Charged during the Period	Adjustment	Closing Balance As on 30.06.2023	
Land & Land Dev.	510,760,689	-	-	510,760,689	-	-	-	-	510,760,689
Balance as on 30.06.2023	510,760,689	-	-	510,760,689	-	-	-	-	510,760,689
Balance as on 30.06.2023	4,576,572,269	146,470,201	-	4,723,042,470	-	226,460,685	-	1,160,020,260	3,563,022,210

Depreciation Charged To:-

Administrative Cost	462,555
Manufacturing Cost	225,998,130
Total	226,460,685

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 June 30, 2023

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 01.07.2022	Addition during the period	Realized during the period	Balance as at 30.06.2023
ACS Textile Ltd.	172,595,838	866,953,056	711,218,298	328,330,595
ACS Towel Ltd.	9,161,220	32,304,735	13,595,160	27,870,795
Rownok Textile Mills	4,523,643	8,810,097	4,523,643	8,810,097
Impress-newtex Composite Textile Ltd	31,064,791	-	31,064,791	-
Mohammadi Group Ltd	10,963,260	-	-	10,963,260
Generation Next Fashions Ltd	8,169,600	26,305,425	34,475,025	-
Goldtex Limited	-	1,725,460	1,725,460	-
Ripon Knitwear Limited		8,715,345	8,715,345	-
Meek Knit Limited.		6,239,925	-	6,239,925
MATRIX DRESSES LTD.		5,065,025	-	5,065,025
CHAITY COMPOSITE LTD.		741,888	741,888	-
ABC Knit dyeing & Finishing Mills Ltd		4,517,200	2,032,280	2,484,920
JAMS SWEATERS (PVT) LTD.		1,932,000	1,932,000	-
Sub-total	236,478,351	963,310,156	810,023,890	389,764,617

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 01.07.2022	Addition during the period	Realized during the period	Balance as at 30.06.2023
SIM Fabrics Limited	452,001,807	1,880,852,348	2,080,519,264	252,334,891
Sub-total	452,001,807	1,880,852,348	2,080,519,264	252,334,891
Total	688,480,158	2,844,162,504	2,890,543,154	642,099,508

Mozaffar Hossain Spinning Mills Limited
Schedule of Trade Creditors
As at June 30, 2023

Annexure-C**Trade Creditors:****Amounts in Taka**

Name of Supplier	Balance as at 01.07.2022	Payment during the Period	Bill during the Period	Balance as at 30.06.2023
AB Enterprise	165,640	165,640	-	-
Sub Total (A)	165,640	165,640	-	-

Bills Payable:**Amounts in Taka**

Name of Supplier/Service Provider	Balance as at 01.07.2022	Payment during the Period	Bill during the Period	Balance as at 30.06.2023
Aamra Network Ltd	23,400	94,550	71,150	-
Amreen Refrigeration & Engineering	267,500	100,000	-	167,500
AMSLER Textile Effect Systems	199,200	100,000	-	99,200
Ashik & Brother	157,620			157,620
Automation Engineering & Controls Ltd	1,953,455	25,991	26,995	1,954,459
Asia Pacific Textrade Ltd	315,650	320,650	5,000	-
Bangladesh Association of Public Listed Co.	150,000	150,000	-	-
Bangla Trac Limited	77,925	492,960	868,400	453,365
Bengal Development Corporation	148,090	143,647	-	4,443
Beximco Online	3,450	37,950	41,400	6,900
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	390,125	-	749,385	1,139,510
Emerging Credit Rating Ltd	7,000	50,000	43,000	-
Galaxy Corporation	-	100,000	165,000	65,000
Global Insurance Ltd.	151,913	151,913	-	-
Homeland Engineerings Construction	1,210,639	200,000	-	1,010,639
Islami Insurance Bangladesh Ltd.	30,354	138,659	108,305	-
Jamuna Engineering	1,032,853	-	-	1,032,853
Mahin Enterprise & Packaging	106,147	40,029	-	66,118
Minarva Engineering Works	31,260	1,068,000	1,293,620	256,880
Monir Steel House	628,757	9,904,348	9,426,400	150,809
MH Rubber & Plastic Machineries Ltd.	106,552	280,000	269,500	96,052
MS Enterprise	70,733	2,268,500	2,202,608	4,841
New Asia Ltd	14,000	21,000	7,000	-
New Mokka Trading	197,176	197,176	-	-

Mozaffar Hossain Spinning Mills Limited

Maa Enterprise& Packaging	20,893	6,259,500	6,243,902	5,295
Mostakim Enterprise	417,530	3,056,642	2,601,791	(37,321)
Ma Engineering Work		605,000	900,820	295,820
Orient Plastic & Packing Ind. Ltd	30,000	-	-	30,000
Peoples Insurance Company Ltd.	467,059	3,614,322	2,874,915	(272,348)
Power Breeze Engineering Ltd	3,960,000	210,000	-	3,750,000
Reyan Machinery	178,725	83,725	-	95,000
Kaizer Enterprise	49,794	49,794	-	-
Sabuj Timber & Traders	121,849	121,849	-	-
Sharp Electronics	130,000	125,000	-	5,000
Touch Paper Products	(86,282)	-	86,282	-
Textile Associates Ltd	129,510	430,871	441,372	140,011
Trust Auto Solution	10,450	10,450	-	-
S.R Shipping Agency	291,972	9,275,000	9,071,148	88,120
Suntech HVAC	763,200	-	316,160	1,079,360
Amra Bangla	10,000	10,000	-	-
SAIL International Ltd	165,100	235,100	70,000	-
Social Paribahan	-	559,500	559,500	-
Step Transmission	28,688	28,688	-	-
Steel King	1,585,730	-	-	1,585,730
Raju. Engineering & Service Centre	(40,000)		-	(40,000)
Riya Enterprise	737,150	212,325	-	524,825
Solution Technology	176,000	176,000	-	-
Fahim Transport Agency	25,000	100,000	268,500	193,500
Uttara Paper	60,095	3,076,000	3,288,823	272,918
Ahee-Sohi Transport Agency	118,100	118,100	-	-
One Inspection & Testing Services(BD) Ltd	472,757	350,000	410,635	533,392
Prime Insurance Company Limited			149,342	149,342
Shehab Trader		399,620	449,370	49,750
star Engineering		651,310	665,110	13,800
Sub Total (B)	18,691,681	45,923,997	43,675,433	16,443,117
Total (A+B)	18,857,321	46,089,637	43,675,433	16,443,117



Mozaffar Hossain Spinning Mills Limited
House # 315, Road # 04, DOHS, Baridhara, Dhaka-1206

PROXY FORM

I/we _____ being
a member(s) of **Mozaffar Hossain Spinning Mills Limited** do hereby appoint Mr/Mrs _____
of _____ as my / our Proxy to attend and vote
on behalf of me / us at the **18th Annual General Meeting** of the Company to be held on **Thursday, December 28, 2023 at 11.50 a.m.** at the Digital Platform to transact the following business. **Mozaffar Hossain Spinning Mills Limited**

As witness my/our hand this _____ day of _____ 2023.

Folio No.	BO A/C No.																	
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Signature of the Proxy with Date

No. of Share(s)

Revenue Stamp
for Tk. 20.00
(Twenty) only

Signature of the Member with Date

N.B.: This Form of Proxy, duly signed (as recorded with the company), stamped and completed must be submitted to the Registered Office or Share Department (the Company's Registered Office: House # 315, Road # 04, DOHS, Baridhara, and Dhaka-1206) of the Company at least 48 (Forty Eight) hours before the Meeting.



Mozaffar Hossain Spinning Mills Limited
House # 315, Road # 04, DOHS, Baridhara, Dhaka-1206

Attendance Slip

I do hereby record my/our attendance at the 18th Annual General Meeting (AGM) of **Mozaffar Hossain Spinning Mills Limited** to be held virtually under digital participation on Thursday, December 28, 2023 at 11.50 a.m.

Full Name of the Member :

Folio No.	BO A/C No.																	
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No. of Share(s)

Dated :

Full Name of the Attorney/ Proxy

Signature of the Proxy

Signature of the Member

N.B.: Shareholders are requested to handover the Attendance Slip at the entrance of the Meeting Hall.



MOZAFFAR HOSSAIN SPINNING MILLS LTD.

Head Office : House # 315, Road # 04, Baridhara DOHS, Dhaka-1206, Bangladesh
Phone: 88-02-8415961-3, Fax: 88-02-8415964, E-mail: info@simgroup-bd.com

Factory: Thakurbari Teac, Masumabad, Bhulta, Rupgonj, Narayangonj
Website: www.simgroup-bd.com