

**Mozaffar Hossain Spinning Mills Limited**  
**Financial Statements**  
**As at June 30, 2024**



**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, 2024, statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information disclosed in notes 1 to 32 & Annexure- A to C.

In our opinion, the accompanying financial statements of the Company give a true and fair view of the financial position of the Company as at 30 June 2024, and of its financial performance and its cash flows for the year then ended in accordance with International Accounting Standards (IASs) and International Financial Reporting Standards (IFRSs) and other applicable laws and regulations.

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

##### **Key audit matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in the audit of the financial statements for the year ended on June 30, 2024. These matters were addressed in the context of the audit of the financial statements as a whole and in forming the auditors' opinion thereon and we do not provide a separate opinion on these matters.

We have fulfilled the responsibilities described in the auditors' responsibilities for the audit of the financial statements section of our report, including in relation to these matters.

Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatements of our financial statements, the results of our audit procedures, including the procedures performed to address the matters below;

Risk	Our Response to the risk
<b>Revenue</b>	
Refer note no. 22.00 to the Statement of Profit or Loss and Other Comprehensive Income	
<p>The company has different procedure of revenue recognition. Move over inter-company sales makes it complex audit issue</p>	<p><b>Our procedure includes:</b>  <b>Control test:</b> testing the effectiveness of the entity's control around the recording revenue recognition.  <b>Test of details:</b> 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.  Test the adjustments made for commission, sales return, discounts with the revenue.  <b>Assessing disclosure:</b> considering the adequacy of the entity's disclosure regarding revenue.  <b>Our result:</b> the result of our testing is satisfactory and we considered the carrying amount of revenue recognized to be acceptable and recorded in correctly.</p>
<b>Income tax</b>	
Refer note no 20.00 to the statement of financial position and note no 20.01 to the statement of profit or loss and other comprehensive Income.	
<p>The company has different items of income, assets and provisions which requires significant judgment for both in current tax and deferred tax calculation</p>	<p><b>Our Procedure includes:</b>  <b>Control test:</b> 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.    <b>Test of details:</b> obtaining supporting documents, checked calculation and challenged the amount as per our knowledge of corporate taxation both for current and deferred portion.    <b>Assessing disclosure:</b> considering the adequacy of the entity's disclosure regarding tax.    <b>Our result:</b> the results of our testing were satisfactory and we found the level of tax provisioning is acceptable.</p>

<b>Long Term Borrowings</b>	
Refer note no. 14.00 to the Statement of Financial Position	
<p>Long term loans were taken from Islami Bank Bangladesh Ltd., IDLC and Haj Finance company Ltd.</p> <p>Moreover, transfer of capital progress to PPE is also judgmental requires estimation.</p>	<p>Our procedure includes:</p> <ul style="list-style-type: none"> <li>• Testing the effectiveness of the company's control around the recording of loan, interest, and repayments.</li> <li>• Obtaining supporting documents of loan taken, utilization of loan, bank statements, and transaction recorded either side of the year and credit notes issued after the year-end to determine whether the amount recorded in the correct period;</li> <li>• Test interest rates application, calculation, and repayments for carrying amount and current and non-current distinguish;</li> <li>• Considering the adequacy of the company's disclosure regarding the Loan; and the result of our testing is satisfactory and we considered the carrying amount of the loan recognized to be acceptable and recorded correctly.</li> </ul>

### **Emphasis of Matter**

#### **We draw attention on the matters disclosed as below:**

We draw attention to note no. 4.25 of financial statements, which describes the matter.

### **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 issued by Bangladesh Securities and Exchange Commission, we also report that:

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

**Place: Dhaka**

Dated: 28 October 2024

**Sd/-**

**Mohammad Fakhrul Alam Patwary FCA**

Enrollment No: 1249

Managing Partner

**M.Z. Islam & Co.**

Chartered Accountants

**DVC: 2410281249AS195154**

**Mozaffar Hossain Spinning Mills Limited**
**Statement of Financial Position**

As at June 30, 2024

Particulars	Notes	Amount in Taka	
		June 30, 2024	June 30, 2023
<b>ASSETS:</b>			
<b>Non-Current Assets</b>		<b>3,515,313,715</b>	<b>3,563,022,210</b>
Property, Plant and Equipment's	5.00	3,515,313,715	3,563,022,210
<b>Investment</b>		<b>6,125,637</b>	<b>5,142,199</b>
Investment	6.00	6,125,637	5,142,199
<b>Current Assets</b>		<b>2,906,485,334</b>	<b>2,591,170,795</b>
Inventories	7.00	1,815,885,457	1,880,401,086
Accounts Receivable	8.00	727,168,158	383,427,710
Advances, Deposits & Pre-Payments	9.00	340,053,687	293,221,651
Cash and Cash Equivalents	10.00	23,378,032	34,120,349
<b>Total Assets</b>		<b>6,427,924,686</b>	<b>6,159,335,204</b>
<b>EQUITY AND LIABILITIES:</b>			
<b>Shareholders' Equity</b>		<b>2,018,739,820</b>	<b>1,948,313,855</b>
Share Capital	11.00	1,009,933,740	1,009,933,740
Revaluation Reserve	12.00	500,545,475	500,545,475
Tax Holiday Reserve		72,845,417	72,845,417
Retained Earnings	13.00	435,415,188	364,989,223
<b>Non-Current Liabilities</b>		<b>2,368,301,822</b>	<b>1,946,609,652</b>
Long Term Borrowings	14.00	2,265,232,063	1,886,621,690
Deferred Tax Liability	15.00	103,069,759	59,987,962
<b>Current Liabilities</b>		<b>2,040,883,044</b>	<b>2,264,411,697</b>
Accounts Payable	16.00	14,762,744	16,443,117
Cash Dividend Payable	17.00	599,778	1,324,274
Long Term Borrowings- Current Maturity	18.00	226,895,076	220,942,900
Short Term Borrowings	19.00	1,580,941,032	1,791,024,462
Provision for Tax	20.00	83,260,239	107,521,912
Accrued Expenses	21.00	134,424,175	127,155,032
<b>Total Equity &amp; Liabilities</b>		<b>6,427,924,686</b>	<b>6,159,335,204</b>
<b>Net Asset Value Per Share (NAVPS)</b>	<b>30.00</b>	<b>19.99</b>	<b>19.29</b>

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

<u>Sd/-</u>	<u>Sd/-</u>	<u>Sd/-</u>	<u>Sd/-</u>	<u>Sd/-</u>
Chief Financial Officer	Company Secretary	Director	Managing Director	Chairman

Signed in terms of our separate report of even date.

Date : 28 October 2024  
Place : Dhaka

Sd/-  
Mohammad Fakhru Alam Patwary, FCA  
ICAB Enrollment No. 1249  
Managing Partner  
M. Z. Islam & Co.  
Chartered Accountants  
DVC :2410281249AS195154

**Mozaffar Hossain Spinning Mills Limited**  
**Statement of Profit or Loss & Other Comprehensive Income**  
 For the Period from 01 July 2023 to 30 June 2024

Particulars	Notes	Amount in Taka	
		July 01, 2023 to June 30, 2024	July 01, 2022 to June 30, 2023
<b>Turnover</b>	<b>22.00</b>	2,978,369,024	2,844,162,504
Less: Cost of Goods Sold	<b>23.00</b>	2,382,188,719	2,383,711,461
<b>Gross Profit</b>		<b>596,180,306</b>	<b>460,451,043</b>
Other Income	<b>24.00</b>	(20,784,955)	(10,223,853)
<b>Operating Expenses:</b>		<b>70,240,496</b>	<b>75,678,932</b>
Administrative Expenses	<b>25.00</b>	69,351,398	75,022,397
Marketing and Distribution Expenses	<b>26.00</b>	889,098	656,535
<b>Profit from Operation</b>		<b>505,154,855</b>	<b>374,548,258</b>
Less: Financial expenses	<b>27.00</b>	351,946,981	308,496,137
<b>Net Profit Before WPPF</b>		<b>153,207,874</b>	<b>66,052,121</b>
Workers Profit Participation Fund		7,295,613	3,145,339
<b>Net Profit before Tax</b>		<b>145,912,261</b>	<b>62,906,782</b>
<b>Income tax expenses:</b>		<b>63,287,636</b>	<b>40,245,702</b>
Current tax	<b>20.01</b>	20,205,839	29,276,106
Deferred Tax Expenses/(Income)	<b>15.03</b>	43,081,797	10,969,596
<b>Net Profit after Tax Transferred to Equity</b>		<b>82,624,625</b>	<b>22,661,080</b>
<b>Earnings Per Share (EPS)</b>	<b>28.00</b>	<b>0.82</b>	<b>0.22</b>
<b>Number of Shares used to compute</b>	<b>No's</b>	<b>100,993,374</b>	<b>100,993,374</b>

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

Sd/- Chief Financial Officer	Sd/- Company Secretary	Sd/- Director	Sd/- Managing Director	Sd/- Chairman
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*Signed in terms of our separate report of even date.*

Date : 28 October 2024  
 Place : Dhaka

Sd/-  
 Mohammad Fakhru Alam Patwary, FCA  
 ICAB Enrollment No. 1249  
 Managing Partner  
 M. Z. Islam & Co.  
 Chartered Accountants  
 DVC :2410281249AS195154



**Mozaffar Hossain Spinning Mills Limited**  
Statement of Changes in Equity  
For the Period from 01 July 2023 to 30 June 2024

Particulars	Amount in Taka				
	Share Capital	Tax holiday Reserve	Revaluation Reserve	Retained Earnings	Total
<b>Balance as on 01.07.2023</b>	1,009,933,740	72,845,417	500,545,475	364,989,223	1,948,313,855
Net Profit / (Loss) for the period	-	-	-	82,624,625	82,624,625
Cash Dividend 2%(For all Public Shareholder without Directores)	-	-	-	(12,198,660)	(12,198,660)
<b>Balance as on 30.06.2024</b>	<b>1,009,933,740</b>	<b>72,845,417</b>	<b>500,545,475</b>	<b>435,415,188</b>	<b>2,018,739,820</b>

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

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

*The accompanying notes 1 to 32 & 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.*

Date : 28 October 2024  
Place : Dhaka

**Mozaffar Hossain Spinning Mills Limited**  
**Statement of Cash Flows**  
**For the Period from 01 July 2023 to 30 June 2024**

Particulars	Notes	Amount in Taka	
		July 01, 2023 to June 30, 2024	July 01, 2022 to June 30, 2023
<b>A. Cash flows from operating activities :</b>			
Cash Collection from Turnover and Others		2,357,230,236	2,726,397,552
Foreign Exchange Gain/(Loss)		256,613,386	207,313,973
Cash Paid to Suppliers, Employee and Others		(2,260,962,117)	(2,741,250,634)
<b>Cash Generated from Operation</b>		<b>352,881,504</b>	<b>192,460,891</b>
Income Tax Paid		20,995,651	(19,648,003)
<b>Net cash flows from/(used) in operating activities</b>		<b>373,877,155</b>	<b>172,812,888</b>
<b>B. Cash flow from investing activities:</b>			
Acquisition of Property, Plant & Equipment		(169,244,894)	(146,470,201)
Payment for Capital Work in Progress		-	1,222,456
Advance for Acquisition of Property, Plant & Equipment Investment		(24,485,658)	(28,742,404)
		(983,438)	-
<b>Net cash flows from/ (used) in Investing Activities</b>		<b>(194,713,990)</b>	<b>(173,990,149)</b>
<b>C. Cash flow from financing activities:</b>			
Received/(Repaid) short term loan		(210,083,430)	211,523,953
Financial Expenses		(351,946,981)	(308,496,137)
Cash Dividend Paid		(12,923,156)	(59,834,410)
Received/(Repaid) long term loan		384,562,549	123,640,315
<b>Net cash flows from/(used) in financing activities</b>		<b>(190,391,018)</b>	<b>(33,166,279)</b>
<b>D. Net Cash Increase/ (Decrease) (A+B+C)</b>		<b>(11,227,853)</b>	<b>(34,343,540)</b>
<b>E. Opening cash and cash equivalents at the beginning of the period</b>		<b>34,120,349</b>	<b>66,201,005</b>
<b>F. Closing cash and cash equivalents at the end of the period (D+E)</b>		<b>22,892,496</b>	<b>31,857,465</b>
<b>G. Unrealized FC Gain/(Loss) for Cash and Cash Equivalents</b>		<b>485,537</b>	<b>2,262,883</b>
<b>H. Cash and Cash Equivalents carried forward (F+G)</b>		<b>23,378,032</b>	<b>34,120,349</b>
<b>Net Operating Cash Flow Per Share</b>	<b>29.00</b>	<b>3.70</b>	<b>1.71</b>
<b>Number of Shares used to compute NOCFPS</b>		<b>100,993,374</b>	<b>100,993,374</b>

*The accompanying notes 1 to 32 & 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.*

Date : 28 October 2024  
Place : Dhaka

**Mozaffar Hossain Spinning Mills Limited**  
Notes to the Financial Statements  
For the period from 01 July, 2023 to 30 June, 2024

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

#### **4.4 Accrual Basis:**

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

#### **4.5 Structure, Content and Presentation of Financial Position:**

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

- i) Statement of Financial Position as at June 30, 2024.
- ii) Statement of Profit or Loss and other Comprehensive Income for the period from 01 July 2023 to 30 June 2024.
- iii) Statement of Changes in Equity for the period from 01 July 2023 to 30 June 2024.
- iv) Statement of Cash Flows for the period from 01 July 2023 to 30 June 2024.
- v) Notes comprising a summary of significant accounting policies and other explanatory information to the Financial Statements for the period from 01 July 2023 to 30 June 2024.

#### **4.6 Reporting Period:**

The Financial year of the company under audit cover for a period of 12 months effective from 01 July 2023 to June 30, 2024.

#### **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:

<u>Particular of Assets</u>	<u>Rate of Depreciation</u>
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 30.06.2024 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 2024 attributable to the ordinary shareholders.

##### **Basic earnings per share:**

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

##### **Weighted average number of ordinary shares outstanding during the year:**

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

##### **Diluted Earnings Per Share:**

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

#### **4.13 Foreign Currency Transactions:**

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

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

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



#### **4.14 Impairment of Assets:**

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

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

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

#### **4.15 Borrowing Cost:**

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

#### **4.16 Authorization date for issuing Financial Statements:**

Board of Directors authorized the financial statements for issue on October 28, 2024.

#### **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.

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 10<sup>th</sup> AGM and Board of Director's meeting held on 20/12/2015 MHSML has declare 20% Stock Dividend to all the Shareholders but later considered 15% Stock Dividend to all the Shareholders and 5% cash dividend to the general shareholder (Excluding Sponsors /Directors). As per order dated 17.01.2016 passed by the Hon'ble High Court Division of the Supreme Court of Bangladesh in Writ Petition No.447/2016.15% stock dividend credited to all shareholders through CDBL, the decision regarding the remaining 5% dividend payment is awaiting Hon'ble High Court.

#### **4.27 Comparative Information:**

Comparative information has been disclosed as required by IAS 01: Interim Financial Reporting' In respect of the previous year for all numerical information in the current financial statements as below:

- Statement of Financial Position as of the end of the preceding financial year.
- Statement of Profit or Loss and other Comprehensive Income for the comparable year of preceding financial year.
- Statement of Changes in Equity for the comparable year of preceding financial year.
- Statement Cash Flows for the comparable year of preceding financial year. Comparative figures have been re-arranged wherever considered necessary to conform current year figure without causing any impact on the profit and value of assets and liabilities as reported in the financial statements.

Notes	Particulars	Amount in Taka	
		30.06.2024	30.06.2023
<b>5.00</b>	<b>Property, Plant and Equipment's</b>		
	<b>Cost:</b>		
	Opening balance at cost	4,212,281,781	4,065,811,580
	Add : Addition during the period	169,244,894	146,470,201
		<u>4,381,526,675</u>	<u>4,212,281,781</u>
	<b>Total</b>	<b>4,381,526,675</b>	<b>4,212,281,781</b>
	<b>Depreciation:</b>		
	Opening balance	1,160,020,259	933,559,574
	Depreciation during the period	216,953,389	226,460,685
		<u>1,376,973,648</u>	<u>1,160,020,259</u>
	<b>Total ( a)</b>	<b>3,004,553,026</b>	<b>3,052,261,522</b>
	<b>Revaluation:</b>		
	Opening balance	510,760,689	510,760,689
	Add : Addition during the period	-	-
		<u>510,760,689</u>	<u>510,760,689</u>
	<b>Total (b)</b>	<b>510,760,689</b>	<b>510,760,689</b>
	<b>Written Down Value (WDV) (a+b)</b>	<b>3,515,313,715</b>	<b>3,563,022,210</b>

Please refer to Annexure-'A' for further details

<b>6.00</b>	<b>Investment</b>	<b>6,125,637</b>	<b>5,142,199</b>
	This represents the followings:		
	Suntech Energy Limited	5,142,199	4,669,399
		-	-
		<u>5,142,199</u>	<u>4,669,399</u>
	Add: Profit from the Associates	983,438	472,800
	<b>Total</b>	<b>6,125,637</b>	<b>5,142,199</b>

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

#### 7.00 Inventories

Break-up of this item is as follows:

	Qty. (Kg)	Amounts	Amounts
<b>Finished Goods:</b>		<b>1,295,959,656</b>	<b>735,498,576</b>
Yarn	4,047,706	1,142,979,124	559,567,449
Primary estimation of damage stock of Finished Goods and Claim to Insurance Company	52,154	18,216,197	55,453,739
Work-in-process	529,003	134,764,335	120,477,388
<b>Raw Materials:</b>		<b>499,979,489</b>	<b>1,122,235,807</b>
Virgin Cotton	1,805,055	383,165,043	636,848,528
Waste Cotton	1,075,762	116,814,446	433,559,706
Closing Damaged cotton of Fire under insurance claim	-	-	51,827,573
<b>Packing Materials</b>		<b>8,977,765</b>	<b>6,988,520</b>
<b>Store Materials</b>		<b>10,968,547</b>	<b>15,678,183</b>
		<u>1,815,885,457</u>	<u>1,880,401,086</u>

Notes	Particulars	Amount in Taka	
		30.06.2024	30.06.2023

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, 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 finalized. Fire insurance claim of Due amounts Tk. 1.82 crore. however, so hopefully will get the claim due amounts against damaged Goods .

#### 8.00 Accounts Receivable

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

I)	Accounts Receivable considered good in respect of which the company is fully secured (Annexure B)	-	-
II)	Accounts Receivable considered good in respect of which the company holds no security other than the debtor's personal security (Annexure B)	233,770,867	389,764,617
III)	Accounts Receivable considered doubtful or bad	-	-
IV)	Accounts Receivable due by any director or other officer of the company	-	-
V)	Accounts Receivable due by Common management (Annexure B)	617,489,223	252,334,891
VI)	The maximum amount of receivable due by any director or other officer of the company	-	-
		<u>851,260,090</u>	<u>642,099,508</u>
	Add: Exchange gain	59,426,135	58,372,683
	Less: Adjustment of Bill Discounting (Net off Assets & Liabilities) Note-8.01	183,518,067	317,044,482
		<u><b>727,168,158</b></u>	<u><b>383,427,710</b></u>

#### Aging of Accounts Receivable:

Dues within three months	38,190,839	221,354,924
Dues above three months but within six months	337,776,383	144,048,984
Dues above six months	475,292,868	276,695,600
Please refer to Annexure-'B' for further details	<u>851,260,090</u>	<u>642,099,508</u>

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

Woori Bank Limited	-	171,995,133
Southeast Bank Limited	-	31,384,967
IBBL -MDB	-	41,121,002
IBBL -MDB-Foreign	-	48,310,503
NCC-IBP	183,518,067	24,232,876
	<u>183,518,067</u>	<u>317,044,482</u>

#### 9.00 Advances, Deposits & Pre-Payments

Advance against Purchase Note-9.01	123,295,327	98,809,669
Advance against Factory Expenses	9,440,099	7,931,248
Advance against L/c, L/C Margin	169,896,225	127,929,100
Bank Guarantee for CDBL	1,176,349	1,176,349
Titas Gas Security Deposits	15,727,350	15,727,350
Prepaid Insurance	198,971	332,918
Tax deducted at sources Note-9.02	20,319,366	41,315,018
	<u>340,053,687</u>	<u>293,221,651</u>

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

Notes	Particulars	Amount in Taka	
		30.06.2024	30.06.2023
<b>9.01</b>	<b>Advance against Purchase</b>		
	Dues within three months	25,393,208	40,445,640
	Dues above three months but within six months	46,336,668	33,083,443
	Dues above six months	51,565,451	25,280,586
		<b>123,295,327</b>	<b>98,809,669</b>
<b>9.02</b>	<b>Tax Deductions at Sources</b>		
	Opening Balance	41,315,018	21,667,015
	Addition during the period	20,205,839	29,276,106
		<b>61,520,856</b>	<b>50,943,121</b>
	Less : AIT adjusted during the Assessment 2020-2021	-	839,764
	Less : AIT adjusted during the Assessment 2021-2022	-	8,788,339
	Less : AIT adjusted during the Assessment 2022-2023	11,925,384	-
	Less : AIT adjusted during the Assessment 2023-2024	29,276,106	-
		<b>20,319,366</b>	<b>41,315,018</b>
	Break-up of opening balance as follows:		
	Fiancial year:		
	2018-2019	113,528	113,528
	2021-2022	-	11,925,384
	2022-2023	-	29,276,106
	2023-2024	20,205,839	-
	<b>Total</b>	<b>20,319,366</b>	<b>41,315,018</b>
<b>10.00</b>	<b>Cash and Cash Equivalents</b>		
	Cash in Hand	553,885	3,234,597
	Cash at Banks: Note 10.01	22,824,147	30,885,752
	<b>Total</b>	<b>23,378,032</b>	<b>34,120,349</b>
<b>10.01</b>	<b>Cash at Banks:</b>		
	IBBL Mouchak #20501450100327918	1,608,240	99,048
	IBBL Mouchak #20501452500004916	370,825	9,467
	IBBL Mouchak #20501452600004917	-	12,533
	IBBL Bhulta #20502800100215106	2,105,765	19,816
	IBBL(FCAD ORQ) Mouchak #20501452800001714	808,896	1,366,030
	IBBL(FC Held BB LC) Mouchak #20501452300004914	22,262	63,385
	SEBL Dhanmodi #1211100015657	2,629,212	1,996,562
	SEBL FC Dhanmodi #15400002573	3,362,606	-
	SEBL Bhulta # 7713100000379	2,852	18,411
	DBBL Bhulta # 1761200001733	232,925	328,111
	DBBL Bashundhara # 1471100005894	1,358,473	1,875,530
	MBL Pragati Sarani # 1111000926026	71,034	72,644
	EBL Principal	-	1,969
	EBL Principal #1011360231502	-	157,375
	Woori Bank Uttara FC #1509640003099	-	7,887,555
	Woori Bank Uttara RQA	1,441,195	6,397,996
	Woori Bank Uttara #1509640002993	774	22,759
	Agrani Bank Foreign Ex # 0200017638659	53,330	25,829
	Agrani Bank ERQ # 0200018773999	414,355	81,930
	Agrani Bank Foreign Ex # 0200018756001	5,511,106	31,685
	NCC Bank Mohakhali Branch #1250325000048	1,220	172,211
	NCC Bank Dilkusha Branch #0028-0210022678	1,084,677	292,848
	NCC Bank Dilkusha Branch #0028-0325001170	983,478	859,215
	NCC Bank Dilkusha Branch #0028-0268000093	396,882	3,705,280
	NCC Bank Dilkusha Branch #0028-0259000252	229,937	5,387,562
	CBC Bank A/C# 1818007453	134,103	-
		<b>22,824,147</b>	<b>30,885,752</b>

Notes	Particulars	Amount in Taka			
		30.06.2024	30.06.2023		
<b>11.00 Share Capital</b>					
	This represents the followings:				
	<b>Authorized Capital:</b>				
	300,000,000 ordinary Shares of Tk 10/- each	3,000,000,000	3,000,000,000		
	<b>Issued, Subscribed and Paid-up Capital:</b>				
	100,993,374 ordinary shares of taka 10/- each	Note-11.01 1,009,933,740	1,009,933,740		
		<b>1,009,933,740</b>	<b>1,009,933,740</b>		
<b>11.01 Share holding Position:</b>					
	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
		<b>100,993,374</b>	<b>100.00%</b>	<b>1,009,933,740</b>	<b>1,009,933,740</b>

**D. Classification of shareholder's by range of number of share held**

Shareholding range	As at 30.06.2024		As at 30.06.2023	
	No. of shareholders	No. of shares	No. of shareholders	No. of shares
1 to 500	1,184	213,363	1,184	213,363
501 to 5,000	3,369	5,011,129	3,369	5,011,129
5,001 to 10,000	451	3,183,003	451	3,183,003
10,001 to 20,000	309	4,354,313	309	4,354,313
20,001 to 30,000	98	2,415,053	98	2,415,053
30,001 to 40,000	51	1,721,221	51	1,721,221
40,001 to 50,000	25	1,119,248	25	1,119,248
50,001 to 1,00,000	56	3,812,636	56	3,812,636
1,00,001 to 10,00,000	56	15,647,721	56	15,647,721
10,00,001 to Above	9	56,820,515	9	56,820,515
<b>Total</b>	<b>5,608</b>	<b>94,298,202</b>	<b>5,608</b>	<b>94,298,202</b>

  

Date	Particulars	Amount (Taka)
2008-2009	Opening from 30.06.2009	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
<b>Total</b>		<b>1,009,933,740</b>

<b>12.00 Revaluation Reserve</b>		
Opening Balance	510,760,689	510,760,689
Add:Addition during the Year	-	-
	510,760,689	510,760,689
Less: Related Deferred Tax on Revaluation 2%	(10,215,214)	(10,215,214)
	<b>500,545,475</b>	<b>500,545,475</b>

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

<b>13.00 Retained Earnings</b>		
Details are as follows:		
Opening Balance	364,989,223	426,643,512
Add: Net Profit / (Loss) for the period	82,624,625	22,661,080
<b>Total</b>	<b>447,613,848</b>	<b>449,304,592</b>
Cash Dividend 6%(For all Public Shareholder)	-	(60,596,024)
Cash Dividend 2%(For all Public Shareholder without Directores)	(12,198,660)	-
Tax paid for the Assessment year 2020-2021	-	(697,045)
Tax Claim by DCT for the Assessment year 2020-2021	-	(12,547,010)
Tax Claim by DCT for the Assessment year 2021-2022	-	(3,475,290)
Paid for VaT Assessment for the year 2018-2019 and 2019-2020	-	(7,000,000)
<b>Retained Earnings</b>	<b>435,415,188</b>	<b>364,989,223</b>

Notes	Particulars	Amount in Taka	
		30.06.2024	30.06.2023
<b>14.00</b>	<b>Long Term Borrowings</b>		
	Hajj Finance Com. Ltd - 1813	19,829,256	21,867,201
	Hajj Finance Com. Ltd - 1925	37,465,473	47,825,660
	Hajj Finance Com. Ltd - 1947	151,320,871	171,145,507
	Hajj Finance Com. Ltd - 2149	24,229,948	25,675,186
	IBBL HPSM-20501454300083317	-	752,099
	IBBL HPSM-20501454300083500	-	518,513
	IBBL HPSM-20501454300089001	-	10,327,203
	IBBL HPSM-20501454300095301	104,106,133	101,408,340
	IBBL HPSM-20501454300097909	57,165,878	52,665,936
	IBBL HPSM-20501454300098405	80,709,077	73,959,159
	IBBL HPSM-20501454300111713	120,366,337	124,171,529
	IBBL HPSM-20501454300111814	67,519,861	69,587,670
	IBBL HPSM-20501454300115515	1,767,004,783	1,382,296,492
	IBBL HPSM-20501454300116112	54,554,755	-
	IDLC-84180 & 84181	7,854,767	25,364,094
	<b>Total</b>	<b>2,492,127,139</b>	<b>2,107,564,590</b>
	Less: Current portion of Long term loan	(226,895,076)	(220,942,900)
		<b>2,265,232,063</b>	<b>1,886,621,690</b>
	1. Purpose of Investment - To purchase/import of New Ring Spinning Machine, Utilities and Factory Shed building for the project.		
	2. Period of Investment - 07 (seven) years excluding 12 month gestration period.		
	3. Rate of return -10.30% 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 SFL.		
	D. Personal Guarantee of all Directors of the Project Companies & Mortgages of their individual properties.		
<b>15.00</b>	<b>Deferred Tax</b>		
	Book value of Depreciable asset	<b>2,635,591,081</b>	<b>2,683,299,576</b>
	Tax base Written down value	1,736,646,271	1,975,832,092
	Unabsorbed Depreciation	277,389,510	373,124,167
	Less : Tax base value of depreciable assets	2,014,035,781	2,348,956,259
	Taxable temporary difference	<b>621,555,300</b>	<b>334,343,317</b>
	Effective Tax rate	15%	15%
	Deferred tax liabilities/(asset) on original cost of assets	93,233,295	50,151,498
	Deferred tax liabilities on revaluation surplus	10,215,214	10,215,214
	Deferred tax liabilities/(asset) on Gratuity Provision	(378,750)	(378,750)
	Total closing deferred tax liabilities/(assets)	<b>103,069,759</b>	<b>59,987,962</b>
<b>15.01</b>	<b>Deferred Tax on Revaluation Reserve of Land</b>		
	Revaluation Reserve	510,760,689	510,760,689
	Effective Tax Rate	2%	2%
	Total taxable temporary difference	<b>10,215,214</b>	<b>10,215,214</b>
<b>15.02</b>	<b>Deferred Tax on Gratuity Provision</b>		
	Gratuity Provision	2,525,000	2,525,000
	Effective Tax Rate	15%	15%
	Total taxable temporary difference	<b>378,750</b>	<b>378,750</b>
<b>15.03</b>	<b>Deferred Tax (Income ) / Expenses</b>		
	Closing Deferred Tax Liabilities	103,069,759	59,987,962
	Opening Deferred Tax Liabilities	59,987,962	49,018,366
	<b>Deferred tax (Income )/ Expenses</b>	<b>43,081,797</b>	<b>10,972,973</b>
<b>16.00</b>	<b>Accounts Payable</b>		
	Bills Payable (Annexure-C )	14,762,744	16,443,117
		<b>14,762,744</b>	<b>16,443,117</b>
<b>17.00</b>	<b>Cash Dividend Payable</b>		
	Opening Balance	1,324,274	562,660
	Add: Cash Dividend During the year	12,198,660	60,596,024
		<b>13,522,934</b>	<b>61,158,684</b>
	Less: Cash Dividend Disbursement to Public Shareholder	12,923,156	59,834,410
		<b>599,778</b>	<b>1,324,274</b>

**Details of Dividend Payable**

Year	Amounts
2022-2023	142,566
2021-2022	238,572
2020-2021	218,641
<b>Total</b>	<b>599,778</b>



Notes	Particulars	Amount in Taka	
		30.06.2024	30.06.2023
<b>18.00</b>	<b>Long Term Borrowings- Current Maturity</b>		
	Islami Bank Bangladesh Ltd,Hajj Finance Ltd and IDLC	226,895,076	220,942,900
		<b>226,895,076</b>	<b>220,942,900</b>
	This consists of as follows and is payable within next twelve months from the Balance Sheet date.		
<b>19.00</b>	<b>Short Term Borrowings</b>		
	IBBL Murabaha TR	319,045,974	528,340,282
	IBBL MPI	-	56,847,280
	IBBL Bai Murabaha	451,846,092	502,477,396
	IBBL MFCI	468,511,663	304,549,193
	IBBL PIF-MIB	68,899,641	-
	Agrani Bank -PAD	228,671,177	369,503,665
	Add: Exchange Loss	43,966,485	29,306,646
	<b>Total short term loan</b>	<b>1,580,941,032</b>	<b>1,791,024,462</b>
	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 -14.50% per annum or the rate to be determined by the bank from time to time.		
	4. Collateral:		
	A. 156.10 decimal project land along with 88,200 sft. Project building vide FSV 81.36 million.		
	B. 397.00 decimal project land along with 1,89,4825 sft. Project building vide FSV 251.20 million.		
	C. 505.04 decimal project land along with 2,49,904 sft. Factory building vide FSV 598.51 million by SFL.		
	D. Personal Guarantee of all Directors of the Project Companies & Mortgages of their individual properties.		
<b>20.00</b>	<b>Provision for Income tax</b>		
	Opening Balance	107,521,912	81,801,609
	Provision for the period	Note-20.01 20,205,839	29,276,106
	<b>Total</b>	<b>127,727,750</b>	<b>111,077,715</b>
	Add: Tax Claim by DCT for the Assessment year 2020-2021	-	12,547,010
	Add:Tax Claim by DCT for the Assessment year 2021-2022	-	3,475,290
	Add:Tax Claim by DCT for the Assessment year 2022-2023	1,697,838	-
	Add:Tax Claim by DCT for the Assessment year 2023-2024	393,434	-
	Less: Liability adjusted after the DCT Assessment 2020-2021	-	839,764
	Less:Tax Paid to DCT against Claim for Assessment 2020-2021	334,997	-
	Less:Tax Paid to DCT against Claim for Assessment 2015-2016	1,000,000	6,000,000
	Less:Tax Paid to DCT against Claim for Assessment 2017-2018	4,000,000	2,000,000
	Less: Tax Paid to DCT against Claim for Assessment 2016-2017	-	2,000,000
	Less: Liability adjusted after the DCT Assessment 2021-2022	84,796	8,738,339
	Less: Liability adjusted after the DCT Assessment 2022-2023	11,862,884	-
	Less: Liability adjusted after the DCT Assessment 2023-2024	29,276,106	-
	<b>Closing Balance</b>	<b>83,260,239</b>	<b>107,521,912</b>
<b>20.01</b>	<b>Current Tax</b>		
	<b>A. Regular tax</b>		
	Profit Before Tax	145,912,261	62,906,782
	Less: Other Income	(20,784,955)	(10,223,853)
	Add: Accounting Depreciation	216,953,389	226,460,685
	Less: Tax Depreciation	(287,915,948)	(371,831,332)
	Taxable Income for the period	<b>95,734,657</b>	<b>(72,240,012)</b>
	Rate of Tax	15%	15%
	Tax on business	14,360,199	(10,836,002)
	Add: 22.5 % Tax on Other Income	9,688	(2,405,050)
	<b>Total Provision for the Period</b>	<b>14,369,887</b>	<b>(13,241,052)</b>

Notes	Particulars	Amount in Taka	
		30.06.2024	30.06.2023
	<b>B. Minimum tax</b>		
	Turnover and other income	2,957,584,070	2,833,938,651
	Minimum tax rate	0.40%	0.40%
		<u>11,830,336</u>	<u>11,335,755</u>
	<b>C. Advance Income Tax</b>	<u>20,205,839</u>	<u>29,276,106</u>
	<b>Current tax expenses ( Higher of A,B &amp; C)</b>	<u>20,205,839</u>	<u>29,276,106</u>
<b>21.00</b>	<b>Accrued Expenses</b>		
	This is unsecured, falling due within one year and consists of as follows:		
	Audit fees	345,000	345,000
	Salaries & Wages	16,911,035	12,729,979
	Remuneration	300,000	300,000
	Gas Bill	45,544,536	49,752,062
	WPPF Payable	68,798,604	61,502,991
	Provision for Gratuity	2,525,000	2,525,000
		<u>134,424,175</u>	<u>127,155,032</u>

Notes	Particulars	Amount in Taka	
		July 01, 2023 to June 30, 2024	July 01, 2022 to June 30, 2023

**22.00 Turnover**

	Qty. (kg.)	Avg. Rate		
Yarn 06's	-		-	12,447,600
Yarn 07's	272,269	266	72,384,372	211,350,914
Yarn 08's	540,305	246	132,778,470	3,771,360
Yarn 09's	672,000	248	166,573,935	39,555,760
Yarn 10's	959,011	276	264,966,073	390,322,378
Yarn 12's	14,500	409	5,934,075	30,035,262
Yarn 14's	44,900	305	13,687,142	-
Yarn 16's,18 S	904,540	371	335,379,628	524,105,280
Yarn 20's	1,850,689	367	678,871,796	473,335,274
Yarn 22's	45,125	351	15,853,840	4,581,045
Yarn 24's,	193,684	363	70,321,341	8,497,949
Yarn 26's,27s	58,870	366	21,542,470	139,797,600
Yarn 28's	55,046	350	19,292,532	-
Yarn 30's	2,336,269	371	866,491,363	809,480,051
Yarn 32's	56,415	386	21,768,513	7,912,000
Yarn 34's	-		-	8,096,000
Yarn 36's	650	425	276,120	692,300
Yarn 40's	743,008	382	283,503,276	180,181,730
Yarn 45's	26,680	328	8,744,079	
	<b>8,773,961</b>		<b>2,978,369,024</b>	<b>2,844,162,504</b>

**23.00 Cost of Goods Sold**

Raw materials consumed	Note-23.01	2,305,536,150	1,880,322,521
Accessories & Stores Consumed	Note-23.02	28,140,034	36,896,940
Packing Materials Consumed	Note-23.03	11,598,538	23,318,535
Factory overhead	Note-23.04	606,222,917	576,617,205
Opening Work-in-Process		120,477,388	93,146,734
Closing Work-in-Process		(134,764,335)	(120,477,388)
<b>Cost of Production</b>		<b>2,937,210,693</b>	<b>2,489,824,548</b>
Opening stock of Finished Goods		559,567,449	418,261,377
Recovery from Damaged Finished Goods of Fire		29,126,299	-
Primary estimation of damage stock of Finished Goods and Claim to Insurance Company		55,453,739	91,353,739
<b>Cost of Goods Available for Sale</b>		<b>3,581,358,180</b>	<b>2,999,439,664</b>
Closing stock of Finished Goods		(1,142,979,124)	(559,567,449)
Primary estimation of damage stock of Finished Goods and Claim to Insurance Company		(18,216,197)	(55,453,739)
Damaged Finished Goods adjusted		(8,111,243)	-
Transferred damaged Finished Goods of fire as recovery		(29,126,299)	-
Wastage Sales		(736,598)	(707,015)
<b>Cost of Goods Sold</b>		<b>2,382,188,719</b>	<b>2,383,711,461</b>

Notes	Particulars	Amount in Taka	
		July 01, 2023 to June 30, 2024	July 01, 2022 to June 30, 2023
<b>23.01</b>	<b>Raw Materials Consumption</b>		
	Opening Raw Materials	1,070,408,233	729,569,881
	Opening Damaged cotton of Fire under insurance claim	51,827,573	51,827,573
	Recovery from Damaged cotton of Fire	29,438,049	-
	Purchase during the period	1,705,669,357	2,221,160,873
	Available for use	<b>2,857,343,212</b>	<b>3,002,558,327</b>
	Damaged cotton adjusted	(22,389,524)	-
	Transferred damaged cotton of fire as recovery	(29,438,049)	-
	Closing Damaged cotton of Fire under insurance claim	-	(51,827,573)
	Closing Raw Materials	(499,979,489)	(1,070,408,233)
		<b>2,305,536,150</b>	<b>1,880,322,521</b>
<b>23.02</b>	<b>Accessories &amp; Stores Consumption</b>		
	Opening Accessories & Stores	15,678,183	25,142,906
	Purchase during the period	23,430,398	27,432,217
	Available for use	<b>39,108,581</b>	<b>52,575,123</b>
	Closing Accessories & Stores	(10,968,547)	(15,678,183)
		<b>28,140,034</b>	<b>36,896,940</b>
<b>23.03</b>	<b>Packing Materials Consumption</b>		
	Opening Packing Materials	6,988,520	9,512,174
	Purchase during the period	13,587,783	20,794,881
	Available for use	<b>20,576,303</b>	<b>30,307,055</b>
	Closing Packing Materials	(8,977,765)	(6,988,520)
		<b>11,598,538</b>	<b>23,318,535</b>
<b>23.04</b>	<b>Factory Overhead</b>		
	Gas Bill	249,783,995	233,128,577
	Wages	124,914,019	106,254,583
	Festival Bonuse	6,210,858	-
	Repair & Maintenance	2,269,262	1,450,831
	Factory Insurance	4,347,444	7,465,578
	Sundry Carrying Charges	1,105,974	801,879
	Sundry daily labor charges	965,022	1,095,920
	Medical & other Expenses	89,254	421,707
	Depreciation	216,537,089	225,998,130
		<b>606,222,917</b>	<b>576,617,205</b>
	(a) Repairs & maintenance includes maintenance of office, premises, vehicles, building, equipment and other infrastructures. Also included therein stores and spares that has been consumed during the period.		
	(b) Other expenses does not included any item exceeding 1% of total revenue.		
<b>24.00</b>	<b>Other Income</b>		
	Interest on Bank Account	41,356	36,835
	Exchange Rate Fluctuation Gain/(Loss)	(21,809,750)	(10,733,487)
	Profit from Associate	983,438	472,800
		<b>(20,784,955)</b>	<b>(10,223,853)</b>

Notes	Particulars	Amount in Taka	
		July 01, 2023 to June 30, 2024	July 01, 2022 to June 30, 2023
<b>25.00</b>	<b>Administrative Expenses</b>		
	Salary and Allowances	46,858,132	48,805,133
	Managing Director Remuneration	1,200,000	1,200,000
	Director's Remuneration	2,400,000	2,400,000
	Festival Bonus	4,895,132	14,769,651
	Audit Fee	345,000	345,000
	Board Meeting Fees	126,000	105,000
	Credit Rating Fees	43,000	43,000
	Employee Fooding Bill	876,264	531,555
	Traveling and Conveyance	427,144	420,780
	House & Office rent	897,000	897,000
	Telephone & Mobile Bill	152,500	189,600
	Company Secretarial, Regulatory Fee and AGM Expense	759,292	914,385
	Subscription and Donations	3,000	7,000
	Fees, Renewals and other Expenses	1,542,774	1,264,468
	Fuel expenses	2,682,775	2,554,720
	Tax Claim by DCT for the Assessment year 2022-2023	1,697,838	-
	Tax Claim by DCT for the Assessment year 2023-2024	393,434	-
	VAT paid for the Assessment year 2018-2019 and 2019-2020	3,506,413	-
	IT Solution	129,400	112,550
	Depreciation	416,300	462,555
		<b>69,351,398</b>	<b>75,022,397</b>
	<b>Payment/ Perquisites to Directors and officers</b>		
	The aggregate amount paid/ provided during the period in respect of Directors and officers of the company		
	<b>Particulars</b>		
	Managing Director Remuneration	1,200,000	1,200,000
	Director's Remuneration	2,400,000	2,400,000
	Board Meeting Fees	126,000	105,000
		<b>3,726,000</b>	<b>3,705,000</b>
<b>26.00</b>	<b>Marketing and Distribution Expenses</b>		
	Salaries and Allowances	739,098	527,535
	Advertisement	150,000	129,000
		<b>889,098</b>	<b>656,535</b>
<b>27.00</b>	<b>Financial Expenses</b>		
	Bank Charges and Commission	4,360,456	5,109,352
	Interest on HPSM	197,197,114	121,621,760
	Interest on BAI Murabaha	53,646,092	35,922,826
	Interest on Murabaha TR	28,395,985	43,724,001
	Interest on Woori -IDBP	4,870,801	13,538,336
	Interest on Hajj Finance	25,935,579	26,109,554
	Interest on MFCI	11,623,443	43,913,596
	Interest on IDLC	1,779,189	2,743,587
	Interest on IBP SEBL	-	8,054,095
	Interest on Agrani PAD	12,980,851	2,483,806
	Interest on MPI	-	2,708,797
	Interest on PIF MIB	2,179,641	-
	Interest on NCC IBP	8,977,829	2,566,427
		<b>351,946,981</b>	<b>308,496,137</b>
<b>28.00</b>	<b>Basic Earning Per Share</b>		
	Net Profit after Taxes	<b>82,624,625</b>	<b>22,661,080</b>
	Number of Shares for respected period	100,993,374	100,993,374
	<b>Earning per share (Taka) (Basic)</b>	<b>0.82</b>	<b>0.22</b>

Notes	Particulars	Amount in Taka	
		July 01, 2023 to June 30, 2024	July 01, 2022 to June 30, 2023
	Net Profit after Taxes	<b>82,624,625</b>	<b>22,661,080</b>
	Weighted Average Number of Share	100,993,374	100,993,374
	<b>Earning per share (Taka) (Adjusted)</b>	<b>0.82</b>	<b>0.22</b>
	<b>Weighted average/Total existing number of share:</b>		
	Opening number of share outstanding	100,993,374	100,993,374
	Add: Issued during the year (% Stock dividend)	-	-
		<b>100,993,374</b>	<b>100,993,374</b>
<b>29.00</b>	<b>Net Operating Cash Flow Per Share(NOCFPS)</b>		
	Cash flow from operating activities	373,877,155	172,812,888
	Number of Share	100,993,374	100,993,374
	<b>Net Operating Cash Flows per Share (NOCFPS)</b>	<b>3.70</b>	<b>1.71</b>
<b>30.00</b>	<b>Net Asset Value Per Share (NAVPS)</b>		
	Net Asset Value	2,018,739,820	1,948,313,855
	Number of Shares	100,993,374	100,993,374
	<b>Net Asset Value Per Share (NAVPS)</b>	<b>19.99</b>	<b>19.29</b>
<b>31.00</b>	<b>General:</b>		
<b>31.01</b>	<b>Claims not Acknowledged</b>		
	There is no claim against the Company not acknowledged as debt as at 30.06.2024		
<b>31.02</b>	<b>Credit Facilities not Availed</b>		
	There is no credit facilities extended to the Company but nor availed of as at 30.06.2024, under any contract, other than trade credit available in the ordinary course of business.		
<b>31.03</b>	<b>Commission, Brokerage or Discount Against Sales</b>		
	No commission, brokerage or discount was incurred or paid by the Company against sales during the period ended 30.06.2024		
<b>31.04</b>	<b>Directors Responsibility Statements</b>		
	The Board of Directors and management of the company takes the responsibility for the preparation and presentation of these financial statements as per section 183 of Companies Act 1994 and Corporate Governance Guidelines issued by Bangladesh Securities & Exchange Commission (BSEC) .		

Notes	Particulars	Amount in Taka	
		July 01, 2023 to June 30, 2024	July 01, 2022 to June 30, 2023

**31.05 Employees Details:**

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

**31.06 Rounding Off**

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

**31.07 Reconciliation of Net Income with Cash Flows from Operating Activities**

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

<b>Profit before Income Tax</b>	145,912,261	62,906,782
Adjustment for items not involving movement of cash:		
Depreciation on Property, Plant and Equipment	216,953,389	226,460,685
Damage of Building and Civil Construction	-	-
Financial Expenses	351,946,981	308,496,137
Profit from associates	-	(472,800)
Foreign Exchange Gain/(Loss)	256,613,386	207,313,973
	<b>971,426,016</b>	<b>804,704,777</b>
(Increase)/Decrease in Accounts Receivable	(600,353,834)	(107,068,300)
(Increase)/Decrease in Inventory	64,515,629	(461,586,702)
(Increase)/Decrease in Advance, Deposits & Prepayments	(43,342,029)	(55,627,173)
Increase/(Decrease) in Accounts Payable	(2,165,910)	(4,677,087)
Increase/(Decrease) in Accrued expenses	7,269,143	(38,323,308)
Increase/(Decrease) in Goods in Transit	-	82,313,831
(increase)/Decrease Revaluation deferred Tax	-	(7,000,000)
	<b>(574,077,002)</b>	<b>(591,968,738)</b>
Tax Paid to DCT against Claim for Assessment 2017-2018	(4,000,000)	(2,000,000)
Tax Paid to DCT against Claim for Assessment 2014-2015	-	-
Less: Tax Paid to DCT against Claim for Assessment 2015-2016	(1,000,000)	(6,000,000)
Tax Paid to DCT against Claim for Assessment 2016-2017	-	(2,000,000)
Tax paid for the Assessment year 2020-2021	(334,997)	(697,045)
Liability adjusted after the DCT Assessment 2021-2022	(84,796)	(8,738,339)
Liability adjusted after the DCT Assessment 2020-2021	-	(839,764)
Tax Claim by DCT for the Assessment year 2023-2024	393,434	-
Tax Claim by DCT for the Assessment year 2022-2023	1,697,838	-
Liability adjusted after the DCT Assessment 2022-2023	(11,862,884)	-
Liability adjusted after the DCT Assessment 2023-2024	(29,276,106)	-
Income Tax paid during the year	20,995,651	(19,648,003)
<b>Net Cash Flows from operating activities</b>	<b>373,877,155</b>	<b>172,812,888</b>

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

Particular	Quantity (kg)	Opening	Quantity (kg)	Purchases	Quantity (kg)	Consumption	Quantity (kg)	Closing
Raw Material	6,588,451	1,070,408,233	8,173,483	1,735,107,406	11,893,481	(2,305,536,150)	2,880,817	499,979,489
Packing Materials	-	6,988,520	-	13,587,783	-	(11,598,538)	-	8,977,765
Spare Parts	-	15,678,183	-	23,430,398	-	(28,140,034)	-	10,968,547
Work in progress	466,483	120,477,388	-	-	-	-	529,003	134,764,335
Finished goods	1,875,426	559,567,449	-	-	-	-	4,047,706	1,142,979,124

**Value of Export**

Particular	In Foreign Currency USD	In BDT
Export	\$ 26,660,455	2,978,369,024

**31.09 Details of capacity has given below**

Particular	License Capacity	Installed Capacity	Actual Production
Annual Production (kg) Rotor Unit	6,300,000	6,300,000	10,862,851
Annual Production (kg) Ring Unit	7,000,000	7,000,000	



**32.00 Related Party Disclosure :**
**a) Transaction with Key Management Personnel of the entity:**

No.	Particulars	Amounts in Tk
(a)	Managerial Remuneration paid or payable during the period to the directors, including Managing directors or manager	3,600,000
(b)	Any other perquisite or benefits in cash or in kind stating, approximate money value applicable.	126,000
(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 01.07.2023	Addition during the Period	Realized during the Period	Closing Balance As on 30.06.2024
(a)	SIM Fabrics Limited	Common Management	252,334,891	1,829,791,600	1,464,637,268	617,489,223
	<b>Total</b>		<b>252,334,891</b>	<b>1,829,791,600</b>	<b>1,464,637,268</b>	<b>617,489,223</b>

**Mozaffar Hossain Spinning Mills Limited**  
**Schedule of Property, Plant & Equipment**  
As at June 30, 2024

Annexure-A  
Amounts in Taka

Cost:

Particulars	COST				Rate of Dep.	DEPRECIATION				Written down value as at 30.06.2024
	As at July 01, 2023	Addition during the period	Adjustment	Closing Balance As on 30.06.2024		As at July 01, 2023	Charged during the Period	Adjustment	Closing Balance As on 30.06.2024	
Land & Land Dev.	368,961,945	-	-	368,961,945	-	-	-	-	-	368,961,945
Factory Building	1,436,748,511	16,543,459	-	1,453,291,970	5%	256,632,636	59,537,503	-	316,170,139	1,137,121,831
Plant & Machinery	2,396,904,484	152,701,435	-	2,549,605,919	10%	897,883,775	156,999,586	-	1,054,883,361	1,494,722,559
Vehicle	5,586,326	-	-	5,586,326	10%	3,357,947	222,838	-	3,580,785	2,005,541
Furniture & Fixture	1,728,415	-	-	1,728,415	10%	1,514,474	21,394	-	1,535,868	192,547
Air Condition	2,030,700	-	-	2,030,700	10%	564,894	146,581	-	711,475	1,319,225
Office Equipment	199,900	-	-	199,900	10%	37,981	16,192	-	54,173	145,727
Computer Equipment	121,500	-	-	121,500	10%	28,553	9,295	-	37,848	83,652
<b>Balance as on 30.06.2024</b>	<b>4,212,281,781</b>	<b>169,244,894</b>	<b>-</b>	<b>4,381,526,675</b>		<b>1,160,020,260</b>	<b>216,953,389</b>	<b>-</b>	<b>1,376,973,649</b>	<b>3,004,553,026</b>

Revaluation:

Particulars	COST				Rate of Dep.	DEPRECIATION				Written down value as at 30.06.2024
	As at July 01, 2023	Addition during the period	Adjustment	Closing Balance As on 30.06.2024		As at July 01, 2023	Charged during the Period	Adjustment	Closing Balance As on 30.06.2024	
Land & Land Dev.	510,760,689	-	-	510,760,689	-	-	-	-	-	510,760,689
<b>Balance as on 30.06.2024</b>	<b>510,760,689</b>	<b>-</b>	<b>-</b>	<b>510,760,689</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>510,760,689</b>
<b>Balance as on 30.06.2024</b>	<b>4,723,042,470</b>	<b>169,244,894</b>	<b>-</b>	<b>4,892,287,364</b>	<b>-</b>	<b>1,160,020,260</b>	<b>216,953,389</b>	<b>-</b>	<b>1,376,973,649</b>	<b>3,515,313,715</b>

Depreciation Charged To:-

Administrative Cost	416,300
Manufacturing Cost	216,537,089
<b>Total</b>	<b>216,953,389</b>

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

**Mozaffar Hossain Spinning Mills Limited**  
**Schedule of Accounts Receivable**

**Annexure-B**

As at June 30, 2024

**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**

<b>Name of Customer</b>	<b>Balance as at 01.07.2023</b>	<b>Addition during the period</b>	<b>Realized during the period</b>	<b>Closing Balance As on 30.06.2024</b>
Acs Textile Ltd.	328,330,595	829,056,308	1,040,543,284	116,843,619
Acs Towel Ltd.	27,870,795	30,406,209	54,035,396	4,241,608
Rownok Textile Mills	8,810,097	-	8,810,097	-
Mohammadi Group Ltd	10,963,260	-	-	10,963,260
Meek Knit Limited.	6,239,925	-	6,239,925	-
Matrix Dresses Ltd.	5,065,025	-	5,065,025	-
Abc Knit Dyeing & Finishing Mills Ltd	2,484,920	-	2,484,920	-
Fm Yarn Dyeing Ltd.	-	4,842,663	4,842,663	-
Base Fashions Ltd	-	16,575,901	8,840,569	7,735,332
Adri Knitwear Ltd.	-	2,271,500	-	2,271,500
Hossain Dyeing And Printing Mills Ltd	-	4,246,000	4,246,000	-
International Classic Composite Ltd	-	3,245,088	3,245,088	-
J.F.K Fashion Ltd.	-	5,610,248	-	5,610,248
Knit Reflex Ltd	-	3,300,000	3,300,000	-
Mithela Textile Industries Ltd.	-	79,897,400	70,547,400	9,350,000
Orchid Sweater Limited	-	55,251,308	55,251,308	-
Romo Fashion Today Ltd	-	7,659,300	7,659,300	-
Savar Sweaters Ltd.	-	8,579,727	8,579,727	-
Spring Trade Limited	-	56,980,228	17,580,472	39,399,756
Tex Apparels	-	2,447,587	-	2,447,587
Worthy Textile Mills Ltd	-	11,459,250	-	11,459,250
SBM CONCERNS LTD	-	3,300,000	-	3,300,000
Sanjana Fabrics Ltd.	-	2,065,000	-	2,065,000
P.L Purification Garments Limited	-	4,620,000	-	4,620,000
LITHE APPARELS LTD	-	1,232,392	-	1,232,392
APPAREL 21 LIMITED	-	6,703,816	-	6,703,816
ANANNA FABRICS.	-	8,827,500	3,300,000	5,527,500
<b>Sub-total</b>	<b>389,764,617</b>	<b>1,148,577,424</b>	<b>1,304,571,174</b>	<b>233,770,867</b>

**Accounts Receivable due by Common management:**

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

**Amount in Taka**

<b>Name of Customer</b>	<b>Balance as at 01.07.2023</b>	<b>Addition during the period</b>	<b>Realized during the period</b>	<b>Closing Balance As on 30.06.2024</b>
SIM Fabrics Limited	252,334,891	1,829,791,600	1,464,637,268	617,489,223
<b>Sub-total</b>	<b>252,334,891</b>	<b>1,829,791,600</b>	<b>1,464,637,268</b>	<b>617,489,223</b>
<b>Total</b>	<b>642,099,508</b>	<b>2,978,369,024</b>	<b>2,769,208,442</b>	<b>851,260,090</b>

**Mozaffar Hossain Spinning Mills Limited**  
**Schedule of Accounts Payable**  
 As at June 30, 2024

**Annexure-C**

**Bills Payable:**

**Amounts in Taka**

Name of Supplier/Service Provider	Balance as at 01.07.2023	Payment during the Period	Bill during the Period	Closing Balance As on 30.06.2024
Always on Network Bangladesh	-	40,071	88,000	47,929
Amreen Refrigeration & Engineering	167,500	167,500	-	-
AMSLER Textile Effect Systems	99,200	-	-	99,200
Ashik & Brother	157,620	236,060	206,960	128,520
Automation Engineering & Controls Ltd	1,954,459	478,579	-	1,475,880
Bangladesh Association of Public Listed Co.	-	50,000	100,000	50,000
Bangladesh Export Import Company Ltd	-	41,400	41,400	-
Bangla Trac Limited	453,365	244,997	44,997	253,365
Bengal Development Corporation	4,443	-	-	4,443
Beximco Online	6,900	-	-	6,900
Central Depository Bangladesh Service Ltd	-	-	212,000	212,000
Chittagong Stock Exchange Ltd	1,314,734	-	-	1,314,734
Dhaka Stock Exchange LTd	1,139,510	-	705,292	1,844,802
Forman Enterprise	-	1,181,000	1,200,000	19,000
Galaxy Corporation	65,000	-	-	65,000
Global Insurance Ltd.	-	-	190,305	190,305
Homeland Engineerings Construction	1,010,639	200,000	-	810,639
Jamuna Engineering	1,032,853	260,000	-	772,853
Mahin Enterprise & Packaging	66,118	-	-	66,118
Minarva Engineering Works	256,880	412,000	161,200	6,080
Modern Syntex Ltd.	-	1,150,000	1,147,643	(2,358)
Monir Steel House	150,809	490,500	490,500	150,809
MH Rubber & Plastic Machineries Ltd.	96,052	-	-	96,052
MS Enterprise	4,841	1,981,150	2,185,783	209,474
Maa Enterprise& Packaging	5,295	5,417,350	5,415,312	3,257
Mostakim Enterprise	(37,321)	1,041,630	1,094,350	15,399
Ma Engineering Work	295,820	-	-	295,820
Orient Plastic & Packing Ind. Ltd	30,000	-	-	30,000
Peoples Insurance Company Ltd.	(272,348)	231,506	534,171	30,317
Power Breeze Engineering Ltd	3,750,000	-	-	3,750,000
Puspo Industrial Electronic Solution	-	260,000	310,000	50,000
Reyan Machinery	95,000	-	-	95,000
Sharp Electronics	5,000	-	-	5,000
Textile Associates Ltd	140,011	69,500	-	70,511
Social Paribahan	-	150,000	194,500	44,500
S.R Shipping Agency	88,120	6,750,000	8,304,568	1,642,688
Suntech HVAC	1,079,360	1,035,860	68,000	111,500
Steel King	1,585,730	1,585,730	-	-
Raju. Engineering & Service Centre	(40,000)	225,000	33,000	(232,000)
Riya Enterprise	524,825	-	-	524,825
Fahim Transport Agency	193,500	50,000	-	143,500
Uttara Paper	272,918	579,500	312,288	5,706
One Inspection & Testing Services(BD) Ltd	533,392	750,000	498,034	281,426
Prime Insurance Company Limited	149,342	210,069	60,727	-
Shehab Trader	49,750	-	-	49,750
star Engineering	13,800	-	10,000	23,800
<b>Sub Total (B)</b>	<b>16,443,117</b>	<b>25,289,402</b>	<b>23,609,029</b>	<b>14,762,744</b>