

Annual Financial Statements

1st July 2020 To 30 June 2021



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, 2021, 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 35 & Annexure- A & C.

In our opinion, the accompanying financial statements presents fairly in all material respects the financial position of the company as at June 30, 2021, 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. 23.00 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 21.00 to the statement of financial position and note no. 21.01 to the statement of profit or loss and other comprehensive Income.</p>	
<p>The company has different items of income, assets and provisions which requires significant judgment for both in current tax and deferred tax calculation.</p>	<p>Our procedure includes:</p> <p>Control test: testing the effectiveness of the entity's control around the recording and re-assessment of the amount of tax expenses and related assets and liabilities.</p> <p>Test of details: obtaining supporting documents, checked calculation and challenged the amount as per our knowledge of corporate taxation both for current and deferred portion.</p> <p>Assessing disclosure: considering the adequacy of the entity's disclosure regarding tax.</p> <p>Our result: the results of our testing were satisfactory and we found the level of tax provisioning is acceptable.</p>
<p>Capital Work-in- Progress (CWIP)</p>	
<p>Refer note no. 7 to the Statement of Financial Position</p>	
<p>Capital work in progress is pre stage of capitalization of Property, plant and equipment (PPE). Capitalization of expenses and cost of goods are in some extend judgmental in nature.</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 capitalization and transferred to PPE.</p> <p>Test of details: obtaining supporting documents of capitalization transaction recorded either side of the year and debit notes</p>

<p>Moreover, transfer of capital work in progress to PPE is also judgmental requires estimation.</p>	<p>issued after the year end to determine whether the amount recorded in correct period.</p> <p>Test the advance adjustments and notes of transfer from CWIP to PPE and costing, date etc. thereof.</p> <p>Critically analyze journal entries posted during the year to identify unusual items.</p> <p>Assessing disclosure: considering the adequacy of the entity's disclosure regarding CWIP.</p> <p>Our result: the result of our testing is satisfactory and we considered the capitalization cost, expenses and the amount transferred to PPE recognized to be acceptable and recorded in correctly.</p>
--	--

Matter of Emphasis

Without qualifying our opinion, we draw attention to the fact disclosed in note no. 9.00.

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 1987 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 : **Kazi Mostafa Alam FCA**, (Enr. No.: 448)

Date : October 28, 2021

Place : Dhaka

DVC :



Mozaffar Hossain Spinning Mills Limited
Statement of Financial Position
As at June 30, 2021

Particulars	Notes	Amount in Taka	
		June 30, 2021	June 30, 2020
ASSETS:			
Non-Current Assets		3,841,632,609	3,511,101,149
Property, Plant and Equipment's	5.00	3,841,632,609	1,657,189,187
Deferred Tax Assets	6.00	-	6,966,655
Capital Work-In-Progress	7.00	-	1,846,945,307
Investment		4,521,551	4,451,171
Investment	8.00	4,521,551	4,451,171
Current Assets		1,632,618,635	1,025,889,220
Inventories	9.00	1,182,102,564	785,173,583
Goods in Transit		70,360,892	-
Accounts Receivable	10.00	114,512,341	143,971,075
Advances, Deposits & Pre-Payments	11.00	241,039,582	81,479,890
Cash and Cash Equivalents	12.00	24,603,256	15,264,672
Total Assets		5,478,772,795	4,541,441,541
EQUITY AND LIABILITIES:			
Shareholders' Equity		1,834,320,919	1,415,156,554
Share Capital	13.00	1,009,933,740	1,009,933,740
Revaluation Reserve	14.00	500,545,475	127,708,347
Tax Holiday Reserve		72,845,417	72,845,417
Retained Earnings	15.00	250,996,287	204,669,050
Non-Current Liabilities		1,607,073,677	971,881,330
Long Term Borrowings	16.00	1,594,551,287	971,881,330
Deferred Tax Liability	6.00	12,522,390	-
Current Liabilities		2,037,378,199	2,154,403,656
Accounts Payable	17.00	6,886,372	824,297,597
Cash Dividend Payable	18.00	812,864	469,705
Long Term Borrowings- Current Maturity	19.00	193,766,270	85,970,223
Refundable Fund of IPO Subscribers		2,755,000	2,755,000
Short Term Borrowings	20.00	1,646,259,839	1,034,950,373
Provision for Tax	21.00	80,938,725	84,700,386
Accrued Expenses	22.00	105,959,129	121,260,372
Total Equity & Liabilities		5,478,772,795	4,541,441,541
Net Asset Value Per Share (NAVPS)	31.00	18.16	14.01

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.

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

Signature : Sd/-

Auditor's Name : Kazi Mostafa Alam FCA, (Enr. No.: 448)

Dated : 28 October, 2021

Place : Dhaka

DVC :



Mozaffar Hossain Spinning Mills Limited
Statement of Profit or Loss & Other Comprehensive Income
For the year ended on July 01, 2020 to June 30, 2021

Particulars	Notes	Amount in Taka	
		July 01, 2020 to June 30, 2021	July 01, 2019 to June 30, 2020
Turnover	23.00	1,562,896,323	283,548,166
Less: Cost of Goods Sold	24.00	1,262,667,334	299,446,301
Gross Profit		300,228,990	(15,898,135)
Other Income	25.00	(1,453,127)	(158,379)
Operating Expenses:		60,384,897	33,228,742
Administrative Expenses	26.00	59,840,331	32,638,742
Marketing and Distribution Expenses	27.00	544,566	590,000
Profit from Operation		238,390,966	(49,285,256)
Less: Financial expenses	28.00	153,704,317	82,503,364
Net Profit Before WPPF		84,686,649	(131,788,620)
Workers Profit Participation Fund		4,032,698	-
Net Profit before Tax		80,653,951	(131,788,620)
Income tax expenses:		28,227,384	(11,951,223)
Current tax	21.01	8,738,339	839,764
Deferred Tax Expenses/(Income)	6.02	19,489,045	(12,790,987)
Net Profit after Tax Transferred to Equity		52,426,567	(119,837,397)
Earnings Per Share (EPS)	29.00	0.52	(1.19)
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/- Chief Financial Officer Sd/- Company Secretary Sd/- Director Sd/- Managing Director Sd/- Chairman

Signed in terms of our separate report of even date.

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

Signature : Sd/-

Auditor's Name : Kazi Mostafa Alam FCA, (Enr. No.: 448)

Dated : 28 October, 2021

Place : Dhaka

DVC :



Mozaffar Hossain Spinning Mills Limited

Statement of Changes in Equity

For the year ended on July 01, 2020 to June 30, 2021

Amount in Taka

Particulars	Share Capital	Tax holiday Reserve	Revaluation Reserve	Retained Earnings	Total
Balance as on 01.07.2020	1,009,933,740	72,845,417	127,708,347	204,669,050	1,415,156,554
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

Statement of Changes in Equity

For the year ended on 1 July 2019 to 30 June 2020

Amount in Taka

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

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 July 01, 2020 to June 30, 2021

Particulars	Notes	Amount in Taka	
		July 01, 2020 to June 30, 2021	July 01, 2019 to June 30, 2020
A. Cash flows from operating activities :			
Cash Collection from Turnover and Others		1,592,454,540	454,901,806
Foreign Exchange Gain/(Loss)		(1,552,609)	(2,055,678)
Cash Paid to Suppliers, Employee and Others		(2,630,965,751)	(1,202,872,849)
Cash Generated from Operation		(1,040,063,820)	(750,026,721)
Income Tax Paid		(8,788,339)	(839,764)
Net cash flows from/(used) in operating activities		(1,048,852,159)	(750,866,485)
B. Cash flow from investing activities:			
Acquisition of Property, Plant & Equipment		(1,965,740,770)	(1,180,937,084)
Payment for Capital Work in Progress		1,846,945,307	1,023,277,083
Advanced for Ring Spinning Project		(140,090)	1,055,134
Advance for Acquisition of Property, Plant & Equipment		(5,133,334)	30,359,515
Investment		(70,380)	659,676
Net cash flows from/ (used) in Investing Activities		(124,139,267)	(125,585,677)
C. Cash flow from financing activities:			
Received/(Repaid) short term loan		611,309,466	409,043,077
Financial Expenses		(153,704,317)	(82,503,364)
Cash Dividend Paid		(5,756,171)	-
Received/(Repaid) long term loan		730,466,004	565,279,343
Refundable fund of IPO subscriber		-	(2,000,000)
Net cash flows from/(used) in financing activities		1,182,314,981	889,819,054
D. Net Cash Increase/ (Decrease) (A+B+C)		9,323,555	13,366,892
E. Opening cash and cash equivalents at the beginning of the period		15,264,672	1,821,964
F. Closing cash and cash equivalents at the end of the period (D+E)		24,588,227	15,188,856
G. Unrealized Fc Gain/(Loss) for Cash and Cash Equivalents		15,029	75,816
H. Cash and Cash Equivalents carried forward (F+G)		24,603,256	15,264,672
Net Operating Cash Flow Per Share	32.00	(10.39)	(7.43)
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, 2021

1.0 Legal Status of the Company

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

Registered office of the company

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

2.0 Nature of Business Activities

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

3.0 Risk Exposure

3.1 Interest Rate Risk

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

Management perception:

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

3.2 Exchange Rate Risk

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

Management Perception:

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



3.3 Industry Risks

(a) Market demand:

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

Management Perception:

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

(b) Competition:

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

Management Perception:

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

(c) Rising of Raw Materials costs:

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

Management Perception:

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

3.4 Risks steaming from technological changes:

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

Management perception:

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

3.5 Other risk factors:

(a) Political Unrest:

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



Management Perception:

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

(b) Possible slowdown in economic growth in Bangladesh:

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

Management Perception:

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

(c) Natural calamities:

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

Management perception:

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

4.0 Basis of preparation and significant accounting policies

4.1 Basis of Measurement of Elements of Financial Position

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

4.2 Statement of Compliance with Laws

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



4.3 Going Concern

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

Deviation from last period Result

The expansion project of 36,000 Spindle Ring Spinning Mills are ongoing. Due to up-gradation of power supply work, machinery installation and short supply of Gas 50% of Rotor machines were shut down for a long time. The commercial operation of the ring unit has been started on 5th January 2021. Hence, production and revenue have been increased during the period.

4.4 Accrual Basis

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

4.5 Structure, Content and Presentation of Financial Position

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

- i) Statement of Financial Position as at June 30, 2021.
- ii) Statement of Profit or Loss and other Comprehensive Income for the period from 01 July 2020 to 30 June 2021.
- iii) Statement of Changes in Equity for the period from 01 July 2020 to 30 June 2021.
- iv) Statement of Cash Flows for the period from 01 July 2020 to 30 June 2021.
- v) Notes comprising a summary of significant accounting policies and other explanatory information to the Financial Statements for the period from 01 July 2020 to 30 June 2021.

4.6 Reporting Period

The Financial year of the company under audit cover for a period of 12 months effective from 01 July 2020 to June 30, 2021.

4.7 Inventories

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

4.8 Revenue

Revenue represents the invoice value of goods supplied to customers during the period. Revenue from sale of goods is recognized in the statement of Comprehensive Income when the significant risks and rewards of ownership have been transferred to the buyer. Sales are recognized when delivery certificate is raised against confirmed orders.



4.9 Property, Plant and Equipment

Initial Recognition and measurement

Property, plant and equipment are capitalized at cost of acquisition and subsequently stated at cost or valuation less accumulated depreciation in compliance with the requirements of IAS-16: "Property, Plant and Equipment". The cost of acquisition of an asset comprises its purchase price and any directly attributable cost of bringing the assets to its working condition for its intended use inclusive of inward freight, duties, non-refundable taxes and un-allocated expenditures etc. The land and land developments with an effect as on June 30, 2021 have been revalued by an independent valuer to reflect fair value (prevailing market price) thereof following "Current Cost Method".

Subsequent Costs

The cost of replacing part of an item of property, plant and equipments is recognized in the carrying amount of an item if it is probable that the future economic benefits embodied within the part will flow to the company and its cost can be measured reliably. The costs of the day-to-day servicing of property, plant and equipment are recognized in the statement of comprehensive income as "Repair & Maintenance" when it is incurred.

Depreciation on Fixed Assets

Depreciation is provided to amortize the cost or valuation of the assets after commissioning, over the period of their expected useful lives, in accordance with the provisions of IAS-16: "Property, Plant and Equipment". Depreciation of an asset begins when it is available for use. Depreciation is charged on all fixed assets except land and land developments on **Reducing Method**. Rates of depreciation are noted below:

Particular of Assets	Rate of Depreciation
Land & Land Developments	0%
Factory Building	5%
Plant & Machinery	10%
Vehicle	10%
Furniture and Fixture	10%
Air Condition	10%
Computer Equipment	10%

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 30.06.2021 is not materially differing with the carrying amount.

CAPITAL WORK-IN-PROCESS

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

4.10 Revaluation Reserve

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



4.11 Cash and Cash Equivalent and Statement of Cash Flows:

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

The Statement of Cash Flows is prepared using the **Direct Method** as stipulated in Bangladesh Accounting Standards (IAS)-7 “Statement of Cash Flows”

4.12 Earnings per Share

The company calculates Earnings per Share (EPS) in accordance with the requirement of IAS-33: “Earning per Share”, which has been shown on the face of the Statement of Comprehensive Income.

Basic earnings:

This represents earnings for the period ended 30 June 2021 attributable to the ordinary shareholders.

Basic earnings per share:

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

Weighted average number of ordinary shares outstanding during the year:

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

Diluted Earnings Per Share:

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

4.13 Foreign Currency Transactions

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

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

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



4.14 Impairment of Assets

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

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

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

4.15 Borrowing Cost

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

4.16 Authorization date for issuing Financial Statements

Board of Directors authorized the financial statements for issue on October 28, 2021.

4.17 Reporting Currency

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

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

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

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

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

4.19 Accruals & Deferrals

Deferrals and accruals have been made as per the guidance in IAS-1 Presentation of Financial Statements. In order to meet their objectives, Financial Statements, except for cash flow statement and related information, are prepared on accrual basis of accounting. Under the basis, the effects of transactions and other events are recognized when they occur (and not when cash or its equivalent is received or paid) and they are recorded in the accounting records and reported in the Financial Statements of the years to which they relate.

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



4.20 Advances, Deposits and Prepayments

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

4.21 Financial Instruments

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

Initial recognition

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

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

4.22 Segment Reporting

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

4.23 Related Party Disclosures

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

4.24 Corporate Tax

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

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

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

(b) Deferred Tax

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



4.25 Workers Profit Participation Fund

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

4.26 Contingent Assets and Liabilities

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

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

The company has no contingent assets or liabilities, which require disclosure under IAS: 37. Contingent assets and contingent liabilities are not recognized in the financial statements except the balance amount of IPO subscription money shown in (Note: 21.00) yet to be refundable.

A contingent asset is disclosed as per IAS-37, where an inflow of or economic benefits is probable. A contingent liability is disclosed unless the possibility of an outflow of resources embodying economic benefits is remote.

Tax assessment for the year 2010-2011, 2011-2012, 2012-2013, 2013-2014 is under appeal Hon'ble High Court Division of the Supreme Court of Bangladesh for Tax holiday facility.

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

4.27 Comparative Information

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

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



Notes	Particulars	Amount in Taka	
		30.06.2021	30.06.2020
5.00	Property, Plant and Equipment's		
	Cost:		
	Opening balance at cost	2,054,274,409	873,337,325
	Add : Addition during the period	1,965,740,770	1,180,937,084
	Total	4,020,015,179	2,054,274,409
	Depreciation:		
	Opening balance	527,399,862	454,770,076
	Depreciation during the period	161,743,397	72,629,786
		689,143,259	527,399,862
	Total (a)	3,330,871,920	1,526,874,547
	Revaluation:		
	Opening balance	130,314,640	130,314,640
	Add : Addition during the period	380,446,049	-
	Total (b)	510,760,689	130,314,640
	Written Down Value (WDV) (a+b)	3,841,632,609	1,657,189,187
	Please refer to Annexure-'A' for further details		
6.00	Deferred Tax		
	Book value of Depreciable asset	3,044,250,609	1,240,253,236
	Tax base Written down value	2,684,560,487	1,025,617,613
	Unabsorbed Depreciation	344,308,951	278,455,277
	Less : Tax base value of depreciable assets	3,028,869,438	1,304,072,890
	Taxable temporary difference	15,381,171	(63,819,654)
	Effective Tax rate	15%	15%
	Deferred tax liabilities/(asset) on original cost of assets	2,307,176	(9,572,948)
	Deferred tax liabilities on revaluation surplus	10,215,214	2,606,293
	Total closing deferred tax liabilities/(assets)	12,522,390	(6,966,655)
6.01	Deferred Tax on Revaluation Reserve of Land		
	Revaluation Reserve	510,760,689	130,314,640
	Effective Tax Rate	2%	2%
	Total taxable temporary difference	10,215,214	2,606,293
6.02	Deffered Tax (Income) / Expenses		
	Closing Deferred Tax Liabilities	12,522,390	(6,966,655)
	Opening Deferred Tax Liabilities	(6,966,655)	5,824,332
	Deferred tax (Income)/ Expenses	19,489,045	(12,790,987)
7.00	Capital Work-In-Progress		
	Break-up of this are as follows:		
	Capital Work-In-Progress (Building)	Note-7.01	-
	Capital Work-In-Progress (Machinery)	Note-7.02	1,846,945,307
	Total		1,846,945,307



Notes	Particulars	Amount in Taka	
		30.06.2021	30.06.2020
7.01 Capital Work-In-Progress (Building)			
	Opening Balance	-	1,085,391,230
	Addition during the period	-	91,588,354
	Total	-	1,176,979,584
	Acquisition of the period	-	1,176,979,584
	Closing Balance	-	-
7.02 Capital Work-In-Progress (Machinery)			
	Opening Balance	1,846,945,307	1,784,831,160
	Addition during the period	52,602,945	62,114,147
	Total	1,899,548,252	1,846,945,307
	Acquisition of the period	1,899,548,252	-
	Closing Balance	-	1,846,945,307

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

8.00 Investment

This represents the followings:

Suntech Energy Limited	4,451,171	5,110,847
	4,451,171	5,110,847
Add: Profit from the Associates	70,380	(659,676)
Total	4,521,551	4,451,171

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 assesses the project "Suntech Energy Limited" there are no too much changes on our Impairment investment.

9.00 Inventories

Break-up of this item is as follows:

	Qty. (Kg)	Amounts	Amounts
Finished Goods:		324,859,642	154,709,840
Yarn	832,718	190,236,340	99,487,883
Primary estimation of damage stock of Finished Goods and Claim to Insurance Company	250,000	75,000,000	-
Work-in-process	229,287	59,623,302	55,221,957
Raw Materials:		841,235,114	610,946,921
Virgin Cotton	4,671,264	706,511,015	588,035,261
Waste Cotton	484,543	32,875,119	22,911,660
Primary estimation of damage of raw materials and claim to insurance company	550,535	101,848,980	-
Packing Materials		6,112,210	2,734,910
Store Materials		9,895,598	16,781,912
		1,182,102,564	785,173,583

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.).



Notes	Particulars	Amount in Taka	
		30.06.2021	30.06.2020
	Due to fire in the factory on 31.10.2020, 12.02.2021 and 26.02.2021, factory premises, machineries and inventory was damaged and an estimation of the damaged material completed by management, Fire service & Civil defense authority, and independent surveyor appointed by Insurance Company which is not yet finalized. As all the material, building and machineries were covered by fire insurance a claim has been lodged on the basis of primary assessment by the company amount of which is Tk. 22 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 finalization of the assessment of loss due to fire in factory premises.		
10.00	Accounts Receivable		
	This is unsecured, considered good and is falling due within one year . No debts are considered as bad during the year. Classification schedule as required by Schedule XI of Companies Act 1994 is as follows:		
I)	Accounts Receivable considered good in respect of which the company is fully secured (Annexure B)	-	-
II)	Accounts Receivable considered good in respect of which the company holds no security other than the debtor's personal security (Annexure B)	325,355,192	164,899,980
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)	102,550,499	118,813,392
VI)	The maximum amount of receivable due by any director or other officer of the company	-	-
		<u>427,905,691</u>	<u>283,713,372</u>
	Less: Adjustment of Bill Discounting (Net off Assets & Note-10.01	<u>313,393,350</u>	<u>139,742,297</u>
		<u>114,512,341</u>	<u>143,971,075</u>
	<u>Aging of Accounts Receivable:</u>		
	Dues within three months	174,943,325	104,640,648
	Dues above three months but within six months	130,417,035	48,397,020
	Dues above six months	122,545,332	130,675,704
		<u>427,905,691</u>	<u>283,713,372</u>
10.01	Adjustment of Bill Discounting (Net off Assets & Liabilities)		
	Woori Bank Limited	265,463,503	130,881,600
	Mercantile Bank Limited	-	8,860,697
	Southeast Bank Limited	47,929,847	-
		<u>313,393,350</u>	<u>139,742,297</u>
11.00	Advances, Deposits & Pre-Payments		
	Advance against Purchase Note-11.01	76,655,459	71,522,125
	Advance against Factory Expenses	2,308,820	2,055,800
	Advance against L/c Margin	137,863,495	4,583,000
	Advanced for Ring Spinning Project	1,222,456	1,082,366
	Bank Guarantee for CDBL	1,176,349	1,176,349
	Titas Gas Security Deposits	11,765,200	-
	Prepaid Insurance	306,172	106,958
	Tax deducted at sources Note-11.02	9,741,631	953,292
		<u>241,039,582</u>	<u>81,479,890</u>

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



Notes	Particulars	Amount in Taka			
		30.06.2021	30.06.2020		
11.01 Advance against Purchase					
	Dues within three months	52,303,274	21,015,200		
	Dues above three months but within six months	13,713,966	11,671,680		
	Dues above six months	10,638,219	38,835,245		
		76,655,459	71,522,125		
11.02 Tax Deductions at Sources					
	Opening Balance	953,292	113,528		
	Addition during the period	8,788,339	839,764		
		9,741,631	953,292		
12.00 Cash and Cash Equivalents					
		3,849,079	3,808,658		
	Cash in Hand	3,849,079	3,808,658		
	Cash at Banks:	20,754,177	11,456,014		
	IBBL Mouchak #20501450100327918	118,973	17,491		
	IBBL Mouchak #20501452500004916	1,120,378	6,691		
	IBBL Mouchak #20501452600004917	94,739	207		
	IBBL Bhulta #20502800100215106	902,175	-		
	IBBL(FCAD ORQ) Mouchak #20501452800001714	3,000	926,218		
	SEBL Dhanmodi #1211100015657	2,797,556	-		
	DBBL Bhulta # 1761200001733	14,145	973,409		
	DBBL Bashundhara # 1471100005894	2,033,333	2,092,337		
	MBL Pragati Sarani # 114711123026113	92,934	83,109		
	EBL Principal	1,531	1,531		
	EBL Principal #1011360231502	153,403	151,253		
	Woori Bank FC #1509640003099	9,596,160	5,315,920		
	Woori Bank RQA	3,023,472	432,475		
	Woori Bank #1509640002993	453,619	1,455,374		
	NCC Bank Mohakhali Branch #1250325000048	348,759	-		
		24,603,256	15,264,672		
13.00 Share Capital					
	This represents the followings:				
	Authorized Capital:				
	300,000,000 ordinary Shares of Tk 10/- each	3,000,000,000	3,000,000,000		
	Issued, Subscribed and Paid-up Capital:				
	100,993,374 ordinary shares of taka 10/- each	1,009,933,740	1,009,933,740		
	Note-13.01	1,009,933,740	1,009,933,740		
13.01 Share holding Position:					
	i) Sponsors	6,699,343	6.63%	66,993,425	66,993,425
	ii) SIM Fabrics Limited	33,300,737	32.97%	333,007,365	333,007,365
	iii) General Public & Others	60,993,295	60.39%	609,932,950	609,932,950
		100,993,374	100.00%	1,009,933,740	1,009,933,740



Notes	Particulars	Amount in Taka	
		30.06.2021	30.06.2020
14.00	Revaluation Reserve		
	Opening Balance	130,314,640	130,314,640
	Add: Addition during the Year	380,446,049	-
		<u>510,760,689</u>	<u>130,314,640</u>
	Less: Related Deferred Tax on Revaluation 2%	(10,215,214)	(2,606,293)
		<u>500,545,475</u>	<u>127,708,347</u>
	In 2021, land under the ownership of MHSML was professionally revalued by ATA KHAN & Co, Chartered Accountants. Fair market value was estimated at Tk. 797,382,000 as against net book value of Tk. 286,621,311 resulting in a revaluation surplus of Taka 510,760,689 which was accounted for and transferred to revaluation reserve.		
15.00	Retained Earnings		
	Details are as follows:		
	Opening Balance	204,669,050	344,309,067
	Add: Net Profit / (Loss) for the period	52,426,567	(119,837,397)
	Total	<u>257,095,617</u>	<u>224,471,670</u>
	Cash Dividend 1%(For all Public Shareholder)	(6,099,330)	-
	Bonus Paid (2% Stock Dividend)	-	(19,802,620)
	Retained Earnings	<u>250,996,287</u>	<u>204,669,050</u>
16.00	Long Term Borrowings		
	Hajj Finance Com. Ltd - 1813	32,975,403	31,138,201
	Hajj Finance Com. Ltd - 1925	63,150,618	56,504,458
	Hajj Finance Com. Ltd - 1947	189,515,174	180,615,947
	Hajj Finance Com. Ltd - 2149	26,495,885	23,640,876
	IBBL HPSM-20501454300078403	2,855,984	2,801,449
	IBBL HPSM-20501454300083317	1,545,374	1,738,232
	IBBL HPSM-20501454300083500	1,728,657	1,597,507
	IBBL HPSM-20501454300089001	13,281,248	12,812,663
	IBBL HPSM-20501454300095301	104,040,714	97,885,380
	IBBL HPSM-20501454300097909	53,148,856	49,592,642
	IBBL HPSM-20501454300098405	74,142,257	68,767,927
	IBBL HPSM-FC-20500246106759815	1,187,921,826	491,483,224
	IDLC	37,515,560	39,273,047
	Total	<u>1,788,317,557</u>	<u>1,057,851,553</u>
	Less: Current portion of Long term loan	(193,766,270)	(85,970,223)
		<u>1,594,551,287</u>	<u>971,881,330</u>

1. Purpose of Investment - To purchase/import of New Ring Spinning Machine, Utilities and Factory Shed building for the project.
2. Period of Investment - 07 (seven) years excluding 12 month gestration period.
3. Rate of return -9% per annum or the rate to be determined by the bank from time to time.
4. Collateral:
 - A. 156.10 decimal project land along with 88,200 sft. Project building vide FSV 81.36 million.
 - B. 397.00 decimal project land along with 1,89,4825 sft. Project building vide FSV 251.20 million.
 - C. 505.04 decimal project land along with 2,49,904 sft. Factory building vide FSV 598.51 million by SFL.
 - D. Personal Guarantee of all Directors of the Project Companies & Mortgages of their individual properties.



Notes	Particulars	Amount in Taka	
		30.06.2021	30.06.2020
17.00	Accounts Payable		
	Trade Creditors (Annexure-C)	133,462	133,462
	Bills Payable (Annexure-C)	6,752,910	6,325,241
	Liability against Import Machinery	-	817,838,894
		6,886,372	824,297,597
18.00	Cash Dividend Payable		
	Opening Balance	469,705	469,705
	Add: Cash Dividend During the year	6,099,330	-
		6,569,035	469,705
	Less: Cash Dividend Paid to Shareholder	5,756,171	
		812,864	469,705
19.00	Long Term Borrowings- Current Maturity		
	Islami Bank Bangladesh Ltd,Hajj Finance Ltd and IDLC	193,766,270	85,970,223
		193,766,270	85,970,223
	This consists of as follows and is payable within next twelve months from the Balance Sheet date.		
20.00	Short Term Borrowings		
	Murabaha TR	283,928,773	235,508,465
	Bai Murabaha Import Bills(MIB)	122,074,748	-
	Bai Murabaha	191,577,359	361,400,189
	MFCI	1,048,547,399	437,397,387
	Car Loan (Hajj Finance Co. Ltd-1034)	131,560	644,333
	Total short term loan	1,646,259,839	1,034,950,373

This represents amount excluded by the following Banks as working capital which are fully secured by Stock hypothecation and Export bills receivable at the terms & condition given below.

1. Purpose of Investment - To purchase/import raw materials for the project.
2. Period of Investment - 01 (one) year on revolving basis.
3. Rate of return -9% per annum or the rate to be determined by the bank from time to time.
4. Collateral:
 - A. 156.10 decimal project land along with 88,200 sft. Project building vide FSV 81.36 million.
 - B. 397.00 decimal project land along with 1,89,4825 sft. Project building vide FSV 251.20 million.
 - C. 505.04 decimal project land along with 2,49,904 sft. Factory building vide FSV 598.51 million by SFL.
 - D. Personal Guarantee of all Directors of the Project Companies & Mortgages of their individual properties.



Notes	Particulars	Amount in Taka	
		30.06.2021	30.06.2020
21.00	Provision for Income tax		
	Opening Balance	84,700,386	100,877,371
	Provision for the period	Note-21.01 8,738,339	839,764
	Total	93,438,725	101,717,135
	Tax Paid to DCT against Claim for Assessment 2016-2017	-	17,016,749
	Tax Paid to DCT against Claim for Assessment 2017-2018	12,500,000	-
	Closing Balance	80,938,725	84,700,386
21.01	Current Tax		
	A. Regular tax		
	Profit Before Tax	80,653,951	(131,788,620)
	Less: Other Income	(1,453,127)	158,379
	Add: Accounting Depreciation	161,743,397	72,629,786
	Less: Tax Depreciation	(306,797,896)	-
	Taxable Income for the period	(65,853,674)	(59,000,455)
	Rate of Tax	15%	15%
	Tax on business	(9,878,051)	(8,850,068)
	Add: 22.5 % Tax on Other Income	(326,954)	(39,595)
	Total Provision for the Period	(10,205,005)	(8,889,663)
	B. Minimum tax		
	Turnover and other income	1,561,443,196	283,389,787
	Minimum tax rate	0.30%	0.26%
		4,684,330	728,312
	C. Tax deducted at Source	8,738,339	839,764
	Current tax expenses (Higher of A,B & C)	8,738,339	839,764
22.00	Accrued Expenses		
	This is unsecured, falling due within one year and consists of as follows:		
	Audit and others fees	463,750	125,000
	Salaries & Wages	12,263,388	4,918,554
	Remuneration	200,000	1,757,500
	Gas Bill	51,372,128	65,208,745
	WPPF Payable	41,659,863	33,898,347
	Accrued Interest	-	15,352,226
		105,959,129	121,260,372



Notes	Particulars	Amount in Taka			
		30.06.2021	30.06.2020		
23.00	Turnover				
		Qty. (kg.)	Avg. Rate		
	Yarn 20's	640,188	239	153,102,156	7,174,020
	Yarn 16's	1,298,476	256	331,968,592	9,641,520
	Yarn 30's	2,092,590	245	512,161,323	252,172,486
	Yarn 12's	255,751	208	53,123,073	9,971,640
	Yarn 07's	36,050	210	7,581,420	-
	Yarn 10's	715,955	257	183,965,250	-
	Yarn 18's	152,200	219	33,265,680	-
	Yarn 22's	20,400	233	4,760,070	-
	Yarn 24's,14's	140,000	247	34,577,760	4,588,500
	Yarn 26's,28's	336,675	281	94,457,076	-
	Yarn 32's	60,000	269	16,128,000	-
	Yarn 34's	158,004	297	46,905,953	-
	Yarn 40's	230,550	287	66,264,450	-
	Yarn 45 pc	91,650	269	24,635,520	-
		6,228,489		1,562,896,323	283,548,166
24.00	Cost of Goods Sold				
	Raw materials consumed	Note-24.01	1,027,490,891	118,085,191	
	Accessories & Stores Consumed	Note-24.02	20,887,142	9,644,790	
	Packing Materials Consumed	Note-24.03	8,740,106	3,998,445	
	Factory overhead	Note-24.04	376,550,691	225,620,087	
	Opening Work-in-Process		55,221,957	43,996,350	
	Closing Work-in-Process		(59,623,302)	(55,221,957)	
	Cost of Production		1,429,267,486	346,122,906	
	Opening stock of Finished Goods		99,487,883	53,715,750	
	Cost of Goods Available for Sale		1,528,755,369	399,838,656	
	Closing stock of Finished Goods		(190,236,340)	(99,487,883)	
	Primary estimation of damage stock of Finished Goods and Claim to Insurance Company		(75,000,000)	-	
	Wastage Sales		(851,695)	(904,472)	
	Cost of Goods Sold		1,262,667,334	299,446,301	
24.01	Raw Materials Consumption				
	Opening Raw Materials		610,946,921	123,382,139	
	Purchase during the period		1,257,779,084	605,649,973	
	Available for use		1,868,726,005	729,032,112	
	Primary estimation of damage of raw materials and claim to insurance company		(101,848,980)	-	
	Closing Raw Materials		(739,386,134)	(610,946,921)	
			1,027,490,891	118,085,191	
24.02	Accessories & Stores Consumption				
	Opening Accessories & Stores		16,781,912	16,513,210	
	Purchase during the period		14,000,828	9,913,492	
	Available for use		30,782,740	26,426,702	
	Closing Accessories & Stores		(9,895,598)	(16,781,912)	
			20,887,142	9,644,790	



Notes	Particulars	Amount in Taka	
		30.06.2021	30.06.2020
24.03	Packing Materials Consumption		
	Opening Packing Materials	2,734,910	1,477,100
	Purchase during the period	12,117,406	5,256,255
	Available for use	14,852,316	6,733,355
	Closing Packing Materials	(6,112,210)	(2,734,910)
		8,740,106	3,998,445
24.04	Factory Overhead		
	Gas Bill	102,173,385	94,808,853
	Wages	101,588,910	51,722,515
	Repair & Maintenance	1,601,883	890,949
	Factory Insurance	7,250,967	4,921,162
	Sundry Carrying Charges	1,170,170	283,964
	Sundry daily labor charges	1,403,482	615,603
	Medical & other Expenses	69,791	478,730
	Depreciation	161,292,103	71,898,311
		376,550,691	225,620,087
	(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.		
25.00	Other Operating Income/(loss)		
	Interest on Bank Account	14,073	52,587
	Exchange Rate Fluctuation Gain/(Loss)	(1,537,580)	(1,979,862)
	Profit from Associate	70,380	(659,676)
	Profit from Trial Production	Note-25.01	2,428,572
		(1,453,127)	(158,379)
25.01	Profit from Trial Production	-	2,428,572
	Processing Charge Received against Trial	-	170,007,074
	Trial Production Cost :	-	167,578,502
	Cost of Goods Processed	-	140,120,140
	Salary & Wages	-	23,663,400
	Packing Materials	-	1,224,500
	Carriage in Word	-	1,245,000
	Carriage out Word	-	1,325,462

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



Notes	Particulars	Amount in Taka	
		30.06.2021	30.06.2020
26.00	Administrative Expenses		
	Salary and Allowances	39,888,189	19,338,223
	Festival Bonus	7,310,381	1,888,568
	Audit Fee	186,750	125,000
	Managing Director Remuneration	600,000	600,000
	Director's Remuneration	1,800,000	1,850,000
	Board Meeting Fees	90,000	96,000
	Entertainment	549,616	385,667
	Traveling and Conveyance	170,917	203,946
	House & Office rent	897,000	563,000
	Telephone & Mobile Bill	162,550	61,900
	Company Secretarial, Regulatory Fee and AGM Expense	1,192,802	1,568,604
	Subscription and Donations	281,000	141,000
	Fees, Renewals and other Expenses	1,461,846	949,609
	Fuel expenses	1,027,767	601,558
	IT Solution	41,400	37,950
	Interest on WPPF	3,728,819	3,496,242
	Depreciation	451,294	731,475
		59,840,331	32,638,742
	Payment/ Perquisites to Directors and officers		
	The aggregate amount paid/ provided during the period in respect of Directors and officers of the company as defined in the Bangladesh Securities and Exchange Rules 1987 are disclosed below :		
	Particulars		
	Managing Director Remuneration	600,000	600,000
	Director's Remuneration	1,800,000	1,850,000
	Board Meeting Fees	90,000	96,000
		2,490,000	2,546,000
27.00	Marketing, Selling & Distribution Expenses		
	Salaries and Allowances	401,066	432,000
	Advertisement	143,500	158,000
		544,566	590,000
28.00	Financial Expenses		
	Bank Charges and Commission	9,526,023	525,023
	Interest on HPSM	31,313,116	8,797,813
	Interest on BAI Murabaha	26,894,029	34,321,129
	Interest on Murabaha TR	24,316,367	13,476,886
	Interest on MBL -IDBP	-	184,922
	Interest on Woori -IDBP	6,437,932	1,377,919
	Interest on Hajj Finance	35,330,436	12,004,335
	Interest on MFCI	13,589,134	7,481,347
	Interest on IDLC	5,918,361	4,333,990
	Interest on IBP SEBL	378,919	-
		153,704,317	82,503,364



Notes	Particulars	Amount in Taka	
		30.06.2021	30.06.2020
29.00 Basic Earning Per Share			
	Net Profit after Taxes	52,426,567	(119,837,397)
	Number of Shares for respected period	100,993,374	100,993,374
	Earning per share (Taka) (Basic)	0.52	(1.19)
	Net Profit after Taxes	52,426,567	(119,837,397)
	Weighted Average Number of Share	100,993,374	100,993,374
	Earning per share (Taka) (Adjusted)	0.52	(1.19)
	Weighted average/Total existing number of share:		
	Opening number of share outstanding	100,993,374	100,993,374
		100,993,374	100,993,374
30.00 Net Operating Cash Flow Per Share(NOCFPS)			
	Cash flow from operating activities	(1,048,852,159)	(750,866,485)
	Number of Share	100,993,374	100,993,374
	Net Operating Cash Flows per Share (NOCFPS)	(10.39)	(7.43)
31.00 Net Asset Value Per Share (NAVPS)			
	Net Asset Value	1,834,320,919	1,415,156,554
	Number of Shares	100,993,374	100,993,374
	Net Asset Value Per Share (NAVPS)	18.16	14.01
32.00 General:			
32.01 Claims not Acknowledged			
	There is no claim against the Company not acknowledged as debt as at 30.06.2021		
32.02 Credit Facilities not Availed			
	There is no credit facilities extended to the Company but nor availed of as at 30.06.2021, under any contract, other than trade credit available in the ordinary course of business.		
32.03 Commission, Brokerage or Discount Against Sales			
	No commission, brokerage or discount was incurred or paid by the Company against sales during the period ended 30.06.2021		
32.04 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) .		
32.05 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.		
32.06 Rounding Off			
	Amounts appearing in these financial statements have been rounded off to the nearest Taka wherever considered necessary.		



Notes	Particulars	Amount in Taka	
		30.06.2021	30.06.2020
32.07	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	80,653,951	(131,788,620)
	Adjustment for items not involving movement of cash:		
	Depreciation on Property, Plant and Equipment	161,743,397	72,629,786
	Financial Expenses	153,704,317	82,503,364
	Profit from associates	-	-
	Foreign Exchange Gain/(Loss)	(1,552,609)	(2,055,678)
		394,549,057	21,288,852
	(Increase)/Decrease in Accounts Receivable	31,011,344	171,512,019
	(Increase)/Decrease in Inventory	(396,928,981)	(546,089,034)
	(Increase)/Decrease in Advance, Deposits & Prepayments	(145,497,929)	16,792,910
	Increase/(Decrease) in Accounts Payable	(817,426,254)	(479,894,187)
	Increase/(Decrease) in Accrued expenses	(15,301,243)	83,379,467
	Increase/(Decrease) in Goods in Transit	(70,360,892)	-
	(increase)/Decrease Revaluation deferred Tax	(7,608,921)	-
		(1,422,112,876)	(754,298,825)
	Tax Paid to DCT against Claim for Assessment 2017-2018	(12,500,000)	(17,016,749)
	Income Tax paid during the year	(8,788,339)	(839,764)
	Net Cash Flows from operating activities	(1,048,852,159)	(750,866,485)



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

Value of Raw material, packing materials and Capital goods

Particular	Opening	Purchases	Consumption	Closing
Raw Material	610,946,921	1,257,779,084	(1,027,490,891)	739,386,134
Packing Materials	2,734,910	12,117,406	(8,740,106)	6,112,210
Spare Parts	16,781,912	14,000,828	(20,887,142)	9,895,598

Value of Export

Particular	In Foreign Currency USD	In BDT
Export	\$ 18,605,909	1,562,896,323

32.09 Details of capacity has given below

Particular	License Capacity	Installed Capacity	Actual Production
Annual Production (kg) Rotor Unit	6,600,000	6,600,000	6,708,250
Annual Production (kg) Ring Unit	6,600,000	6,600,000	



33.00 Related Party Disclosure :

a) Transaction with Key Management Personnel of the entity:

No.	Particulars	Amounts in Tk
(a)	Managerial Remuneration paid or payable during the period to the directors, including Managing directors or manager	2,400,000
(b)	Any other perquisite or benefits in cash or in kind stating, approximate money value applicable.	90,000
(c)	Other allowances and commission including guarantee commission	Nil
(d)	Pensions etc.	Nil
	(i) Pensions	Nil
	(ii) Gratuities	Nil
	(iii) Payments from a provident funds, in excess of own subscription and interest thereon	Nil
(e)	Share Based payments	Nil

b) Transaction with Related Entity:

Sl.	Name of Customer	Relationship	Balance as at 01.07.2020	Addition during the Period	Realized during the Period	Balance as at 30.06.2021
(a)	SIM Fabrics Limited yarn sale	Common Management	118,813,392	625,370,564	641,633,457	102,550,499
	Total		118,813,392	625,370,564	641,633,457	102,550,499



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, 2021:

Maturity analysis

Particulars	Current	>30 days	>90 days	>180 days	Total
Loans and receivables:					
Cash and Cash Equivalents	24,603,256				24,603,256
Trade and Other Receivables	213,952,845	106,976,423	71,317,615	35,658,808	427,905,691
Advances, Deposits and Prepayments	120,519,791	60,259,896	40,173,264	20,086,632	241,039,582
Balance at June 30, 2021	359,075,892	167,236,318	111,490,879	55,745,439	693,548,529
Financial liabilities measured at amortized cost:					
Long Term Loan				1,788,317,557	1,788,317,557
Short Term Bank Loans and Others	823,129,920	411,564,960	274,376,640	137,188,320	1,646,259,839
Trade and Other Payables	3,443,186	1,721,593	1,147,729	573,864	6,886,372
Liabilities for Expenses	52,979,565	26,489,782	17,659,855	8,829,927	105,959,129
Balance at June 30, 2021	879,552,671	439,776,335	293,184,224	1,934,909,668	3,547,422,897

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	1,788,317,557			1,341,238,168	447,079,389
Short Term Bank Loans and Others	1,646,259,839	411,564,960	1,234,694,879		
Trade and Other Payables	6,886,372	1,721,593	5,164,779		
Liabilities for Expenses	105,959,129	26,489,782	79,469,347		
Balance at June 30, 2021	3,547,422,897				

35.00 Event after the Balance Sheet Date:

35.01 The Board of Directors in its meeting held on October 28, 2021 has approved the Financial Statements for the year ended June 30, 2021 and recommend 3% cash dividend for all general public shareholder other than sponsor or director which is subject to approval by the shareholders at the forthcoming Annual General Meeting (AGM) and authorize the financial statements for issue.

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



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	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.	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
---------------------------------	----------------------	----------------------	----------------------	---	--------------------	--------------------	--------------------	----------------------

Depreciation Charged To:-

Administrative Cost	451,294
Manufacturing Cost	161,292,103
Total	161,743,397

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 Property, Plant & Equipment
As at June 30, 2020

Cost:

Amounts in Taka

Particulars	COST			Rate of Dep.	DEPRECIATION			Written down value as at 30.06.2020
	As at July 01, 2019	Addition during the period	Closing Balance As on 30.06.2020		As at July 01, 2019	Charged during the Period	Closing Balance As on 30.06.2020	
Land & Land Dev.	286,621,311	-	286,621,311	-	-	-	-	286,621,311
Factory Building	119,545,355	1,176,979,584	1,296,524,939	5%	45,723,283	25,593,594	71,316,877	1,225,208,062
Plant & Machinery	459,855,918	2,690,000	462,545,918	10%	405,813,759	46,199,925	452,013,684	10,532,234
Vehicle	5,586,326	-	5,586,326	10%	1,970,932	558,633	2,529,565	3,056,761
Furniture & Fixture	1,728,415	-	1,728,415	10%	1,262,102	172,842	1,434,944	293,471
Air Condition	-	1,267,500	1,267,500	10%	-	104,792	104,792	1,162,708
Balance as on 30.06.2020	873,337,325	1,180,937,084	2,054,274,409		454,770,076	72,629,786	527,399,862	1,526,874,547

Revaluation:

Particulars	COST			Rate of Dep.	DEPRECIATION			Written down value as at 30.06.2020
	As at July 01, 2019	Addition during the period	Closing Balance As on 30.06.2020		As at July 01, 2019	Charged during the Period	Closing Balance As on 30.06.2020	
Land & Land Dev.	130,314,640	-	130,314,640	-	-	-	-	130,314,640
Balance as on 30.06.2020	130,314,640	-	130,314,640	-	-	-	-	130,314,640

Balance as on 30.06.2020	1,003,651,965	1,180,937,084	2,184,589,049	-	454,770,076	72,629,786	527,399,862	1,657,189,187
---------------------------------	----------------------	----------------------	----------------------	----------	--------------------	-------------------	--------------------	----------------------



Mozaffar Hossain Spinning Mills Limited

Annexure of Accounts Receivable

As at June 30, 2021

Annexure-B

Disclosure as per requirement of Schedule XI, Part - I (A. Horizontal Form) of Companies Act.1994

In regard to sundry debtors the following particulars' shall be given separately:-

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

Amounts in Taka

Name of Customer	Balance as at 01.07.2020	Addition during the period	Realized during the period	Balance as at 30.06.2021
ACS Textile Ltd.	124,418,700	353,892,630	394,836,750	83,474,580
ACS Towel Ltd.	14,795,340	106,514,478	83,446,398	37,863,420
Rownok Textile Mills	10,597,440	28,233,542	20,341,440	18,489,542
Moom Tex. Expo Ltd	14,049,000	52,308,480	59,403,960	6,953,520
Amber Denim Mills Ltd	1,039,500	950,040	1,989,540	-
Crosswear Industries Ltd.	-	2,416,722	2,416,722	-
Rony Knit Composite (Pvt) Ltd	-	3,399,900	3,399,900	-
Adnan	-	3,651,900	2,672,460	979,440
Aswad Composite Mills Limited	-	79,800	-	79,800
Impress Fashion Ltd	-	1,535,940	1,535,940	-
Nazmul Hosiery (PVT.) Ltd.	-	5,314,680	5,314,680	-
Trust Knitwear Industries Ltd.	-	2,067,870	2,067,870	-
Sea Blue Textile Limited	-	41,388,648	2,058,000	39,330,648
Shabab Fabrics Ltd	-	76,408,344	56,840,544	19,567,800
Alema Textile Limited	-	46,234,650	37,309,230	8,925,420
Arkay Knit Dyeing Mills Ltd	-	77,796,180	45,647,448	32,148,732
Cleartex Industries Ltd	-	2,817,360	-	2,817,360
F.K. Textile Mills Limited	-	3,150,000	3,150,000	-
F.M Yarn Dyeing Ltd	-	1,705,200	1,705,200	-
Farzana Fashions World Ltd	-	9,711,425	9,711,425	-
Fashion Makers Ltd	-	756,000	756,000	-
Glorius Sun Fashion Garments L	-	12,215,700	-	12,215,700
Hamza Trims Ltd	-	5,712,000	-	5,712,000
Handz Clothing BD Ltd	-	13,608,000	-	13,608,000
K.R Knitwear Ltd	-	3,314,850	-	3,314,850
Heaven Textile Mills	-	9,391,200	5,964,000	3,427,200
Mof Fashions Limited	-	12,574,800	4,069,800	8,505,000
Mohammadi Group Ltd	-	10,963,260	-	10,963,260
Noor Knit (BD) Ltd	-	5,532,240	-	5,532,240
Silver Apparels Limited	-	16,234,680	4,788,000	11,446,680
Sisal Composite Ltd	-	2,743,440	2,743,440	-
Unifill Textile Mills Ltd	-	2,016,000	2,016,000	-
Ripon Knitwear Ltd.	-	22,885,800	22,885,800	-
Sub-total	164,899,980	937,525,758	777,070,547	325,355,192

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 01.07.2020	Addition during the period	Realized during the period	Balance as at 30.06.2021
SIM Fabrics Limited	118,813,392	625,370,564	641,633,457	102,550,499
Sub-total	118,813,392	625,370,564	641,633,457	102,550,499
Total	283,713,372	1,562,896,323	1,418,704,004	427,905,691



Mozaffar Hossain Spinning Mills Limited

Schedule of Trade Creditors

As at June 30, 2021

Annexure-C

Trade Creditors:

Amounts in Taka

Name of Supplier	Balance as at 01.07.2020	Payment during the Period	Bill during the Period	Balance as at 30.06.2021
AB Enterprise	133,462	-	-	133,462
Sub Total (A)	133,462	-	-	133,462

Bills Payable:

Amounts in Taka

Name of Supplier/Service Provider	Balance as at 01.07.2020	Payment during the Period	Bill during the Period	Balance as at 30.06.2021
Amreen Refrigeration & Engineering	267,500	-	-	267,500
AMSLER Textile Effect Systems	214,200	100,000	85,000	199,200
Asia Pacific Textrade Ltd	907,325	600,000	408,325	715,650
Bangladesh Association of Public Listed Co.	50,000	50,000	100,000	100,000
Bangla Trac Limited	146,127	5,434,905	5,299,779	11,001
Beximco Online	13,800	51,750	41,400	3,450
Bestair Engineering	46,050	-	-	46,050
Central Depository Bangladesh	116,679	116,679	-	-
Chemtex B.D	30,700	-	-	30,700
Chittagong Stock Exchange Ltd	1,314,734	-	-	1,314,734
Changzhou Tonghe Textile Machinery	34,128	-	-	34,128
Dhaka Stock Exchange LTd	458,617	-	501,987	960,604
Emerging Credit Rating		43,000	43,000	-
Mahin Enterprise & Packaging	156,147	-	-	156,147
Minarva Engineering Works	37,606	250,000	226,000	13,606
Monir Steel House	508,800	1,000,000	575,000	83,800
MH Rubber & Plastic Machineries Ltd.	86,552	25,000	30,000	91,552
MS Enterprise	132,125	1,277,500	1,333,635	188,260
New Mokka Trading	197,176	-	-	197,176
Maa Enterprise & Packaging	95,347	1,542,500	1,469,374	22,221
Mostakim Enterprise	42,871	2,635,000	2,611,249	19,120
Orient Plastic & Packing Ind. Ltd	50,000	20,000	-	30,000
Galaxy Corporation		162,000	162,000	-
Peoples Insurance Company Ltd.	334,669	2,181,536	2,703,184	856,317
Reyan Machinery	165,175	130,050	143,600	178,725
Kaizer Enterprise	99,860	3,167,000	3,116,934	49,794
Sabuj Timber & Traders	141,471	281,912	158,390	17,949
Touch Paper Products	347,812	1,941,000	1,906,906	313,718
Textile Associates Ltd	59,500	100,000	140,010	99,510
S.R Shipping Agency	103,738	-	-	103,738
Amra Bangla	10,000	-	-	10,000



Name of Supplier/Service Provider	Balance as at 01.07.2020	Payment during the Period	Bill during the Period	Balance as at 30.06.2021
SAIL International Ltd	9,700	701,500	727,100	35,300
Step Transmission	146,832	580,000	523,246	90,078
Raju. Engineering & Service Centre		90,000	120,000	30,000
Riya Enterprise		750,000	814,400	64,400
Solution Technology		296,000	352,000	56,000
Alipur Transport Agency		906,700	906,700	-
Fahim Transport Agency		390,500	408,000	17,500
Ahee-Sohi Transport Agency		539,500	657,600	118,100
One Inspection & Testing Services(BD) Ltd		250,000	476,882	226,882
Panosonic Electronics		6,500	6,500	-
New Karim Carrier Service		140,000	140,000	-
Sub Total (B)	6,325,241	25,760,532	26,188,201	6,752,910
Total (A+B)	6,458,703	25,760,532	26,188,201	6,886,372