

Mozaffar Hossain Spinning Mills Limited
• Statement of Financial Position
For the year ended June 30, 2020



Solution....Begins



Independent Auditors' Report

To the Shareholders of

Mozaffar Hossain Spinning Mills Limited

Report on the Audit of the Financial Statements

Qualified 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, 2020, and the statement of profit or loss and other comprehensive Income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information disclosed in notes 1 to 37 & Annexure-A to C.

In our opinion, except for the effect of the matter described in the basis for Qualified opinion section of our report the accompanying financial statements present fairly, in all material respects, the financial position of the company as at June 30, 2020, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs), the Companies Act 1994, the Securities and Exchange Rules 1987 and other applicable laws and regulations.

Basis for Qualified Opinion

Revaluation shall be made with sufficient regularity to ensure that the carrying amount does not differ materially from that which would be determined using fair value at the end of the reporting period, but the entity did not revalue its land since 2011.

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) together with the ethical requirements that are relevant to our audit of the financial statements in Bangladesh, 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 qualified opinion.

Our key audit matters

Risk	Our response to the risk
Revenue	
Refer note no 25.00(a) to the Statement of Profit or Loss and Other Comprehensive Income.	
The company has different procedure of revenue recognition. More over inter company sales makes it complex audit issue.	Our procedure includes: Control test: testing the effectiveness of the entity's control around the recording revenue recognition.

	<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>
<p>Income tax</p>	
<p>Refer note no 23.00 to the statement of financial position and note no. 23.01 to the statement of profit or loss and other comprehensive Income.</p>	
<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>
<p>Capital Work-in- Progress (CWIP)</p>	
<p>Refer note no. 7 to the Statement of Financial Position</p>	
<p>Capital work in progress is pre stage of capitalization of Property, plant and equipment (PPE). Capitalization of expenses and cost of</p>	<p>Our procedure includes:</p> <p>Control test: testing the effectiveness of the entity's control around the recording and re-</p>

<p>goods are in some extend judgmental in nature.</p> <p>Moreover, transfer of capital work in progress to PPE is also judgmental requires estimation.</p>	<p>assessment of the amount of capitalization and transferred to PPE.</p> <p>Test of details: obtaining supporting documents of capitalization 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 advance adjustments and notes of transfer from CWIP to PPE and costing, date etc. thereof.</p> <p>Critically analyze journal entries posted during the year to identify unusual items</p> <p>Assessing disclosure: considering the adequacy of the entity's disclosure regarding CWIP.</p> <p>Our result: the result of our testing is satisfactory and we considered the capitalization cost, expenses and the amount transferred to PPE recognized to be acceptable and recorded in correctly.</p>
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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 and Internal Controls

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRSs, the Companies Act 1994, 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.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate

the Company or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is 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.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the 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, the Securities and Exchange Rules 1987 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 purpose of our audit and made due verification thereof;
- b) In our opinion, proper books of accounts, records and other statutory books as required by law have been kept by the Company so far as it appeared from our examinations of those books;
- c) The statement of financial position and statement of profit or loss and other comprehensive Income, statement of changes in equity and statement of cash flows of the Company together with the annexed notes dealt with by the report are in agreement with the books of account and returns; and
- d) The expenditure was incurred for the purpose of the Company's business.

The engagement partner of the audit resulting in this independent auditors' report is Mohammad Mofizul Haque Rinku FCA.

Dated: Dhaka
October 28, 2020



Rahman Mostafa Alam & Co.
Chartered Accountants





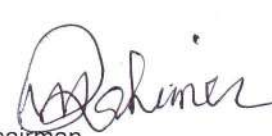


Mozaffar Hossain Spinning Mills Limited
Statement of Financial Position
As at June 30, 2020

Particulars	Notes	Amount in Taka	
		June 30, 2020	June 30, 2019
ASSETS:			*Restated
Non-Current Assets		3,511,101,149	3,419,104,279
Property, Plant and Equipment's	5.00	1,657,189,187	548,881,889
Deferred Tax Assets	6.00	6,966,655	-
Capital Work-In-Progress	7.00	1,846,945,307	2,870,222,390
Investment		4,451,171	5,110,847
Investment	8.00	4,451,171	5,110,847
Current Assets		1,025,889,220	683,181,614
Inventories	9.00	785,173,583	239,084,549
Accounts Receivable	10.00	143,971,075	313,427,416
Advances, Deposits & Pre-Payments	11.00	81,479,890	128,847,685
Cash and Cash Equivalents	12.00	15,264,672	1,821,964
Total Assets		4,541,441,541	4,107,396,739
EQUITY AND LIABILITIES:			
Shareholders' Equity		1,415,156,554	1,534,993,951
Share Capital	13.00	1,009,933,740	990,131,120
Revaluation Reserve	14.00	127,708,347	127,708,347
Tax Holiday Reserve	15.00	72,845,417	72,845,417
Retained Earnings (*Restated)	16.00	204,669,050	344,309,067
Non-Current Liabilities		971,881,330	439,499,612
Long Term Borrowings	17.00	971,881,330	433,675,280
Deferred Tax Liability		-	5,824,332
Current Liabilities		2,154,403,656	2,132,903,175
Accounts Payable	18.00	824,297,597	1,304,115,968
Cash Dividend Payable	19.00	469,705	469,705
Long Term Borrowings- Current Maturity	20.00	85,970,223	58,896,930
Refundable Fund of IPO Subscribers	21.00	2,755,000	4,755,000
Short Term Borrowings	22.00	1,034,950,373	625,907,296
Provision for Tax	23.00	84,700,386	100,877,371
Accrued Expenses (*Restated)	24.00	121,260,372	37,880,905
Total Equity & Liabilities		4,541,441,541	4,107,396,739
Net Asset Value Per Share (NAVPS)	33.00	14.01	15.20

* Prior years figure restated. Details disclosed in note no. 4.28.

The accompanying notes 1 to 37 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.

Dated: Dhaka
October 28, 2020





Rahman Mostafa Alam & Co.
Chartered Accountants








Mozaffar Hossain Spinning Mills Limited
Statement of Profit or Loss & Other Comprehensive Income
For the year ended July 01, 2019 to June 30, 2020

Particulars	Notes	Amount in Taka	
		July 01, 2019 to June 30, 2020	July 01, 2018 to June 30, 2019 <i>*Restated</i>
Turnover	25.00	283,548,166	352,279,010
Less: Cost of Goods Sold	26.00	299,446,301	337,166,119
Gross Profit		(15,898,135)	15,112,891
Other Income	27.00	(158,379)	362,510
Operating Expenses:		33,228,742	21,015,847
Administrative Expenses (*Last years figure restated.)	28.00	32,638,742	19,725,401
Marketing and Distribution Expenses	29.00	590,000	1,290,446
Profit from Operation		(49,285,256)	(5,540,446)
Less: Financial expenses	30.00	82,503,364	93,581,443
Profit Before Tax		(131,788,620)	(99,121,889)
Income tax expenses:		(11,951,223)	(3,504,035)
Current tax		839,764	2,115,849
Deferred Tax Expenses/(Income)		(12,790,987)	(5,619,884)
Net Profit after Tax Transferred to Equity		(119,837,397)	(95,617,854)

Earnings Per Share (EPS)	31.00	(1.19)	(0.95)
Number of Shares used to compute	No's	100,993,374	100,993,374

* Prior years figure restated. Details disclosed in note no. 4.28.

The accompanying notes 1 to 37 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.

Dated: Dhaka
October 28, 2020


Rahman Mostafa Alam & Co.
Chartered Accountants





Mozaffar Hossain Spinning Mills Limited
Statement of Changes in Equity
For the year ended July 01, 2019 to June 30, 2020

Amount in Taka

Particulars	Share Capital	Tax holiday Reserve	Revaluation Reserve	Retained Earnings	Total
Balance as on 01.07.2019	990,131,120	72,845,417	127,708,347	344,309,067	1,534,993,951
Net Profit / (Loss) for the period	-	-	-	(119,837,397)	(119,837,397)
Bonus Share Issued 2% Stock	19,802,620	-	-	(19,802,620)	-
Balance as on 30.06.2020	1,009,933,740	72,845,417	127,708,347	204,669,050	1,415,156,554


Mozaffar Hossain Spinning Mills Limited
Statement of Changes in Equity
For the year ended 01 July 2018 to 30 June 2019

Amount in Taka


Particulars	Share Capital	Tax holiday Reserve	Revaluation Reserve	Retained Earnings	Total
Balance as on 01.07.2018	942,982,020	72,845,417	127,708,347	494,672,491	1,638,208,275
Prior year adjustment for WPPF				(7,596,470)	(7,596,470)
Restated Balance as on July 01, 2018	942,982,020	72,845,417	127,708,347	487,076,021	1,630,611,805
Net Profit / (Loss) for the period	-	-	-	(95,617,854)	(95,617,854)
Bonus Share Issued 5% Stock	47,149,100	-	-	(47,149,100)	-
Balance as on 30.06.2019	990,131,120	72,845,417	127,708,347	344,309,067	1,534,993,951


* Prior years figure restated. Details disclosed in note no. 4.28.


Chief Financial Officer


Company Secretary


Director


Managing Director


Chairman

Dated: Dhaka
October 28, 2020





Mozaffar Hossain Spinning Mills Limited
Statement of Cash Flows
For the year ended July 01, 2019 to June 30, 2020

Particulars	Notes	Amount in Taka	
		July 01, 2019 to June 30, 2020	July 01, 2018 to June 30, 2019
A. Cash flows from operating activities :			
Cash Collection from Turnover and Others		454,901,806	660,720,399
Foreign Exchange Gain/(Loss)		(2,055,678)	-
Cash Paid to Suppliers, Employee and Others		(1,202,872,849)	(263,259,650)
Cash Generated from Operation		(750,026,721)	397,460,750
Income Tax Paid		(839,764)	(113,528)
Net cash flows from/(used) in operating activities		(750,866,485)	397,347,222
B. Cash flow from investing activities:			
Acquisition of Property, Plant & Equipment		(1,180,937,084)	(2,584,977)
Payment for Capital Work in Progress		1,023,277,083	(1,144,602,761)
Advanced for Ring Spinning Project		1,055,134	-
Advance for Acquisition of Property, Plant & Equipment		30,359,515	-
Investment		659,676	-
Net cash flows from/ (used) in Investing Activities		(125,585,677)	(1,147,187,738)
C. Cash flow from financing activities:			
Received/(Repaid) short term loan		409,043,077	445,964,920
Financial Expenses		(82,503,364)	(93,581,443)
Cash Dividend Paid		-	(3,033)
Received/(Repaid) long term loan		565,279,343	390,987,428
Refundable fund of IPO subscriber		(2,000,000)	(3,000,000)
Net cash flows from/(used) in financing activities		889,819,054	740,367,872
D. Net Cash Increase/ (Decrease) (A+B+C)		13,366,892	(9,472,644)
E. Opening cash and cash equivalents at the beginning of the period		1,821,964	11,294,607
F. Closing cash and cash equivalents at the end of the period (D+E)		15,188,856	1,821,964
G. Unrealized Fc Gain/(Loss) for Cash and Cash Equivalents		75,816	-
H. Cash and Cash Equivalents carried forward (G+H)		15,264,672	1,821,964
Net Operating Cash Flow Per Share	32.00	(7.43)	3.93
Number of Shares used to compute NOCFPS		100,993,374	100,993,374

Chief Financial Officer

Company Secretary

Director

Managing Director

Chairman

Dated: Dhaka
October 28, 2020





Mozaffar Hossain Spinning Mills Limited
Notes to the Financial Statements
For the year ended June 30, 2020

1.0 Legal Status of the Company

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

Registered office of the company

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

2.0 Nature of Business Activities

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

3.0 Risk Exposure

3.1 Interest Rate Risk

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

Management perception:

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

3.2 Exchange Rate Risk

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





Management Perception:

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

3.3 Industry Risks

(a) Market demand:

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

Management Perception:

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

Expansion project of 36,000 Spindle Ring Spinning Mills are under construction. Due to up-gradation of power supply work, machinery installation and short supply of Gas, 50% of Rotor machine were shut down for a long time. Hence, production and revenue has been decreased during the period as well gas pressure problem, Long Eid Holiday, the development & restructure at the existing rotor unit to synchronize the total production facilities hamper the total production. Fall at market demand also end resulted decrease trend in last period result. Factory building shed for new BMRE already been completed and all machinery under installation.

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, 2020.
- ii) Statement of Profit or Loss and other Comprehensive Income for the year ended June 30, 2020.
- iii) Statement of Changes in Equity for the year ended June 30, 2020.
- iv) Statement of Cash Flows for the year ended June 30, 2020.
- v) Notes comprising a summary of significant accounting policies and other explanatory information to the Financial Statements for the year ended June 30, 2020.

4.6 Reporting Period

The Financial year of the company under audit cover for a year of 12 months effective from 01 July 2019 to June 30, 2020.

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 year. 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, 2011 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 **Straight Line 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%

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 30.06.2020 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 2011, land under the ownership of MHSML was professionally revalued by ATA KHAN & Co, Chartered Accountants. Fair market value was estimated at Tk. 132,685,000 as against net book value of Tk. 2,370,360 resulting in a revaluation surplus of Taka 130,314,640 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 year ended June 30, 2020 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 assets 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, 2020.

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 year.

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 Loss for this reason Company did not make any 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 assets 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.

4.28 Restatement:

The company didn't charged interest on unpaid amount of WPPF which have been Rectified during this year. Hence prior years figure of WPPF and interest on WPPF have been restated accordingly.





Notes No.	Particulars	Amount in Taka	
		30.06.2020	30.06.2019
5.00	Property, Plant and Equipment's		
	Cost:		
	Opening balance at cost	873,337,325	870,752,348
	Add : Addition during the period	1,180,937,084	2,584,977
		2,054,274,409	873,337,325
	Add : Disposed / Sold during the period	-	-
	Total	2,054,274,409	873,337,325
	Depreciation:		
	Opening balance	454,770,076	402,075,741
	Depreciation during the period	72,629,786	52,694,335
		527,399,862	454,770,076
	Total (a)	1,526,874,547	418,567,249
	Revaluation:		
	Opening balance	130,314,640	130,314,640
	Add : Addition during the period	-	-
	Total (b)	130,314,640	130,314,640
	Written Down Value (WDV) (a+b)	1,657,189,187	548,881,889
	Please refer to Annexure-'A' for further details		
6.00	Deferred Tax		
	*Book value of Depreciable asset	1,240,253,236	131,945,938
	Tax base Written down value	1,025,617,613	-
	Unabsorbed Depreciation	278,455,277	-
	Less : Tax base value of depreciable assets	1,304,072,890	100,664,040
	Revaluation surplus-PPE	-	-
	Taxable temporary difference	(63,819,654)	31,281,898
	Effective Tax rate	15%	15%
	Deferred tax liabilities/(asset) on original cost of assets	(9,572,948)	4,692,285
	Deferred tax liabilities on revaluation surplus Note-6.01	2,606,293	2,606,293
	Unused tax loss	-	(1,474,245)
	Total closing deferred tax liabilities/(assets)	(6,966,655)	5,824,332
6.01	Deferred Tax on Revaluation Reserve of Land		
	Revaluation Reserve	130,314,640	130,314,640
	Effective Tax Rate	2%	2%
	Total taxable temporary difference	2,606,293	2,606,293
6.02	Deferred Tax (Income) / Expenses		
	Closing Deferred Tax Liabilities	(6,966,655)	5,824,332
	Opening Deferred Tax Liabilities	5,824,332	11,444,217
	Deferred tax (Income)/ Expenses	(12,790,987)	(5,619,885)
7.00	Capital Work-In-Progress		
	Break-up of this are as follows:		
	Capital Work-In-Progress (Building) Note-7.01	-	1,085,391,230
	Capital Work-In-Progress (Machinery) Note-7.02	1,846,945,307	1,784,831,160
	Total	1,846,945,307	2,870,222,390
7.01	Capital Work-In-Progress (Building)		
	Opening Balance	1,085,391,230	429,004,713
	Addition during the period	91,588,354	656,386,517
	Total	1,176,979,584	1,085,391,230
	Acquisition of the period	1,176,979,584	-
	Closing Balance	-	1,085,391,230





Notes No.	Particulars	Amount in Taka	
		30.06.2020	30.06.2019
7.02	Capital Work-In-Progress (Machinery)		
	Opening Balance	1,784,831,160	-
	Addition during the period	62,114,147	1,784,831,160
	Total	1,846,945,307	1,784,831,160
	Acquisition of the period	-	-
	Closing Balance	1,846,945,307	1,784,831,160

Expansion project (36,000 Spindle Ring Spinning mills) of Mozaffar Hossain Spinning Mills Limited are ongoing. Total Project Value USD 25.00 Million. Capital work in progress represents the cost incurred for acquisition and/or for construction of items of property, plant, and equipment that are not ready for use. Machinery Value Approx. USD 15.70 million are already been under installation. CWIP is measured at cost. As per "IAS-16" Depreciation of an asset begins when it is available for use, ie when it is in the location and condition necessary for it to be capable of operating in the manner intended by management.

8.00 Investment

This represents the followings:

Suntech Energy Limited	5,110,847	5,063,647
	5,110,847	5,063,647
Add: Profit from the Associates	(659,676)	47,200
Total	4,451,171	5,110,847

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

9.00 Inventories

Break-up of this item is as follows:

	Qty. (kg.)		
Finished Goods:			
Yarn	602,957	99,487,883	53,715,750
Work-in-process	368,146	55,221,957	43,996,350
Raw Materials:		610,946,921	123,382,139
Virgin Cotton	4,235,537	588,035,261	88,303,910
Waste Cotton	327,309	22,911,660	35,078,229
Packing Materials		2,734,910	1,477,100
Store Materials		16,781,912	16,513,210
		785,173,583	239,084,549

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. 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.).

10.00 Accounts Receivable

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

I) Accounts Receivable considered good in respect of which the company is fully secured (Annexure B)	-	-
II) Accounts Receivable considered good in respect of which the company holds no security other than the debtor's personal security (Annexure B)	164,899,980	-
III) Accounts Receivable considered doubtful or bad	-	-
IV) Accounts Receivable due by any director or other officer of the	-	-
V) Accounts Receivable due by Common management (Annexure B)	118,813,392	313,427,416





Notes No.	Particulars	Amount in Taka	
		30.06.2020	30.06.2019
VI)	The maximum amount of receivable due by any director or other officer of the company	-	-
		283,713,372	313,427,416
	Less: Adjustment of Bill Discounting (Net off Assets & Liabilities) 10.01	139,742,297	-
		143,971,075	313,427,416
	Aging of Accounts Receivable:		
	Dues within three months	104,640,648	84,483,000
	Dues above three months but within six months	48,397,020	142,211,537
	Dues above six months	130,675,704	86,732,879
		283,713,372	313,427,416
10.01	Adjustment of Bill Discounting (Net off Assets & Liabilities)		
	Woori Bank Limited	130,881,600	-
	Marcantile Bank Limited	8,860,697	-
		139,742,297	-
11.00	Advances, Deposits & Pre-Payments		
	Advance against Purchase Note-11.01	71,522,125	101,881,640
	Advance against Factory Expenses	2,055,800	4,567,882
	Advance against L/c Margin	4,583,000	18,922,396
	Advanced for Ring Spinning Project	1,082,366	2,137,500
	Bank Guarantee	1,176,349	1,009,739
	Prepaid Insurance	106,958	215,000
	Tax deducted at sources Note-11.02	953,292	113,528
		81,479,890	128,847,685
11.01	Advance against Purchase		
	Dues within three months	21,015,200	56,034,902
	Dues above three months but within six months	11,671,680	30,564,492
	Dues above six months	38,835,245	15,282,246
		71,522,125	101,881,640
11.02	Tax Deductions at Sources		
	Opening Balance	113,528	-
	Addition during the period	839,764	113,528
		953,292	113,528
12.00	Cash and Cash Equivalents	3,808,658	1,236,273
	Cash in Hand	3,808,658	1,236,273
	Cash at Banks:	11,456,014	585,691
	IBBL Mouchak #20501450100327918	17,491	28,247
	IBBL Mouchak #20501452500004916	6,691	4,615
	IBBL Mouchak #20501452600004917	207	1
	IBBL(FCAD ORQ) Mouchak #20501452800001714	926,218	-
	DBBL Bhulta # 1761200001733	973,409	108,975
	DBBL Bashundhara # 1471100005894	2,092,337	291,527
	MBL Pragati Sarani A/C No. 114711123026113	83,109	-
	EBL Principal	1,531	1,954
	EBL Principal #1011360231502	151,253	150,372
	Woori Bank FC #1509640003099	5,315,920	-
	Woori Bank RQA	432,475	-
	Woori Bank #1509640002993	1,455,374	-
		15,264,672	1,821,964





Notes No.	Particulars	Amount in Taka			
		30.06.2020	30.06.2019		
13.00 Share Capital					
	This represents the followings:				
	Authorized Capital:				
	300,000,000 ordinary Shares of Tk 10/- each	3,000,000,000	3,000,000,000		
	Issued, Subscribed and Paid-up Capital:				
	100,993,374 ordinary shares of taka 10/- each	1,009,933,740	990,131,120		
	Note-13.01	1,009,933,740	990,131,120		
13.01 Share holding Position:					
	i) Sponsors	6,699,343	6.63%	66,993,425	65,679,830
	ii) SIM Fabrics Limited	33,300,737	32.97%	333,007,365	326,477,810
	iii) General Public & Others	60,993,295	60.39%	609,932,950	597,973,480
		<u>100,993,374</u>	<u>100.00%</u>	<u>1,009,933,740</u>	<u>990,131,120</u>
14.00 Revaluation Reserve					
	Opening Balance			130,314,640	130,314,640
	Add: Related Deferred Tax on Revaluation 2%			(2,606,293)	(2,606,293)
				<u>127,708,347</u>	<u>127,708,347</u>
	In 2011, land under the ownership of MHSML was professionally revalued by ATA KHAN & Co, Chartered Accountants. Fair market value was estimated at Tk. 132,685,000 as against net book value of Tk. 2,370,360 resulting in a revaluation surplus of Taka 130,314,640 which was accounted for and transferred to revaluation reserve.				
15.00 Tax Holiday Reserve					
	A. Opening balance			<u>72,845,417</u>	<u>72,845,417</u>
	Tax Holiday Reserve (30%)			54,634,063	54,634,063
	Reserve for Investment (10%)			18,211,354	18,211,354
	B. Add: During the Period			-	-
	Tax Holiday Reserve (30%)			-	-
	Reserve for Investment (10%)			-	-
	Total (A+B)			<u>72,845,417</u>	<u>72,845,417</u>
16.00 Retained Earnings					
	Details are as follows:				
	Opening Balance			344,309,067	494,672,491
	Prior year adjustment for WPPF			-	(7,596,470)
	Restated Balance as on July 01, 2018			<u>344,309,067</u>	<u>487,076,021</u>
	Add: Net Profit / (Loss) for the year			(119,837,397)	(95,617,854)
	Total			<u>224,471,670</u>	<u>391,458,167</u>
	Bonus Paid (2% Stock Dividend)			(19,802,620)	(47,149,100)
	Retained Earnings			<u>204,669,050</u>	<u>344,309,067</u>
17.00 Long Term Borrowings					
	Hajj Finance Com. Ltd - 1813			31,138,201	43,532,926
	Hajj Finance Com. Ltd - 1925			56,504,458	49,500,000
	Hajj Finance Com. Ltd - 1947			180,615,947	152,458,358
	Hajj Finance Com. Ltd - 2149			23,640,876	20,000,000
	IBBL HPSM-20501454300078403			2,801,449	3,083,741
	IBBL HPSM-20501454300083317			1,738,232	1,785,133
	IBBL HPSM-20501454300083500			1,597,507	1,575,475
	IBBL HPSM-20501454300089001			12,812,663	12,165,686





Notes No.	Particulars	Amount in Taka	
		30.06.2020	30.06.2019
	IBBL HPSM-20501454300095301	97,885,380	72,955,503
	IBBL HPSM-20501454300097909	49,592,642	40,025,000
	IBBL HPSM-20500246106759815	68,767,927	54,000,000
	IBBL HPSM-FC-20500246106759815	491,483,224	-
	IDLC	39,273,047	41,490,388
	Total	1,057,851,553	492,572,210
	Less: Current portion of Long term loan	(85,970,223)	(58,896,930)
		971,881,330	433,675,280

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 -12.30% 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

D. Personal Guarantee of all Directors of the Project Companies & Mortgages of their individual

18.00 Accounts Payable

Trade Creditors (Annexure-C)	133,462	4,133,462
Bills Payable (Annexure-C) *	6,325,241	3,367,590
Liability against Import Machinery	817,838,894	1,296,614,916
	824,297,597	1,304,115,968

19.00 Cash Dividend Payable

Opening Balance	469,705	472,738
Less: Disburse during the period	-	(3,033)
Balance Payable	469,705	469,705

20.00 Long Term Borrowings- Current Maturity

Islami Bank Bangladesh Limited	85,970,223	58,896,930
	85,970,223	58,896,930

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

21.00 Refundable fund of IPO subscribers

Refund warrant to IPO subscribers	2,755,000	4,755,000
	2,755,000	4,755,000

This represents the amount payable to IPO subscribers against which refund warrant already been issued but not presented to the bank by the subscribers during the year.

22.00 Short Term Borrowings

Islami Bank Bangladesh Limited Mouchak Br.

Murabaha TR	235,508,465	226,689,105
Bai Murabaha	361,400,189	398,159,863
MFCI	437,397,387	-
Car Loan (Hajj Finance Co. Ltd-1034)	644,333	1,058,328
Total short term loan of Islami bank Bangladesh Ltd.	1,034,950,373	625,907,296

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.





Notes No.	Particulars	Amount in Taka	
		30.06.2020	30.06.2019

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 -12.30% 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
 - D. Personal Guarantee of all Directors of the Project Companies & Mortgages of their individual properties.

23.00 Provision for Income tax

Opening Balance	Note-23.01	100,877,371	98,761,522
Provision for the period		839,764	2,115,849
Total		101,717,135	100,877,371
Tax Paid to DCT against Claim for Assessment 2016-2017		17,016,749	-
AIT Adjustment		-	-
Closing Balance		84,700,386	100,877,371

23.01 Current Tax

A. Minimum tax

Turnover and other income
Minimum tax rate

283,389,787	352,641,520
0.26%	0.6%
728,312	2,115,849.12

B. Regular tax

Profit Before Tax
Less: Other Income
Add: Accounting Depreciation
Less: Tax Depreciation
Taxable Income for the period
Rate of Tax

(131,788,620)	(95,986,246)
158,379	(362,510)
72,629,786	52,694,335
-	(22,471,766)
(59,000,455)	(66,126,187)
15%	15%
(8,850,068)	(9,918,928)
(39,595)	90,628
(8,889,663)	(9,828,300)
839,764	-
839,764	2,115,849

C. Tax deducted at Source

Current tax expenses (Higher of A,B & C)
Unused tax loss

-	(1,474,245)
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24.00 Accrued Expenses

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

Audit fees	125,000	125,000
Salaries & Wages	4,918,554	3,199,252
Remuneration	1,757,500	-
Gas Bill	65,208,745	4,154,548
WPPF Payable	33,898,347	30,402,105
Accrued Interest	15,352,226	-
121,260,372	37,880,905	





Notes No.	Particulars	Amount in Taka			
		30.06.2020	30.06.2019		
25.00	Turnover				
		Qty. (kg.)	Avg. Rate		
	Yarn 20's	31,000	231	7,174,020	286,335,210
	Yarn 16's	47,400	203	9,641,520	65,943,800
	Yarn 30's	1,124,624	224	252,172,486	-
	Yarn 12's	58,900	169	9,971,640	-
	Yarn 24's,14's,10's,07's	30,000	153	4,588,500	-
		<u>1,291,924</u>		<u>283,548,166</u>	<u>352,279,010</u>

Deviation from last period Result:

Expansion project of 36,000 Spindle Ring Spinning Mills are under construction. Due to up-gradation of power supply work, machinery installation and short supply of Gas, 50% of Rotor machine were shut down for a long time. The factory was shut down for Covid-19. Effect on demand due to spread of Covid-19 since January 2020. Hence, production and revenue have been decreased during the period.

26.00 Cost of Goods Sold

Raw materials consumed	Note-26.01	118,085,191	172,598,618
Accessories & Stores Consumed	Note-26.02	9,644,790	12,551,464
Packing Materials Consumed	Note-26.03	3,998,445	4,959,557
Factory overhead	Note-26.04	225,620,087	158,183,633
Opening Work-in-Process		43,996,350	32,278,233
Closing Work-in-Process		(55,221,957)	(43,996,350)
Cost of Production		<u>346,122,906</u>	<u>336,575,155</u>
Opening stock of Finished Goods		53,715,750	55,316,250
Cost of Goods Available for Sale		<u>399,838,656</u>	<u>391,891,405</u>
Closing stock of Finished Goods		(99,487,883)	(53,715,750)
Wastage Sales		(904,472)	(1,009,536)
Cost of Goods Sold		<u>299,446,301</u>	<u>337,166,119</u>

26.01 Raw Materials Consumption

Opening Raw Materials	123,382,139	185,982,447
Purchase during the period	605,649,973	109,998,310
Available for use	<u>729,032,112</u>	<u>295,980,757</u>
Closing Raw Materials	(610,946,921)	(123,382,139)
	<u>118,085,191</u>	<u>172,598,618</u>

26.02 Accessories & Stores Consumption

Opening Accessories & Stores	16,513,210	17,931,141
Purchase during the period	9,913,492	11,133,533
Available for use	<u>26,426,702</u>	<u>29,064,674</u>
Closing Accessories & Stores	(16,781,912)	(16,513,210)
	<u>9,644,790</u>	<u>12,551,464</u>

26.03 Packing Materials Consumption

Opening Packing Materials	1,477,100	594,061
Purchase during the period	5,256,255	5,842,596
Available for use	<u>6,733,355</u>	<u>6,436,657</u>
Closing Packing Materials	(2,734,910)	(1,477,100)
	<u>3,998,445</u>	<u>4,959,557</u>





Notes No.	Particulars	Amount in Taka	
		30.06.2020	30.06.2019
26.04	Factory Overhead		
	Gas Bill	94,808,853	65,106,033
	Wages	51,722,515	37,205,096
	Repair & Maintenance	890,949	476,459
	Factory Insurance	4,921,162	1,967,790
	Sundry Carrying Charges	283,964	312,424
	Sundry daily labor charges	615,603	500,822
	Medical & other Expenses	478,730	652,149
	Depreciation	71,898,311	51,962,860
		225,620,087	158,183,633

(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 year.

(b) Other expenses does not included any item exceeding 1% of total revenue.

27.00 Other Operating Income

Interest on Bank Account		52,587	119,638
Exchange Rate Fluctuation Gain/(Loss)		(1,979,862)	195,672
Profit from Associate		(659,676)	47,200
Profit from Trial Production	Note-27.01	2,428,572	-
		(158,379)	362,510

27.01 Profit from Trial Production

Processing Charge Received against Trial Production	170,007,074
Trial Production Cost :	167,578,502
Cost of Goods Processed	140,120,140
Salary & Wages	23,663,400
Packing Materials	1,224,500
Carriage in Word	1,245,000
Carriage out Word	1,325,462

As part of the BMRE Ring Unit, the Company had to complete installation & do the trial run to check the process. At the trial run, the company had to do only a partial process only. The quality of partial process / full process yarn were real qualified as final production. As such the Company engaged with a third party to provide raw materials to take at the semi process/process product from the trial run. The third party give raw materials, process it in the facility and take out. The total price of the processed product credited an account of MHSML & later take at by the third party for raw Material.

28.00 Administrative Expenses

Salary and Allowances	19,338,223	7,294,038
Festival Bonus	1,888,568	1,080,000
Audit Fee	125,000	125,000
Managing Director Remuneration	600,000	600,000
Director's Remuneration	1,850,000	2,100,000
Board Meeting Fees	96,000	138,244
Entertainment	385,667	471,076
Traveling and Conveyance	203,946	180,455
House & Office rent	563,000	632,600
Telephone & Mobile Bill	61,900	106,900
Company Secretarial, Regulatory Fee and AGM Expense	1,568,604	1,432,103
Subscription and Donations	141,000	187,000
Fuel, Fees & Renewals & other Expenses	1,551,167	1,510,867
IT Solution	37,950	-
Interest on WPPF	3,496,242	3,135,643
Depreciation	731,475	731,475
	32,638,742	19,725,401





Notes No.	Particulars	Amount in Taka	
		30.06.2020	30.06.2019
	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	600,000	600,000
	Director's Remuneration	1,850,000	2,100,000
	Board Meeting Fees	96,000	138,244
		2,546,000	2,838,244
29.00	Marketing, Selling & Distribution Expenses		
	Salaries and Allowances	432,000	570,065
	Advertisement	158,000	176,060
	Business Development	-	235,000
	Sample Expenses	-	309,321
		590,000	1,290,446
30.00	Financial Expenses		
	Bank Charges and Commission	525,023	264,786
	Interest on HPSM	8,797,813	13,836,690
	Interest on BAI Murabaha	34,321,129	51,705,862
	Interest on Murabaha TR	13,476,886	27,774,105
	Interest on MBL -IDBP	184,922	-
	Interest on Woori -IDBP	1,377,919	-
	Interest on Hajj Finance	12,004,335	-
	Interest on MFCI	7,481,347	-
	Interest on IDLC	4,333,990	-
		82,503,364	93,581,443
31.00	Basic Earning Per Share		
	Net Profit after Taxes	(119,837,397)	(95,617,854)
	Number of Shares for respected year	100,993,374	99,013,112
	Earning per share (Taka) (Basic)	(1.19)	(0.97)
	Net Profit after Taxes	(119,837,397)	(95,617,854)
	Weighted Average Number of Share	100,993,374	100,993,374
	Earning per share (Taka) (Adjusted)	(1.19)	(0.95)
	Weighted average/Total existing number of share:		
	Opening number of share outstanding		99,013,112
	Add: Issued during the year (2% Stock dividend)		1,980,262
			100,993,374
32.00	Net Operating Cash Flow Per Share(NOCFPS)		
	Cash flow from operating activities	(750,866,485)	397,347,222
	Number of Share	100,993,374	100,993,374
	Net Operating Cash Flows per Share (NOCFPS)	(7.43)	3.93
33.00	Net Asset Value Per Share (NAVPS)		
	Net Asset Value	1,415,156,554	1,534,993,951
	Number of Shares	100,993,374	100,993,374
	Net Asset Value Per Share (NAVPS)	14.01	15.20
34.00	General:		

i.The entity had disclosed that the BMRE-Ring Unit -Construction, Machineries setup, erection ,Utilities connection already completed by March 01,2020.Company has started trial run of Machineries phase by phase and its yet to complete trial of all line of machineries setup.





Notes No.	Particulars	Amount in Taka	
		30.06.2020	30.06.2019

ii.To cope with new BMRE–Ring Unit as well to get the benefit of ever low price of raw cotton, the entity had imported 4,363 M.T. of raw cotton. Compare with existing capacity and turnover the purchase is high but with the expected capacity, the purchase is justified.

iii.The entity was going with 50% capacity utilization. As well, they incurred cost of BMRE-Ring unit that effect the profitability. As well, the drastic effect of non-operation and limited operation as result of COVID-19 pandemic .The entity had suffered with gross loss and net loss.

iv.Stock in quantity & value on the basis of physical receiving of goods. As all consignment's arrival at warehouse through import by L/C. As the entity received commercial documents (Bill of entry and other related documents) after the cutoff date. So mushak against these consignments issued after the financial year.

34.01 Claims not Acknowledged

There is no claim against the Company not acknowledged as debt as on 30.06.2020 .

34.02 Credit Facilities not Availed

There is no credit facilities extended to the Company but nor availed of as on 30.06.2020, under any contract, other than trade credit available in the ordinary course of business.

34.03 Commission, Brokerage or Discount Against Sales

No commission, brokerage or discount was incurred or paid by the Company against sales during the period ended 30.06.2020.

34.04 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) .

34.05 Employees Details:

During the period there were 417 permanent employees employed for the full year out of which 101 employees received salary Taka 8,425 per month and above.

34.06 Rounding Off

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

34.07 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	(131,788,620)	(99,121,889)
Adjustment for items not involving movement of cash:		
Depreciation on Property, Plant and Equipment	72,629,786	52,694,335
Financial Expenses	82,503,364	93,581,443
Profit from associates	-	(47,200)
Foreign Exchange Gain/(Loss)	(2,055,678)	-
	21,288,852	47,106,689
(Increase)/Decrease in Accounts Receivable	171,512,019	308,126,079
(Increase)/Decrease in Inventory	(546,089,034)	53,017,583
(Increase)/Decrease in Advance, Deposits & Prepayments	16,792,910	5,521,401
Increase/(Decrease) in Accounts Payable	(479,894,187)	1,413,457
Increase/(Decrease) in Accrued expenses	83,379,467	(17,724,459)
	(754,298,825)	350,354,061
Tax paid to DCT against Claim for Assessment 2016-2017	(17,016,749)	-
Income Tax paid during the year	(839,764)	(113,528)
Net Cash Flows from operating activities	(750,866,485)	397,347,222





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

Value of Raw material, packing materials and Capital goods

Particular	Opening	Purchases	Consumption	Closing
Raw Material	123,382,139	605,649,973	(118,085,191)	610,946,921
Packing Materials	1,477,100	5,256,255	(3,998,445)	2,734,910
Spare Parts	16,513,210	9,913,492	(9,644,790)	16,781,912

Value of Export

Particular	In Foreign Currency USD	In BDT
Export	\$ 3,375,573	283,548,166

34.09 Details of capacity has given below

Particular	License Capacity	Installed Capacity	Actual Production
Annual Production (kg) Rotor Unit	6,600,000	6,600,000	1,494,493
Annual Production (kg) Ring Unit	6,600,000	6,600,000	-

Note: Expansion project of 36,000 Spindle Ring Spinning Mills are under construction. Due to up-gradation of power supply work, machinery installation and short supply of Gas, 50% of Rotor machine were shut down for a long time, Hence, production and revenue has been decreased during the period.





35.00 Related Party Disclosure :

a) Transaction with Key Management Personnel of the entity:

No.	Particulars	Amounts in Tk
(a)	Managerial Remuneration paid or payable during the period to the directors, including Managing directors or manager	2,450,000
(b)	Any other perquisite or benefits in cash or in kind stating, approximate money value applicable.	96,000
(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 01.07.2019	Addition during the Period	Realized during the Period	Balance as at 30.06.2020
(a)	SIM Fabrics Limited yarn sale	Common Management	313,427,416	-	194,614,024	118,813,392
	Total		313,427,416	-	194,614,024	118,813,392

c) Transaction with Related Entity:

Sl.	Name of Customer	Relationship	Balance as at 01.07.2019	Addition during the Period	Realized during the Period	Balance as at 30.06.2020
(a)	SIM Fabrics Limited (land transferred against shares)	Common Management	250,000,000	-	-	250,000,000
	Total		250,000,000	-	-	250,000,000





36.00 Financial risk management

36.01 Introduction

The Company's activities expose it to a variety of financial risks: credit risk, market risk (including interest rate risk and foreign currency risk), and liquidity risk. The Company's risk management focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Company's financial performance. The Company uses derivative financial instruments to economically hedge certain risk exposures.

Financial risk management is carried out by accounts and finance department under policies approved by the Board of Directors. Company finance identifies, evaluates, and hedges financial risks in close co-operation with the Company's operating units. The 'Finance Policy' provides principles for specific areas, such as credit risk, interest rate risk, foreign currency risk, use of derivative financial instruments, and investment of excess liquidity.

This note presents information about the Company's exposure to each of the risks arising from financial instruments and the Company's objectives, policies, and processes for measuring and managing risk. Further quantitative disclosures are included throughout these consolidated financial statements.

36.02 Carrying amounts of financial instruments by category

The following table shows the carrying amounts of financial instruments by category at the end of June 30, 2020:

Maturity analysis

Particulars	Current	>30 days	>90 days	>1 year	Total
Loans and receivables:					
Cash and Cash Equivalents	15,264,672				15,264,672
Trade and Other Receivables	141,856,686	70,928,343	47,285,562	23,642,781	283,713,372
Advances, Deposits and Prepayments	40,739,945	20,369,973	13,579,982	6,789,991	81,479,890
Balance at June 30, 2020	197,861,303	91,298,316	60,865,544	30,432,772	380,457,934

Financial liabilities measured at amortized cost:					
Long Term Loan				1,057,851,553	1,057,851,553
Short Term Bank Loans and Others	517,475,187	258,737,593	172,491,729	86,245,864	1,034,950,373
Trade and Other Payables	3,229,352	1,614,676	1,076,451	538,225	6,458,703
Liabilities for Expenses	60,630,186	30,315,093	20,210,062	10,105,031	121,260,372
Balance at June 30, 2020	581,334,724	290,667,362	193,778,241	1,154,740,674	2,220,521,001

36.03 Credit risks:

Credit risk is the risk of financial loss to the Company if a customer or counterparty to financial instruments fails to meet its contractual obligations, and arises principally from cash and cash equivalents, time deposits, and trade accounts receivable.

The credit risk with Accounts Receivable (see note 10) is limited, as the Company has numerous clients located in various geographical regions. The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. For risk control, the customers are companied as follows (risk companies): governmental organizations, listed public limited companies, and other customers. Credit limits are established for each customer, whereby the credit limit represents the maximum open amount without requiring payments in advance or letters of credit; these limits are reviewed regularly (credit check).

The maximum exposure to credit risk is represented by the carrying amount of each financial asset, including derivative financial instruments, in the Statement of Financial Position. There are no commitments that could increase this exposure to more than the carrying amounts.

36.04 Market risks

Market risk is the risk that changes in market prices, such as interest rates, foreign exchange rates, and other prices will affect the Company's result or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters while optimizing the return on risk.





36.05 Interest rate risk

At the reporting date, the Company had the following interest-bearing financial instruments: cash and cash equivalents, time deposits, rent deposits, and bank liabilities. All cash and cash equivalents mature or reprise in the short-term, no longer than three months.

Borrowings mainly bear interest at fixed rates. Cash and cash equivalents and borrowings issued at variable rates expose the Company to cash flow interest rate risk.

The Company does not account for any fixed-rate borrowings at fair value through profit or loss. Therefore a change in interest rates at the reporting date would not affect profit or loss.

The Company Finance manages the interest rate risk to reduce the volatility of the financial result as a consequence of interest rate movements. For the decision whether new borrowings shall be arranged at a variable or fixed interest rate, the Company Finance focuses on an internal long-term benchmark interest rate and considers the amount of cash and cash equivalents held at a variable interest rate. Currently, the interest rate exposure is not hedged.

36.06 Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. Company Finance manages the Company's liquidity to ensure sufficient liquidity to meet all liabilities when due, under both normal and stressed conditions, without facing unacceptable losses or risking damage to the Company's reputation. Excess liquidity can be invested in instruments such as time deposits, government, and corporate bonds, shares of publicly listed companies, and capital protected instruments.

The following are the contractual maturities of financial liabilities, including interest payments:

BDT	Carrying amount	Between 1 and 90 days	Between 91 and 360 days	Between 1 and 2 years	Over 2 years
Non-derivative financial liabilities					
Long Term Loan	1,057,851,553			793,388,665	264,462,888
Short Term Bank Loans and Others	1,034,950,373	258,737,593	776,212,780		
Trade and Other Payables	6,458,703	1,614,676	4,844,027		
Liabilities for Expenses	121,260,372	30,315,093	90,945,279		
Balance at June 30, 2020	2,220,521,001				

37.00 Event after the Balance Sheet Date:

37.01 The Board of Directors in its meeting held on October 28, 2020 has approved the Financial Statements for the year ended June 30, 2020 and recommended 1% cash dividend for the all general public shareholders other than sponsor or director which is subject to approval by the shareholders at the forthcoming Annual General Meeting (AGM) and authorize the financial statements for issue.

37.02 Except the fact stated above, no circumstances have arisen since the balance sheet date, which would require adjustment to or disclosure in the financial statements or notes thereto.

Chief Financial Officer

Company Secretary

Director

Managing Director

Chairman

Dated: Dhaka
October 28, 2020





Mozaffar Hossain Spinning Mills Limited
Annexure of Property, Plant & Equipment
As at June 30, 2020

Annexure A
Amounts in Taka

Particulars	COST			Rate of Dep.	DEPRECIATION			Written down value as at 30.06.2020
	As at July 01, 2019	Addition during the period	Closing Balance As on 30.06.2020		As at July 01, 2019	Charged during the Period	Closing Balance As on 30.06.2020	
Land & Land Dev.	286,621,311	-	286,621,311	-	-	-	286,621,311	
Factory Building	119,545,355	1,176,979,584	1,296,524,939	5%	45,723,283	71,316,877	1,225,208,062	
Plant & Machinery	459,855,918	2,690,000	462,545,918	10%	405,813,759	452,013,684	10,532,234	
Vehicle	5,586,326	-	5,586,326	10%	1,970,932	2,529,565	3,056,761	
Furniture & Fixture	1,728,415	-	1,728,415	10%	1,262,102	1,434,944	293,471	
Air Condition	-	1,267,500	1,267,500	10%	-	104,792	1,162,708	
Balance as on 30.06.2020	873,337,325	1,180,937,084	2,054,274,409		454,770,076	527,399,862	1,526,874,547	
Balance as on 30.06.2019	870,752,348	2,584,977	873,337,325		402,075,741	454,770,076	418,567,249	

Revaluation:

Particulars	COST			Rate of Dep.	DEPRECIATION			Written down value as at 30.06.2020
	As at July 01, 2019	Addition during the period	Closing Balance As on 30.06.2020		As at July 01, 2019	Charged during the Period	Closing Balance As on 30.06.2020	
Land & Land Dev.	130,314,640	-	130,314,640	-	-	-	130,314,640	
Balance as on 30.06.2020	130,314,640	-	130,314,640	-	-	-	130,314,640	
Balance as on 30.06.2019	130,314,640	-	130,314,640	-	-	-	130,314,640	
Balance as on 30.06.2020	1,003,651,965	1,180,937,084	2,184,589,049		454,770,076	527,399,862	1,657,189,187	
Balance as on 30.06.2019	1,001,066,988	2,584,977	1,003,651,965		402,075,741	454,770,076	548,881,889	

Depreciation Charged To-

Administrative Cost	731,475
Manufacturing Cost	71,898,311
Total	72,629,786

Note: The company use an accounting software(Intangible asset) which is fully amortized.





Mozaffar Hossain Spinning Mills Limited
Annexure of Accounts Receivable
For the year ended July 01, 2019 to June 30, 2020

Annexure No. - B

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 01.07.2019	Addition during the period	Realized during the period	Balance as at 30.06.2020
ACS Textile Ltd.	-	231,155,484	106,736,784	124,418,700
ACS Towel Ltd.	-	14,795,340	-	14,795,340
Rownok Textile Mills	-	22,508,842	11,911,402	10,597,440
Moom Tex. Expo Ltd	-	14,049,000	-	14,049,000
Amber Denim Mills Ltd	-	1,039,500	-	1,039,500
Sub-total	-	283,548,166	118,648,186	164,899,980

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 01.07.2019	Addition during the period	Realized during the period	Balance as at 30.06.2020
SIM Fabrics Limited	313,427,416	-	194,614,024	118,813,392
Sub-total	313,427,416	-	194,614,024	118,813,392
Total	313,427,416	283,548,166	313,262,210	283,713,372





Mozaffar Hossain Spinning Mills Limited
Schedule of Trade Creditors
For the year ended July 01, 2019 to June 30, 2020

Annexure No. - C
Amounts in Taka

Trade Creditors:

Name of Supplier	Balance as at 01.07.2019	Payment during the Period	Bill during the Period	Balance as at 30.06.2020
AB Enterprise	4,133,462	4,000,000	-	133,462
Sub Total (A)	4,133,462	4,000,000	-	133,462

Bills Payable:

Amounts in Taka

Name of Supplier/Service Provider	Balance as at 01.07.2019	Payment during the Period	Bill during the Period	Balance as at 30.06.2020
Amreen Refrigeration & Engineering	-	1,000,000	1,267,500	267,500
AMSLER Textile Effect Systems			214,200	214,200
Asia Pacific Textrade Ltd			907,325	907,325
Bangladesh Association of Public Listed Co.	50,000	50,000	50,000	50,000
Bangla Trac Limited	485,502	1,144,775	805,400	146,127
Beximco Online		24,150	37,950	13,800
Bestair Engineering		200,000	246,050	46,050
Central Depository Bangladesh	10,679	-	106,000	116,679
Chemtex B.D	30,700	-	-	30,700
Chittagong Stock Exchange Ltd	739,402	-	575,332	1,314,734
Changzhou Tonghe Textile Machinery		671,922	706,050	34,128
Dhaka Stock Exchange LTd	563,551	659,386	554,452	458,617
Mahin Enterprise & Packaging	156,147	-	-	156,147
Minarva Engineering Works	23,106	600,000	614,500	37,606
Monir Steel House	488,800	2,201,300	2,221,300	508,800
MH Rubber & Plastic Machinerries Ltd.	-	219,500	306,052	86,552
MS Enterprise	-	1,400,000	1,532,125	132,125
New Mokka Trading	-	4,577,240	4,774,416	197,176
Maa Enterprise& Packaging	-	880,000	975,347	95,347
Mostakim Enterprise	-	1,550,000	1,592,871	42,871
Galaxy Corporation	-	135,000	135,000	-
Orient Plastic & Packing Ind. Ltd	80,000	30,000	-	50,000
Peoples Insurance Company Ltd.	-	243,097	631,398	334,669
Reyan Machinery	187,850	216,575	193,900	165,175
Rotation Engineering	57,957	343,876	285,919	-
Kaizer Enterprise	-	750,000	849,860	99,860
Sabuj Timber & Traders	271,471	275,557	145,557	141,471
Touch Paper Products	-	2,250,000	2,597,812	347,812
Textile Associates Ltd	-	392,000	451,500	59,500
S.R Shipping Agency	103,738	-	-	103,738
Amra Bangla			10,000	10,000
SAIL International Ltd	-	648,700	658,400	9,700
Step Transmission	118,687	245,000	273,145	146,832
Sub Total (B)	3,367,590	20,708,078	23,719,361	6,325,241
Total (A+B)	7,501,052	24,708,078	23,719,361	6,458,703

