

Financial Statements

**For the Period from
1st July 2021 To 30 June 2022**



Mozaffar Hossain Spinning Mills Limited

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

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, 2022, 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 36 & 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, 2022, and of 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 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.

Our key audit matters

Risk	Our response to the risk
Revenue	
Refer note no. 24.00 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. 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>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 22.00 to the statement of financial position and note no. 22.01 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>Long Term Borrowings</p>	
<p>Refer note no. 16.00 to the Statement of Financial Position</p>	
<p>Long term loans were taken from Islami Bank Bangladesh Ltd., IDLC and Haj Finance company Ltd.</p> <p>Moreover, transfer of capital work in progress to PPE is also judgmental requires estimation.</p>	<p>Our procedure includes:</p> <ol style="list-style-type: none"> 1. Testing the effectiveness of the company's control around the recording of loan, interest, and repayments. 2. 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

	<p>determine whether the amount recorded in the correct period;</p> <p>3. Test interest rates application, calculation, and repayments for carrying amount and current and non-current distinguish;</p> <p>4. Considering the adequacy of the company's disclosure regarding the Loan; and</p> <p>the result of our testing is satisfactory and we considered the carrying amount of the loan recognized to be acceptable and recorded correctly.</p>
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Matter of Emphasis

Without qualifying our opinion, we draw attention to the fact disclosed in note no. 8.01, 23.00 and 33.00

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.

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 issues 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.

Firm's Name : Rahman Mostafa Alam & Co., Chartered Accountants

Signature : Sd/-

Auditors' Name : Mohammad Mofizul Haque Rinku FCA, (Enr. No.: 1204)

Date : 09 Nov 2022

Place : Dhaka

DVC : 2211091204AS375511



Mozaffar Hossain Spinning Mills Limited

Statement of Financial Position

As at June 30, 2022

Particulars	Notes	Amount in Taka	
		June 30, 2022	June 30, 2021
ASSETS:			
Non-Current Assets			
Property, Plant and Equipment's	5.00	3,643,012,695	3,841,632,609
Investment		4,669,399	4,521,551
Investment	7.00	4,669,399	4,521,551
Current Assets			
Inventories	8.00	1,418,814,384	1,182,102,564
Goods in Transit		82,313,831	70,360,892
Accounts Receivable	9.00	483,673,383	114,512,341
Advances, Deposits & Pre-Payments	10.00	190,426,528	241,039,582
Cash and Cash Equivalents	11.00	66,201,005	24,603,256
Total Assets		5,889,111,224	5,478,772,795
EQUITY AND LIABILITIES:			
Shareholders' Equity			
Share Capital	12.00	1,009,933,740	1,009,933,740
Revaluation Reserve	13.00	500,545,475	500,545,475
Tax Holiday Reserve		72,845,417	72,845,417
Retained Earnings	14.00	426,643,512	250,996,287
Non-Current Liabilities			
Long Term Borrowings	15.00	1,741,568,443	1,594,551,287
Deferred Tax Liability	16.00	49,018,366	12,522,390
Current Liabilities			
Accounts Payable	17.00	18,857,321	6,886,372
Cash Dividend Payable	18.00	562,660	812,864
Long Term Borrowings- Current Maturity	19.00	242,355,832	193,766,270
Refundable Fund of IPO Subscribers	20.00	-	2,755,000
Short Term Borrowings	21.00	1,579,500,509	1,646,259,839
Provision for Tax	22.00	81,801,609	80,938,725
Accrued Expenses	23.00	165,478,340	105,959,129
Total Equity & Liabilities		5,889,111,224	5,478,772,795
Net Asset Value Per Share (NAVPS)	32.00	19.90	18.16

The accompanying notes 1 to 35 & annexure A to C form an integral part of these Financial Statements.

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

Signed in terms of our separate report of even date.

Firms' Name : Rahman Mostafa Alam & Co. Chartered Accountants

Signature : Sd/-

Auditor's Name : Mohammad Mofizul Haque Rinku FCA, (Enr. No.: 1204)

Date : 09 Nov 2022

Place : Dhaka

DVC : 2211091204AS375511



Mozaffar Hossain Spinning Mills Limited

Statement of Profit or Loss & Other Comprehensive Income

For the year ended on June 30, 2022

Particulars	Notes	Amount in Taka	
		July 01, 2021 to June 30, 2022	July 01, 2020 to June 30, 2021
Turnover	24.00	2,897,696,861	1,562,896,324
Less: Cost of Goods Sold	25.00	2,324,450,872	1,262,667,334
Gross Profit		573,245,989	300,228,990
Other Income	26.00	(5,769,922)	(1,453,127)
Operating Expenses:		74,448,671	60,384,897
Administrative Expenses	27.00	74,030,524	59,840,331
Marketing and Distribution Expenses	28.00	418,147	544,566
Profit from Operation		493,027,396	238,390,966
Less: Financial expenses	29.00	238,608,118	153,704,317
Net Profit Before WPPF		254,419,278	84,686,649
Workers Profit Participation Fund		12,115,204	4,032,698
Net Profit before Tax		242,304,074	80,653,951
Income tax expenses:		48,358,860	28,227,384
Current tax	22.01	11,862,884	8,738,339
Deferred Tax Expenses/(Income)	16.02	36,495,976	19,489,045
Net Profit after Tax Transferred to Equity		193,945,214	52,426,567
Earnings Per Share (EPS)	30.00	1.92	0.52
Number of Shares used to compute	No's	100,993,374	100,993,374

The accompanying notes 1 to 35 & annexure A to C form an integral part of these Financial Statements.

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

Signed in terms of our separate report of even date.

Firms' Name : Rahman Mostafa Alam & Co. Chartered Accountants

Signature : Sd/-

Auditor's Name : Mohammad Mofizul Haque Rinku FCA, (Enr. No.: 1204)

Date : 09 Nov 2022

Place : Dhaka

DVC : 2211091204AS375511

Mozaffar Hossain Spinning Mills Limited

Statement of Changes in Equity
 For the year ended on June 30, 2022

Particulars	Amount in Taka				
	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

Statement of Changes in Equity

For the year ended on June 30, 2021

Particulars	Amount in Taka				
	Share Capital	Tax holiday Reserve	Revaluation Reserve	Retained Earnings	Total
Balance as on 01.07.2020	1,009,933,740	72,845,417	127,708,347	204,669,050	1,415,156,554
Add: During the period			372,837,128		372,837,128
Net Profit / (Loss) for the period	-	-	-	52,426,567	52,426,567
Cash Dividend 1%(For all Public Shareholder)		-	-	(6,099,330)	(6,099,330)
Balance as on 30.06.2021	1,009,933,740	72,845,417	500,545,475	250,996,287	1,834,320,919

Sd/-
 Chief Financial Officer

Sd/-
 Company Secretary

Sd/-
 Director

Sd/-
 Managing Director

Sd/-
 Chairman

Mozaffar Hossain Spinning Mills Limited

Statement of Cash Flows

For the year ended on June 30, 2022

Particulars	Notes	Amount in Taka	
		July 01, 2021 to June 30, 2022	July 01, 2020 to June 30, 2021
A. Cash flows from operating activities :			
Cash Collection from Turnover and Others		2,446,222,660	1,592,454,540
Foreign Exchange Gain/(Loss)		76,395,388	(1,552,609)
Cash Paid to Suppliers, Employee and Others		(2,292,468,283)	(2,630,965,751)
Cash Generated from Operation		230,149,766	(1,040,063,820)
Income Tax Paid		(11,925,384)	(8,788,339)
Net cash flows from/(used) in operating activities		218,224,382	(1,048,852,159)
B. Cash flow from investing activities:			
Acquisition of Property, Plant & Equipment		(53,534,051)	(1,965,740,770)
Payment for Capital Work in Progress		-	1,846,945,307
Advanced for Ring Spinning Project		-	(140,090)
Advance for Acquisition of Property, Plant & Equipment		6,588,194	(5,133,334)
Investment		-	(70,380)
Net cash flows from/ (used) in Investing Activities		(46,945,857)	(124,139,267)
C. Cash flow from financing activities:			
Received/(Repaid) short term loan		(66,759,330)	611,309,466
Financial Expenses		(238,608,118)	(153,704,317)
Cash Dividend Paid		(18,548,193)	(5,756,171)
Received/(Repaid) long term loan		195,606,718	730,466,004
Refundable fund of IPO subscriber		(2,755,000)	-
Net cash flows from/(used) in financing activities		(131,063,923)	1,182,314,981
D. Net Cash Increase/ (Decrease) (A+B+C)		40,214,602	9,323,555
E. Opening cash and cash equivalents at the beginning of the period		24,603,256	15,264,672
F. Closing cash and cash equivalents at the end of the period (D+E)		64,817,858	24,588,227
G. Unrealized Fc Gain/(Loss) for Cash and Cash Equivalents		1,383,148	15,029
H. Cash and Cash Equivalents carried forward (F+G)		66,201,005	24,603,256
Net Operating Cash Flow Per Share	31.00	2.16	(10.39)
Number of Shares used to compute NOCFPS		100,993,374	100,993,374

Sd/-
Chief Financial Officer

Sd/-
Company Secretary

Sd/-
Director

Sd/-
Managing Director

Sd/-
Chairman

Mozaffar Hossain Spinning Mills Limited

Notes to the Financial Statements

For the year ended June 30, 2022

1.0 Legal Status of the Company

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

Registered office of the company

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

2.0 Nature of Business Activities

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

3.0 Risk Exposure

3.1 Interest Rate Risk

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

Management perception:

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

3.2 Exchange Rate Risk

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

Management Perception:

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

3.3 Industry Risks

(a) Market demand:

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

Management Perception:

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

(b) Competition:

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

Management Perception:

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

(c) Rising of Raw Materials costs:

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

Management Perception:

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

3.4 Risks steaming from technological changes:

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

Management perception:

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

3.5 Other risk factors:

(a) Political Unrest:

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

Management Perception:

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

(b) Possible slowdown in economic growth in Bangladesh:

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

Management Perception:

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

(c) Natural calamities:

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

Management perception:

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

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

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

4.2 Statement of Compliance with Laws

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

4.3 Going Concern

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

Deviation from last period Result

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

4.4 Accrual Basis

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

4.5 Structure, Content and Presentation of Financial Position

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

- i) Statement of Financial Position as at June 30, 2022.
- ii) Statement of Profit or Loss and other Comprehensive Income for the period from 01 July 2021 to 30 June 2022.
- iii) Statement of Changes in Equity for the period from 01 July 2021 to 30 June 2022.
- iv) Statement of Cash Flows for the period from 01 July 2021 to 30 June 2022.
- v) Notes comprising a summary of significant accounting policies and other explanatory information to the Financial Statements for the period from 01 July 2021 to 30 June 2022.

4.6 Reporting Period

The Financial year of the company under audit cover for a period of 12 months effective from 01 July 2021 to June 30, 2022.

4.7 Inventories

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

4.8 Revenue

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

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

4.9 Property, Plant and Equipment

Initial Recognition and measurement

Property, plant and equipment are capitalized at cost of acquisition and subsequently stated at cost or valuation less accumulated depreciation in compliance with the requirements of IAS-16: "Property, Plant and Equipment". The cost of acquisition of an asset comprises its purchase price and any directly attributable cost of bringing the assets to its working condition for its intended use inclusive of inward freight, duties, non-refundable taxes and un-allocated expenditures etc. The land and land developments with an effect as on June 30, 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 30.06.2022 is not materially differing with the carrying amount.

CAPITAL WORK-IN-PROCESS

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

4.10 Revaluation Reserve

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

4.11 Cash and Cash Equivalent and Statement of Cash Flows:

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

The Statement of Cash Flows is prepared using the **Direct Method** as stipulated in 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 2022 attributable to the ordinary shareholders.

Basic earnings per share:

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

Weighted average number of ordinary shares outstanding during the year:

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

Diluted Earnings Per Share:

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

4.13 Foreign Currency Transactions

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

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

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

4.14 Impairment of Assets

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

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

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

4.15 Borrowing Cost

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

4.16 Authorization date for issuing Financial Statements

Board of Directors authorized the financial statements for issue on October 30, 2022.

4.17 Reporting Currency

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

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

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

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

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

4.19 Accruals & Deferrals

Deferrals and accruals have been made as per the guidance in IAS-1 Presentation of Financial Statements. In order to meet their objectives, Financial Statements, except for cash flow statement and related information, are prepared on accrual basis of accounting. Under the basis, the effects of transactions and other events are recognized when they occur (and not

when cash or its equivalent is received or paid) and they are recorded in the accounting records and reported in the Financial Statements of the years to which they relate.

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

4.20 Advances, Deposits and Prepayments

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

4.21 Financial Instruments

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

Initial recognition

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

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

4.22 Segment Reporting

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

4.23 Related Party Disclosures

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

4.24 Corporate Tax

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

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

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

(b) Deferred Tax

Deferred tax liabilities are the amount of income taxes payable in future years in respect of taxable temporary differences. Deferred tax assets are the amount of income taxes recoverable in future years in respect of deductible temporary differences. Deferred tax assets and liabilities are recognized for the future tax consequences of timing differences arising between the carrying values of assets, liabilities, income and expenditure and their respective tax bases. Deferred tax assets and liabilities are measured using tax rates and tax laws that have been enacted or subsequently enacted at the financial statement date.

4.25 Workers Profit Participation Fund

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

4.26 Contingent Assets and Liabilities

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

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

The company has no contingent assets or liabilities, which require disclosure under IAS: 37. Contingent assets and contingent liabilities are not recognized in the financial statements 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	
		30.06.2022	30.06.2021
5.00	Property, Plant and Equipment's		
	Cost:		
	Opening balance at cost	4,020,015,179	2,054,274,409
	Add : Addition during the period	53,534,051	1,965,740,770
		<u>4,073,549,230</u>	<u>4,020,015,179</u>
	Less : Damage Goods	7,737,650	-
	Total	<u>4,065,811,580</u>	<u>4,020,015,179</u>
	Depreciation:		
	Opening balance	689,143,259	527,399,862
	Depreciation during the period	246,155,981	161,743,397
	Less:Damage Goods Depreciation	1,739,666	-
		<u>933,559,574</u>	<u>689,143,259</u>
	Total (a)	<u>3,132,252,006</u>	<u>3,330,871,920</u>
	Revaluation:		
	Opening balance	510,760,689	130,314,640
	Add : Addition during the period	-	380,446,049
	Total (b)	<u>510,760,689</u>	<u>510,760,689</u>
	Written Down Value (WDV) (a+b)	<u>3,643,012,695</u>	<u>3,841,632,609</u>

Please refer to Annexure-'A' for further details

6.00 Capital Work-In-Progress (Machinery)

Opening Balance	-	1,846,945,307
Addition during the period	-	52,602,945
Total	-	<u>1,899,548,252</u>
Acquisition of the period	-	1,899,548,252
Closing Balance	-	-

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



Notes	Particulars	Amount in Taka	
		30.06.2022	30.06.2021
7.00	Investment		
	This represents the followings:		
	Suntech Energy Limited	4,521,551	4,451,171
		<u>4,521,551</u>	<u>4,451,171</u>
	Add: Profit from the Associates	147,848	70,380
	Total	<u>4,669,399</u>	<u>4,521,551</u>

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

8.00 Inventories

Break-up of this item is as follows:

	Qty. (Kg)	Amounts	Amounts
Finished Goods:		602,761,850	324,859,642
Yarn	1,379,661	418,261,377	190,236,340
Primary estimation of damage stock of Finished Goods and Claim to Insurance Company	261,550	91,353,739	75,000,000
Work-in-process	361,998	93,146,734	59,623,302
Raw Materials:		781,397,454	841,235,114
Virgin Cotton	3,512,530	711,032,631	706,511,015
Waste Cotton	640,733	18,537,250	32,875,119
Closing Damaged cotton of Fire under insurance claim	386,000	51,827,573	101,848,980
Packing Materials		9,512,174	6,112,210
Store Materials		25,142,906	9,895,598
		<u>1,418,814,384</u>	<u>1,182,102,564</u>

8.01 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.



Notes	Particulars	Amount in Taka		
		30.06.2022	30.06.2021	
9.00	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)	236,478,351	325,355,192	
III)	Accounts Receivable considered doubtful or bad	-	-	
IV)	Accounts Receivable due by any director or other officer of the company	-	-	
V)	Accounts Receivable due by Common management (Annexure	452,001,807	102,550,499	
VI)	The maximum amount of receivable due by any director or other officer of the company	-	-	
		<u>688,480,158</u>	<u>427,905,691</u>	
	Add: Exchange gain	59,641,595		
	Less: Adjustment of Bill Discounting (Net off Assets & Liabilities)	264,448,370	313,393,350	
		<u>483,673,383</u>	<u>114,512,341</u>	
	<u>Aging of Accounts Receivable:</u>			
	Dues within three months	441,669,016	174,943,325	
	Dues above three months but within six months	136,534,324	130,417,035	
	Dues above six months	110,276,818	122,545,332	
		<u>688,480,158</u>	<u>427,905,691</u>	
9.01	Adjustment of Bill Discounting (Net off Assets & Liabilities)			
	Woori Bank Limited	261,949,483	265,463,503	
	Southeast Bank Limited	2,498,887	47,929,847	
		<u>264,448,370</u>	<u>313,393,350</u>	
10.00	Advances, Deposits & Pre-Payments			
	Advance against Purchase	Note-10.01	70,067,265	76,655,459
	Advance against Factory Expenses		2,648,968	2,308,820
	Advance against L/c and L/C Margin		81,571,440	137,863,495
	Advanced for Ring Spinning Project		1,222,456	1,222,456
	Bank Guarantee for CDBL		1,176,349	1,176,349
	Titas Gas Security Deposits		11,765,200	11,765,200
	Prepaid Insurance		307,835	306,172
	Tax deducted at sources	Note-10.02	21,667,015	9,741,631
			<u>190,426,528</u>	<u>241,039,582</u>
	Bank guarantee is provided for CDBL & Titas Gas security deposits purpose.			
10.01	Advance against Purchase			
	Dues within three months		16,715,971	52,303,274
	Dues above three months but within six months		29,571,234	13,713,966
	Dues above six months		23,780,060	10,638,219
			<u>70,067,265</u>	<u>76,655,459</u>



Notes	Particulars	Amount in Taka			
		30.06.2022	30.06.2021		
10.02	Tax Deductions at Sources				
	Opening Balance	9,741,631	953,292		
	Addition during the period	11,925,384	8,788,339		
		21,667,015	9,741,631		
	Break-up of opening balance as follows:				
	Fiancial year:				
	2018-2019	113,528			
	2019-2020	839,754			
	2020-2021	8,788,339			
	Total	9,741,621			
11.00	Cash and Cash Equivalents				
		1,611,423	3,849,079		
	Cash in Hand	1,611,423	3,849,079		
	Cash at Banks:	64,589,582	20,754,177		
	IBBL Mouchak #20501450100327918	1,287,848	118,973		
	IBBL Mouchak #20501452500004916	197,449	1,120,378		
	IBBL Mouchak #20501452600004917	60,812	94,739		
	IBBL Bhulta #20502800100215106	5,922,818	902,175		
	IBBL(FCAD ORQ) Mouchak #20501452800001714	98,216	3,000		
	IBBL(FC Held BB LC) Mouchak #20501452300004914	389,504	-		
	SEBL Dhanmodi #1211100015657	18,213	2,797,556		
	DBBL Bhulta # 1761200001733	12,749	14,145		
	DBBL Bashundhara # 1471100005894	2,045,700	2,033,333		
	MBL Pragati Sarani # 114711123026113	-	92,934		
	MBL Pragati Sarani # 1111000926026	74,254	-		
	EBL Principal	1,568	1,531		
	EBL Principal #1011360231502	155,371	153,403		
	Woori Bank FC #1509640003099	2,252,453	9,596,160		
	Woori Bank RQA	13,226,369	3,023,472		
	Woori Bank #1509640002993	177,764	453,619		
	Agrani Bank Foreign Ex # 0200017638659	4,082	-		
	Agrani Bank Foreign Ex # 0200018756001	38,095,256	-		
	NCC Bank Mohakhali Branch #1250325000048	349,656	348,759		
	NCC Bank Dilkusha Branch #0028-0210022678	219,501	-		
		66,201,005	24,603,256		
12.00	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-12.01	1,009,933,740	1,009,933,740		
		1,009,933,740	1,009,933,740		
12.01	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



Notes	Particulars	Amount in Taka	
		30.06.2022	30.06.2021
	Date	Particulars	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
13.00	Revaluation Reserve		
	Opening Balance	510,760,689	130,314,640
	Add: Addition during the Year	-	380,446,049
		510,760,689	510,760,689
	Less: Related Deferred Tax on Revaluation 2%	(10,215,214)	(10,215,214)
		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.		
14.00	Retained Earnings		
	Details are as follows:		
	Opening Balance	250,996,287	204,669,050
	Add: Net Profit / (Loss) for the period	193,945,214	52,426,567
	Total	444,941,501	257,095,617
	Cash Dividend 1%(For all Public Shareholder)	-	(6,099,330)
	Cash Dividend 3%(For all Public Shareholder)	(18,297,989)	-
	Retained Earnings	426,643,512	250,996,287
15.00	Long Term Borrowings		
	Hajj Finance Com. Ltd - 1813	28,614,166	32,975,403
	Hajj Finance Com. Ltd - 1925	57,752,884	63,150,618
	Hajj Finance Com. Ltd - 1947	191,244,230	189,515,174
	Hajj Finance Com. Ltd - 2149	25,263,530	26,495,885
	IBBL HPSM-20501454300078403	941,772	2,855,984
	IBBL HPSM-20501454300083317	1,016,638	1,545,374
	IBBL HPSM-20501454300083500	1,231,534	1,728,657
	IBBL HPSM-20501454300089001	11,907,361	13,281,248
	IBBL HPSM-20501454300095301	103,905,327	104,040,714
	IBBL HPSM-20501454300097909	53,981,741	53,148,856
	IBBL HPSM-20501454300098405	75,735,058	74,142,257
	IBBL HPSM-20501454300111713	113,640,000	-
	IBBL HPSM-20501454300111814	56,670,000	-
	IBBL HPSM-FC-20500246106759815	1,226,678,881	1,187,921,826
	IDLC	35,341,153	37,515,560
	Total	1,983,924,275	1,788,317,557
	Less: Current portion of Long term loan	(242,355,832)	(193,766,270)
		1,741,568,443	1,594,551,287



Notes	Particulars	Amount in Taka	
		30.06.2022	30.06.2021
	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		
	D. Personal Guarantee of all Directors of the Project Companies & Mortgages of their individual properties.		
16.00	Deferred Tax		
	Book value of Depreciable asset	2,840,924,578	3,044,250,609
	Tax base Written down value	2,278,827,740	2,684,560,487
	Unabsorbed Depreciation	300,884,155	344,308,951
	Less : Tax base value of depreciable assets	2,579,711,895	3,028,869,438
	Taxable temporary difference	261,212,683	15,381,171
	Effective Tax rate	15%	15%
	Deferred tax liabilities/(asset) on original cost of assets	39,181,902	2,307,176
	Deferred tax liabilities on revaluation surplus Note-16.01	10,215,214	10,215,214
	Deferred tax liabilities/(asset) on Gratuty Provision	(378,750)	
	Total closing deferred tax liabilities/(assets)	49,018,366	12,522,390
16.01	Deferred Tax on Revalation 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
16.02	Deferred Tax on Gratuity Provision		
	Gratuity Provision	2,525,000	-
	Effective Tax Rate	15%	15%
	Total taxable temporary difference	378,750	-
16.02	Deffered Tax (Income) / Expenses		
	Closing Deferred Tax Liabilities	49,018,366	12,522,390
	Opening Deferred Tax Liabilities	12,522,390	(6,966,655)
	Deferred tax (Income)/ Expenses	36,495,976	19,489,045
17.00	Accounts Payable		
	Trade Creditors (Annexure-C)	165,640	133,462
	Bills Payable (Annexure-C)	18,691,681	6,752,910
		18,857,321	6,886,372
18.00	Cash Dividend Payable		
	Opening Balance	812,864	469,705
	Add: Cash Dividend During the year	18,297,989	6,099,330
		19,110,853	6,569,035
	Less: Cash Dividend Paid to BSEC	469,705	-
	Less: Cash Dividend Disbursement to Public Shareholder	18,078,488	5,756,171
		562,660	812,864
	Cash dividend payable amounting tk. 343,159 is less than two years and tk. 219,501 is payable for less than one year		
19.00	Long Term Borrowings- Current Maturity		
	Islami Bank Bangladesh Ltd,Hajj Finance Ltd and IDLC	242,355,832	193,766,270
		242,355,832	193,766,270

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



Notes	Particulars	Amount in Taka	
		30.06.2022	30.06.2021
20.00	Refundable fund of IPO subscribers		
	Refund warrant to IPO subscribers	2,755,000	2,755,000
	Less: Paid to BSEC	2,755,000	-
		<u>-</u>	<u>2,755,000</u>
21.00	Short Term Borrowings		
	Murabaha TR	234,330,544	283,928,773
	Stimulus Fund	107,047,122	122,074,748
	Bai Murabaha	110,826,775	191,577,359
	MFCI	939,738,081	1,048,547,399
	Car Loan (Hajj Finance Co. Ltd-1034)	-	131,560
	Agrani Bank -PAD	103,840,120	-
	Add: Exchange Loss	83,717,867	-
	Total short term loan	<u>1,579,500,509</u>	<u>1,646,259,839</u>
	This represents amount excluded by the following Banks as working capital which are fully secured by Stock hypothecation and Export bills receivable at the terms & condition given below.		
	1. Purpose of Investment - To purchase/import raw materials for the project.		
	2. Period of Investment - 01 (one) year on revolving basis.		
	3. Rate of return -9% per annum or the rate to be determined by the bank from time to time.		
	4. Collateral:		
	A. 156.10 decimal project land along with 88,200 sft. Project building vide FSV 81.36 million.		
	B. 397.00 decimal project land along with 1,89,4825 sft. Project building vide FSV 251.20 million.		
	C. 505.04 decimal project land along with 2,49,904 sft. Factory building vide FSV 598.51 million by		
	D. Personal Guarantee of all Directors of the Project Companies & Mortgages of their individual properties.		
22.00	Provision for Income tax		
	Opening Balance	80,938,725	84,700,386
	Provision for the period	Note-22.01 11,862,884	8,738,339
	Total	<u>92,801,609</u>	<u>93,438,725</u>
	Tax Paid to DCT against Claim for Assessment 2014-2015	6,000,000	-
	Tax Paid to DCT against Claim for Assessment 2015-2016	4,000,000	-
	Tax Paid to DCT against Claim for Assessment 2017-2018	1,000,000	12,500,000
	Closing Balance	<u>81,801,609</u>	<u>80,938,725</u>
22.01	Current Tax		
	A. Regular tax		
	Profit Before Tax	242,304,074	80,653,951
	Less: Other Income	(5,769,922)	(1,453,127)
	Add: Accounting Depreciation	246,155,981	161,743,397
	Less: Tax Depreciation	(450,805,181)	(306,797,896)
	Taxable Income for the period	<u>43,424,796</u>	<u>(65,853,675)</u>
	Rate of Tax	15%	15%
	Tax on business	6,513,719	(9,878,051)
	Add: 22.5 % Tax on Other Income	(1,334,402)	(326,954)
	Total Provision for the Period	<u>5,179,317</u>	<u>(10,205,005)</u>
	B. Minimum tax		
	Turnover and other income	2,891,926,939	1,561,443,196
	Minimum tax rate	0.40%	0.30%
		<u>11,567,708</u>	<u>4,684,330</u>
	C. Advance Income Tax	<u>11,862,884</u>	<u>8,738,339</u>
	Current tax expenses (Higher of A,B & C)	<u>11,862,884</u>	<u>8,738,339</u>



Notes	Particulars	Amount in Taka	
		30.06.2022	30.06.2021

23.00 Accrued Expenses

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

Audit and others fees	186,750	463,750
Salaries & Wages	17,962,491	12,263,388
Remuneration	400,000	200,000
Gas Bill	86,046,447	51,372,128
WPPF Payable	58,357,652	41,659,863
Gratuity	2,525,000	-
	165,478,340	105,959,129

Gratuity amount is calculated on lum sum basis

Notes	Particulars	Amount in Taka	
		July 01, 2021 to June 30, 2022	July 01, 2020 to June 30, 2021
24.00	Turnover		
		Qty. (kg.)	Avg. Rate
	Yarn 20's	1,291,815	303
	Yarn 06's	25,150	232
	Yarn 16's	1,901,780	344
	Yarn 30's	1,423,160	374
	Yarn 12's	141,324	266
	Yarn 07's	236,827	239
	Yarn 08's	8,804	240
	Yarn 10's	1,686,488	307
	Yarn 09's	21,953	273
	Yarn 14's	62,059	377
	Yarn 18's	-	-
	Yarn 22's	186,150	358
	Yarn 24's	233,150	404
	Yarn 24's,14's	-	-
	Yarn 26's	338,745	397
	Yarn 28's	257,700	377
	Yarn 26's,28's	-	-
	Yarn 32's	60,000	385
	Yarn 34's	181,620	410
	Yarn 36's	215,200	539
	Yarn 40's	156,340	407
	Yarn 45 pc	-	-
		8,428,264 -	2,897,696,861
			1,562,896,324
25.00	Cost of Goods Sold		
	Raw materials consumed	Note-25.01	1,994,891,818
	Accessories & Stores Consumed	Note-25.02	43,046,386
	Packing Materials Consumed	Note-25.03	17,044,777
	Factory overhead	Note-25.04	548,255,167
	Opening Work-in-Process		59,623,302
	Closing Work-in-Process		(93,146,734)
	Cost of Production		2,569,714,716
	Opening stock of Finished Goods		190,236,340
	Primary estimation of damage stock of Finished Goods and		75,000,000
	Cost of Goods Available for Sale		2,834,951,056
	Closing stock of Finished Goods		(418,261,377)
	Primary estimation of damage stock of Finished Goods and		(91,353,739)
	Wastage Sales		(885,068)
	Cost of Goods Sold		2,324,450,872
			1,262,667,334

Notes	Particulars	Amount in Taka	
		July 01, 2021 to June 30, 2022	July 01, 2020 to June 30, 2021
25.01	Raw Materials Consumption		
	Opening Raw Materials	739,386,134	610,946,921
	Opening Damaged cotton of Fire under insurance claim	101,848,980	-
	Recovery from Damaged cotton of Fire	33,233,292	-
	Purchase during the period	1,951,842,273	1,257,779,084
	Available for use	2,826,310,679	1,868,726,005
	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)	(101,848,980)
	Closing Raw Materials	(729,569,881)	(739,386,134)
		1,994,891,818	1,027,490,891
25.02	Accessories & Stores Consumption		
	Opening Accessories & Stores	9,895,598	16,781,912
	Purchase during the period	58,293,694	14,000,828
	Available for use	68,189,292	30,782,740
	Closing Accessories & Stores	(25,142,906)	(9,895,598)
		43,046,386	20,887,142
25.03	Packing Materials Consumption		
	Opening Packing Materials	6,112,210	2,734,910
	Purchase during the period	20,444,741	12,117,406
	Available for use	26,556,951	14,852,316
	Closing Packing Materials	(9,512,174)	(6,112,210)
		17,044,777	8,740,106
25.04	Factory Overhead		
	Gas Bill	179,176,589	102,173,385
	Wages	108,002,002	101,588,910
	Repair & Maintenance	1,689,479	1,601,883
	Factory Insurance	7,488,998	7,250,967
	Sundry Carrying Charges	269,094	1,170,170
	Sundry daily labor charges	1,028,759	1,403,482
	Damage of Building and Civil Construction	4,619,184	-
	Medical & other Expenses	339,030	69,791
	Depreciation	245,642,032	161,292,103
		548,255,167	376,550,691
26.00	Other Income		
	Interest on Bank Account	21,561	14,073
	Exchange Rate Fluctuation Gain/(Loss)	(5,939,331)	(1,537,580)
	Profit from Associate	147,848	70,380
		(5,769,922)	(1,453,127)

(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, 2021 to June 30, 2022	July 01, 2020 to June 30, 2021
27.00	Administrative Expenses		
	Salary and Allowances	45,683,687	39,888,189
	Festival Bonus	9,343,416	7,310,381
	Audit Fee	186,750	186,750
	Managing Director Remuneration	1,100,000	600,000
	Director's Remuneration	3,300,000	1,800,000
	Board Meeting Fees	108,000	90,000
	Employee Fooding Bill	539,212	549,616
	Traveling and Conveyance	97,002	170,917
	House & Office rent	897,000	897,000
	Telephone & Mobile Bill	242,800	162,550
	Company Secretarial, Regulatory Fee and AGM Expense	1,496,563	1,192,802
	Subscription and Donations	183,000	281,000
	Fees, Renewals and other Expenses	1,484,444	1,461,846
	Fuel expenses	1,595,716	1,027,767
	Gratuity	2,525,000	-
	IT Solution	151,400	41,400
	Interest on WPPF	4,582,585	3,728,819
	Depreciation	513,949	451,294
		74,030,524	59,840,331
	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	1,100,000	600,000
	Director's Remuneration	3,300,000	1,800,000
	Board Meeting Fees	108,000	90,000
		4,508,000	2,490,000
28.00	Marketing and Distribution Expenses		
	Salaries and Allowances	254,467	401,066
	Advertisement	163,680	143,500
		418,147	544,566
29.00	Financial Expenses		
	Bank Charges and Commission	4,203,110	9,526,023
	Interest on HPSM	86,512,303	31,313,116
	Interest on BAI Murabaha	19,827,686	26,894,029
	Interest on Murabaha TR	24,335,619	24,316,367
	Interest on Woori -IDBP	10,023,088	6,437,932
	Interest on Hajj Finance	43,155,324	35,330,436
	Interest on MFCI	39,485,214	13,589,134
	Interest on IDLC	7,077,763	5,918,361
	Interest on IBP SEBL	2,738,495	378,919
	Interest on Agrani Bank PAD	1,249,516	-
		238,608,118	153,704,317
30.00	Basic Earning Per Share		
	Net Profit after Taxes	193,945,214	52,426,567
	Number of Shares for respected period	100,993,374	100,993,374
	Earning per share (Taka) (Basic)	1.92	0.52

Notes	Particulars	Amount in Taka	
		July 01, 2021 to June 30, 2022	July 01, 2020 to June 30, 2021
	Net Profit after Taxes	193,945,214	52,426,567
	Weighted Average Number of Share	100,993,374	100,993,374
	Earning per share (Taka) (Adjusted)	1.92	0.52
	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
31.00	Net Operating Cash Flow Per Share(NOCFPS)		
	Cash flow from operating activities	218,224,382	(1,048,852,159)
	Number of Share	100,993,374	100,993,374
	Net Operating Cash Flows per Share (NOCFPS)	2.16	(10.39)
32.00	Net Asset Value Per Share (NAVPS)		
	Net Asset Value	2,009,968,144	1,834,320,919
	Number of Shares	100,993,374	100,993,374
	Net Asset Value Per Share (NAVPS)	19.90	18.16
33.00	General:		
	i) 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.		
	ii) The receivable issues were under police Judi cation as the concern filled a case as well as the party had already agreed about receiving the goods against their LC. As there is possibility to receive the amount.		
33.01	Claims not Acknowledged		
	There is no claim against the Company not acknowledged as debt as at 30.06.2022		
33.02	Credit Facilities not Availed		
	There is no credit facilities extended to the Company but nor availed of as at 30.06.2022, under any contract, other than trade credit available in the ordinary course of business.		
33.03	Commission, Brokerage or Discount Against Sales		
	No commission, brokerage or discount was incurred or paid by the Company against sales during the period ended 30.06.2022		
33.04	Directors Responsibility Statements		
	The Board of Directors and management of the company takes the responsibility for the preparation and presentation of these financial statements as per section 183 of Companies Act 1994 and Corporate Governance Guidelines issued by Bangladesh Securities & Exchange Commission (BSEC) .		

Notes	Particulars	Amount in Taka	
		July 01, 2021 to June 30, 2022	July 01, 2020 to June 30, 2021

33.05 Employees Details:

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

33.06 Rounding Off

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

33.07 Reconciliation of Net Income with Cash Flows from Operating Activities

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

Profit before Income Tax	242,304,074	80,653,951
Adjustment for items not involving movement of cash:		-
Depreciation on Property, Plant and Equipment	246,155,981	161,743,397
Damage of Building and Civil Construction	5,997,984	
Financial Expenses	238,608,118	153,704,317
Profit from associates	(147,848)	-
Foreign Exchange Gain/(Loss)	76,395,388	(1,552,609)
	809,313,697	394,549,057
(Increase)/Decrease in Accounts Receivable	(445,556,431)	31,011,344
(Increase)/Decrease in Inventory	(236,711,820)	(396,928,981)
(Increase)/Decrease in Advance, Deposits & Prepayments	55,950,244	(145,497,929)
Increase/(Decrease) in Accounts Payable	10,587,801	(817,426,254)
Increase/(Decrease) in Accrued expenses	59,519,211	(15,301,243)
Increase/(Decrease) in Goods in Transit	(11,952,938)	(70,360,892)
(increase)/Decrease Revaluation deferred Tax	-	(7,608,921)
	(568,163,932)	(1,422,112,876)
Tax Paid to DCT against Claim for Assessment 2017-2018	(1,000,000)	(12,500,000)
Tax Paid to DCT against Claim for Assessment 2014-2015	(6,000,000)	-
Tax Paid to DCT against Claim for Assessment 2015-2016	(4,000,000)	-
Income Tax paid during the year	(11,925,384)	(8,788,339)
Net Cash Flows from operating activities	218,224,382	(1,048,852,159)

33.08 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	5,155,807	739,386,134	8,908,933	1,951,842,273	10,469,808	(1,994,891,818)	4,153,263	729,569,881
Packing Materials	-	6,112,210	-	20,444,741	-	(17,044,777)	-	9,512,174
Spare Parts	-	9,895,598	-	58,293,694	-	(43,046,386)	-	25,142,906
Work in progress	-	59,623,302	-	-	-	-	-	93,146,734
Finished goods	832,718	249,859,642	-	-	8,986,757	3,142,075,637	1,379,661	418,261,377

Value of Export

Particular	In Foreign Currency USD	In BDT
Export	\$ 33,694,150	2,897,696,861

33.09 Details of capacity has given below

Particular	License Capacity	Installed Capacity	Actual Production
Annual Production (kg) Rotor Unit	6,600,000	6,600,000	8,986,757
Annual Production (kg) Ring Unit	6,600,000	6,600,000	



34.00 Financial risk management

34.01 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.

34.02 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, 2022:

Maturity analysis

Particulars	Current	>30 days	>90 days	>180 days	Total
Loans and receivables:					
Cash and Cash Equivalents	66,201,005				66,201,005
Trade and Other Receivables	114,746,693	57,373,347	172,120,040	344,240,079	688,480,158
Advances, Deposits and Prepayments	31,737,755	15,868,877	47,606,632	95,213,264	190,426,528
Balance at June 30, 2022	212,685,453	73,242,224	219,726,671	439,453,343	945,107,691

Financial liabilities measured at amortized cost:					
Long Term Loan				1,983,924,275	1,983,924,275
Short Term Bank Loans and Others	249,297,107	124,648,554	373,945,661	747,891,321	1,495,782,642
Trade and Other Payables	3,142,887	1,571,443	4,714,330	9,428,661	18,857,321
Liabilities for Expenses	26,430,891	13,215,445	39,646,336	79,292,672	158,585,343
Balance at June 30, 2022	278,870,884	139,435,442	418,306,327	2,820,536,928	3,657,149,581



34.03 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.

34.04 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.

34.05 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.

34.06 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	1,983,924,275			330,654,046	1,653,270,229
Short Term Bank Loans and Others	1,579,500,509	394,875,127	1,184,625,382		
Trade and Other Payables	18,857,321	4,714,330	14,142,991		
Liabilities for Expenses	165,478,340	41,369,585	124,108,755		
Balance at June 30, 2022	3,747,760,445				



35.00 Event after the Balance Sheet Date:

35.01 The Board of Directors in its meeting held on October 29, 2022 has approved the Financial Statements for the year ended June 30, 2022 recommend 6% cash dividend for all shareholder which is subject to approval by the shareholders at the forthcoming Annual General Meeting (AGM) and authorize the financial statements for issue.

35.02 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.

Sd/-
Chief Financial Officer

Sd/-
Company Secretary

Sd/-
Director

Sd/-
Managing Director

Sd/-
Chairman

36.00 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	4,400,000
(b)	Any other perquisite or benefits in cash or in kind stating, approximate money value applicable.	108,000
(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 01.07.2021	Addition during the Period	Realized during the Period	Balance as at 30.06.2022
(a)	SIM Fabrics Limited	Common Management	102,550,499	2,099,060,220	1,749,608,912	452,001,807
	Total		102,550,499	2,099,060,220	1,749,608,912	452,001,807

Mozaffar Hossain Spinning Mills Limited
Annexure of Property, Plant & Equipment
As at June 30, 2022

Annexure-A
Amounts in Taka

Cost:

Particulars	COST				Rate of Dep.	DEPRECIATION				Written down value as at 30.06.2022
	As at July 01, 2021	Addition during the period	Adjustment	Closing Balance As on 30.06.2022		As at July 01, 2021	Charged during the Period	Adjustment	Closing Balance As on 30.06.2022	
Land & Land Dev.	286,621,311	4,706,117	-	291,327,428	-	-	-	-	-	291,327,428
Factory Building	1,345,639,127	40,113,018	3,157,000	1,382,595,145	5%	135,032,990	62,378,108	952,349	196,458,749	1,186,136,396
Plant & Machinery	2,379,105,000	7,697,816	4,580,650	2,382,222,166	10%	549,582,925	183,263,924	787,317	732,059,532	1,650,162,634
Vehicle	5,586,326	-	-	5,586,326	10%	2,835,241	275,108	-	3,110,349	2,475,977
Furniture & Fixture	1,728,415	-	-	1,728,415	10%	1,464,291	26,412	-	1,490,703	237,712
Air Condition	1,267,500	763,200	-	2,030,700	10%	221,063	180,964	-	402,027	1,628,674
Office Equipment	-	199,900	-	199,900	10%	-	19,990	-	19,990	179,910
Computer Equipment	67,500	54,000	-	121,500	10%	6,750	11,475	-	18,225	103,275
Balance as on 30.06.2022	4,020,015,179	53,534,051	7,737,650	4,065,811,580		689,143,259	246,155,981	1,739,666	933,559,574	3,132,252,006

Revaluation:

Particulars	COST				Rate of Dep.	DEPRECIATION				Written down value as at 30.06.2022
	As at July 01, 2021	Addition during the period	Adjustment	Closing Balance As on 30.06.2022		As at July 01, 2021	Charged during the Period	Adjustment	Closing Balance As on 30.06.2022	
Land & Land Dev.	510,760,689			510,760,689	-	-	-		-	510,760,689
Balance as on 30.06.2022	510,760,689	-	-	510,760,689	-	-	-	-	-	510,760,689
Balance as on 30.06.2022	4,530,775,868	53,534,051	7,737,650	4,576,572,269	-	689,143,259	246,155,981	1,739,666	933,559,574	3,643,012,695

Depreciation Charged To:-

Administrative Cost	513,949
Manufacturing Cost	<u>245,642,032</u>
Total	<u>246,155,981</u>

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

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

Annexure-A
Amounts in Taka

Cost:

Particulars	COST				Rate of Dep.	DEPRECIATION				Written down value as at 30.06.2021
	As at July 01, 2020	Addition during the period	Adjustment	Closing Balance As on 30.06.2021		As at July 01, 2020	Charged during the Period	Adjustment	Closing Balance As on 30.06.2021	
Land & Land Dev.	286,621,311	-		286,621,311	-	-	-		-	286,621,311
Factory Building	1,296,524,939	49,114,188		1,345,639,127	5%	71,316,877	63,716,112		135,032,990	1,210,606,137
Plant & Machinery	462,545,918	1,916,559,082		2,379,105,000	10%	452,013,684	97,569,241		549,582,925	1,829,522,075
Vehicle	5,586,326	-		5,586,326	10%	2,529,565	305,676		2,835,241	2,751,085
Furniture & Fixture	1,728,415	-		1,728,415	10%	1,434,944	29,347		1,464,291	264,124
Air Condition	1,267,500	-		1,267,500	10%	104,792	116,271		221,063	1,046,438
Computer Equipment	-	67,500		67,500	10%	-	6,750		6,750	60,750
Balance as on 30.06.2021	2,054,274,409	1,965,740,770		4,020,015,179		527,399,862	161,743,397		689,143,259	3,330,871,920

Revaluation:

Particulars	COST				Rate of Dep.	DEPRECIATION				Written down value as at 30.06.2021
	As at July 01, 2020	Addition during the period		Closing Balance As on 30.06.2021		As at July 01, 2020	Charged during the Period		Closing Balance As on 30.06.2021	
Land & Land Dev.	130,314,640	380,446,049		510,760,689	-	-	-		-	510,760,689
Balance as on 30.06.2021	130,314,640	380,446,049		510,760,689	-	-	-		-	510,760,689
Balance as on 30.06.2021	2,184,589,049	2,346,186,819		4,530,775,868	-	527,399,862	161,743,397		689,143,259	3,841,632,609

Administrative Cost	451,294
Manufacturing Cost	161,292,103
Total	<u>161,743,397</u>

Note: 01. 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, 2022

Disclosure as per requirement of Schedule XI, Part - I (A. Horizontal Form) of Companies Act.1994
In regard to sundry debtors the following particulars' shall be given separately:-

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

Amounts in Taka

Name of Customer	Balance as at 01.07.2021	Addition during the period	Realized during the period	Balance as at 30.06.2022
ACS Textile Ltd.	83,474,580	296,334,690	207,213,432	172,595,838
ACS Towel Ltd.	37,863,420	32,116,950	60,819,150	9,161,220
Rownok Textile Mills	18,489,542	8,823,729	22,789,628	4,523,643
Moom Tex. Expo Ltd	6,953,520	13,440,000	20,393,520	-
Adnan	979,440	-	979,440	-
Aswad Composite Mills Limited	79,800	-	79,800	-
Impress-newtex Composite Textile Ltd	-	54,847,262	23,782,472	31,064,791
Sea Blue Textile Limited	39,330,648	-	39,330,648	-
Shabab Fabrics Ltd	19,567,800	30,114,446	49,682,246	-
Alema Textile Limited	8,925,420	-	8,925,420	-
Arkay Knit Dyeing Mills Ltd	32,148,732	1,720,950	33,869,682	-
Cleartex Industries Ltd	2,817,360	-	2,817,360	-
Farzana Fashions World Ltd	-	10,790,400	10,790,400	-
Glorius Sun Fashion Garments Ltd	12,215,700	-	12,215,700	-
Hamza Trims Ltd	5,712,000	-	5,712,000	-
Handz Clothing BD Ltd	13,608,000	-	13,608,000	-
K.R Knitwear Ltd	3,314,850	-	3,314,850	-
Heaven Textile Mills	3,427,200	-	3,427,200	-
Mof Fashions Limited	8,505,000	-	8,505,000	-
Mohammadi Group Ltd	10,963,260	-	-	10,963,260
Generation Next Fashions Ltd	-	33,660,183	25,490,583	8,169,600
Noor Knit (BD) Ltd	5,532,240	-	5,532,240	-
Silver Apparels Limited	11,446,680	361,200	11,807,880	-
Knit Reign (PVT) Ltd	-	4,160,100	4,160,100	-
Hams Garments Ltd	-	192,857,025	192,857,025	-
Taratex Fashion Ltd	-	30,528,953	30,528,953	-
Ragadi Textile Ltd	-	8,905,493	8,905,493	-
Ripon Knitwear Ltd.	-	48,629,003	48,629,003	-
Versatile Textiles Limited	-	23,833,033	23,833,033	-
Keya Cosmetics Ltd	-	7,513,224	7,513,224	-
Sub-total	325,355,192	798,636,641	887,513,482	236,478,351

Accounts Receivable due by Common management:

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

Amount in Taka

Name of Customer	Balance as at 01.07.2021	Addition during the period	Realized during the period	Balance as at 30.06.2022
SIM Fabrics Limited	102,550,499	2,099,060,220	1,749,608,912	452,001,807
Sub-total	102,550,499	2,099,060,220	1,749,608,912	452,001,807
Total	427,905,691	2,897,696,861	2,637,122,393	688,480,158

Mozaffar Hossain Spinning Mills Limited

Schedule of Trade Creditors

As at June 30, 2022

Annexure-C
Trade Creditors:
Amounts in Taka

Name of Supplier	Balance as at 01.07.2021	Payment during the Period	Bill during the Period	Balance as at 30.06.2022
AB Enterprise	133,462	298,164,624	298,196,802	165,640
Sub Total (A)	133,462	298,164,624	298,196,802	165,640

Bills Payable:
Amounts in Taka

Name of Supplier/Service Provider	Balance as at 01.07.2021	Payment during the Period	Bill during the Period	Balance as at 30.06.2022
Aamra Network Ltd	-	86,600	110,000	23,400
Amreen Refrigeration & Engineering	267,500			267,500
AMSLER Textile Effect Systems	199,200			199,200
Ashik & Brother		56,000	213,620	157,620
Automation Engineering & Controls Ltd		346,545	2,300,000	1,953,455
Asia Pacific Textrade Ltd	715,650	400,000		315,650
Bangladesh Association of Public Listed Co.	100,000	50,000	100,000	150,000
Bangla Trac Limited	11,001	6,913,169	6,980,093	77,925
Bengal Development Corporation		157,200	305,290	148,090
Beximco Online	3,450	41,400	41,400	3,450
Bestair Engineering	46,050	46,050		-
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
Daily Sharebazar. com		10,000	10,000	-
Dhaka Stock Exchange LTd	960,604	1,597,042	1,026,563	390,125
Emerging Credit Rating Ltd		36,000	43,000	7,000
F A Labib Internation Ltd		2,350,000	2,350,000	-
Galaxy Corporation		160,000	160,000	-
Global Insurance Ltd.		86,939	238,852	151,913
Homeland Engineerings Construction		300,000	1,510,639	1,210,639
Islami Insurance Bangladesh Ltd.		422,658	453,012	30,354
Jamuna Engineering		425,000	1,457,853	1,032,853
Mahin Enterprise & Packaging	156,147	50,000	-	106,147
Minarva Engineering Works	13,606	700,000	717,654	31,260
Monir Steel House	83,800	10,591,193	11,136,150	628,757
MH Rubber & Plastic Machineries Ltd.	91,552		15,000	106,552
MS Enterprise	188,260	1,787,740	1,670,213	70,733
New Asia Ltd		147,582	161,582	14,000
New Mokka Trading	197,176		-	197,176
Maa Enterprise& Packaging	22,221	3,218,415	3,217,087	20,893
Mostakim Enterprise	19,120	4,703,900	5,102,310	417,530
Orient Plastic & Packing Ind. Ltd	30,000			30,000
Peoples Insurance Company Ltd.	856,317	2,411,512	2,022,254	467,059
Power Breeze Engineering Ltd			3,960,000	3,960,000
Reyan Machinery	178,725			178,725
Kaizer Enterprise	49,794			49,794
Sabuj Timber & Traders	17,949	57,470	161,370	121,849
Sharp Electronics			130,000	130,000
Takaful Islami Insurance		335,618	335,618	-
Touch Paper Products	313,718	400,000		(86,282)
Textile Associates Ltd	99,510	5,000	35,000	129,510

Name of Supplier/Service Provider	Balance as at 01.07.2021	Payment during the Period	Bill during the Period	Balance as at 30.06.2022
Trust Auto Solution		130,000	140,450	10,450
S.R Shipping Agency	103,738	854,000	1,042,234	291,972
Sun Electronic		175,000	175,000	-
Suntech HVAC			763,200	763,200
Amra Bangla	10,000			10,000
SAIL International Ltd	35,300	100,000	229,800	165,100
Social Paribahan		424,000	424,000	-
Step Transmission	90,078	300,000	238,610	28,688
Steel King			1,585,730	1,585,730
Raju. Engineering & Service Centre	30,000	140,000	70,000	(40,000)
Republic Insurance Company Ltd		22,301	22,301	-
Riya Enterprise	64,400	100,000	772,750	737,150
Solution Technology	56,000	78,000	198,000	176,000
Fahim Transport Agency	17,500	200,000	207,500	25,000
Uttara Paper		1,249,643	1,309,738	60,095
Ahee-Sohi Transport Agency	118,100			118,100
One Inspection & Testing Services(BD) Ltd	226,882	348,500	594,375	472,757
Volcan Trade Engineering		588,000	588,000	-
Sub Total (B)	6,752,910	42,602,477	54,541,248	18,691,681
Total (A+B)	6,886,372	340,767,101	352,738,050	18,857,321