

Interim Financial Statements(Un-audited)

**1st Quarter
1st July 2019 To 30 September 2019**



Mozaffar Hossain Spinning Mills Limited

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

Mozaffar Hossain Spinning Mills Limited

Statement of Financial Position(Un-Audited)

As at September 30, 2019

Particulars	Notes	Amount in Taka	
		30.09.2019	30.06.2019
ASSETS:			
NON-CURRENT ASSETS			
		3,449,503,163	3,419,104,279
Property, Plant and Equipment's	5.00	535,708,306	548,881,889
Capital Work-In-Progress	6.00	2,913,794,857	2,870,222,390
INVESTMENT			
		5,110,847	5,110,847
Investment	7.00	5,110,847	5,110,847
CURRENT ASSETS			
		641,758,018	683,181,614
Inventories	8.00	227,061,886	239,084,549
Accounts Receivable	9.00	289,773,341	313,427,416
Advances, Deposits & Pre-Payments	10.00	122,642,864	128,847,685
Cash and Cash Equivalents	11.00	2,279,927	1,821,964
TOTAL ASSETS		4,096,372,028	4,107,396,739
SHAREHOLDERS' EQUITY & LIABILITIES:			
SHAREHOLDERS' EQUITY			
		1,516,480,844	1,545,726,064
Share Capital	12.00	990,131,120	990,131,120
Revaluation Reserve	13.00	127,708,347	127,708,347
Tax Holiday Reserve	14.00	72,845,417	72,845,417
Retained Earnings	15.00	325,795,960	355,041,180
LONG TERM LIABILITIES			
		453,322,149	439,499,612
Long Term Borrowings	16.00	448,918,877	433,675,280
Deferred Tax Liability	17.00	4,403,272	5,824,332
CURRENT LIABILITIES			
		2,126,569,035	2,122,171,062
Accounts Payable	18.00	1,305,154,608	1,304,115,968
Cash Dividend Payable	19.00	469,705	469,705
Long Term Borrowings- Current Maturity	20.00	61,946,230	58,896,930
Refundable Fund of IPO Subscribers	21.00	4,755,000	4,755,000
Short Term Borrowings	22.00	625,907,296	625,907,296
Provision for Tax	23.00	101,312,404	100,877,371
Accrued Expenses	24.00	27,023,792	27,148,792
TOTAL EQUITY & LIABILITIES		4,096,372,028	4,107,396,739

Net Asset Value Per Share (NAVPS)

15.32

15.61

The accompanying notes 1 to 33 form an integral part of these Financial Statements.

Chief Financial Officer

Company Secretary

Director

Managing Director

Chairman

Dated: November 12, 2019

Dhaka

Mozaffar Hossain Spinning Mills Limited
Statement of Profit or Loss & Other Comprehensive Income(Un-Audited)
For the three month period ended September 30, 2019

Particulars	Notes	Amount in Taka	
		30.09.2019	30.09.2018
Turnover	25.00	72,336,450	89,626,410
Less: Cost of goods sold	26.00	68,394,435	85,090,288
Gross Profit		3,942,015	4,536,122
Other Income	27.00	169,015	18,150
Operating Expenses:		5,547,006	4,426,804
Administrative Expenses	28.00	5,191,506	4,209,046
Marketing and Distribution Expenses	29.00	355,500	217,758
Profit from Operation		(1,435,976)	127,468
Less: Financial expenses	30.00	28,795,271	12,607,900
Profit Before Tax		(30,231,247)	(12,480,432)
Income tax expenses:		986,027	1,041,566
Current tax		(435,033)	(4,538)
Deferred Tax Expenses/(Income)		1,421,060	1,046,104
Net Profit after Tax Transferred to Equity		(29,245,220)	(11,438,866)
Earnings Per Share (EPS)/ Restated EPS	TK	(0.30)	(0.12)
Number of Shares used to compute EPS	No's	99,013,112	99,013,112

The accompanying notes 1 to 33 form an integral part of these Financial Statements.

Chief Financial Officer Company Secretary Director Managing Director Chairman

Dated: November 12, 2019
Dhaka

Mozaffar Hossain Spinning Mills Limited
Statement of Changes in Equity (Un-Audited)
For the three month period ended September 30, 2019

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	355,041,180	1,545,726,064
Net Profit / (Loss) for the period	-	-	-	(29,245,220)	(29,245,220)
Balance as on 30.09.2019	990,131,120	72,845,417	127,708,347	325,795,960	1,516,480,844

Statement of Changes in Equity (Un-Audited)
For the three month period ended September 30, 2018

Particulars	Share Capital	Tax holiday Reserve	Revaluation Reserve	Retained Earnings	Total
Balance as on 01.07.2018	942,982,020	72,845,417	127,708,347	494,672,491	1,638,208,275
Net Profit / (Loss) for the year	-	-	-	(11,438,866)	(11,438,866)
Balance as on 30.09.2018	942,982,020	72,845,417	127,708,347	483,233,625	1,626,769,409

Chief Financial Officer

Company Secretary

Director

Managing Director

Chairman

Dated: November 12, 2019
Dhaka

Mozaffar Hossain Spinning Mills Limited

Statement of Cash Flows (Un-Audited)

For the three month period ended September 30, 2019

Particulars	Amount in Taka	
	01.07.2019 to 30.09.2019	01.07.2018 to 30.09.2018
A. Cash flow from operating activities:		
Profit before income tax	(30,231,247)	(12,480,432)
Adjustment for items not involving movement of cash:		
Provision for taxation	-	
Depreciation	13,173,583	52,435,837
	(17,057,664)	39,955,405
(Increase)/Decrease in Accounts Receivable	23,654,075	326,225,543
(Increase)/Decrease in Inventory	12,022,663	61,603,425
(Increase)/Decrease in Advance, Deposits & Prepayments	14,491,293	20,255,437
Increase/(Decrease) in Accounts Payable	1,038,640	1,298,495,939
Increase/(Decrease) in Accrued expenses	(125,000)	(19,708,497)
	51,081,671	1,686,871,847
Advance income tax paid	113,528	-
Income Tax paid during the year	-	-
Net Cash flow from operating activities	34,137,535	1,726,827,252
B. Cash flow from investing activities		
Acquisition of PPE	-	(2,328,524)
Advance against ring	(8,400,000)	
Capital Work-In-Progress	(43,572,467)	(2,441,217,677)
Capital Work-In-Progress		
Investment	-	(89,700)
Net Cash flow from investing activities	(51,972,468)	(2,443,635,901)
C. Cash flow from financing activities		
Cash dividend paid	-	(3,033)
Refundable fund of IPO subscriber		3,000,000
Increase/(Decrease) in Long term borrowings	3,049,300	107,019,552
Increase/(Decrease) in Short term borrowings	15,243,597	564,735,360
Net Cash flow from financing activities	18,292,896	674,751,879
Net Changes cash and cash equivalent (A+B+C)	457,963	(42,056,770)
Opening cash and cash equivalent	1,821,964	26,668,707
Closing cash and cash equivalent	2,279,927	(15,388,063)
Net Operating Cash Flow Per Share (Restated)	0.34	17.44
Number of Shares used to compute NOCFPS	99013112	99013112

Chief Financial Officer

Company Secretary

Director

Managing Director

Chairman

Dated: November 12, 2019

Dhaka

Mozaffar Hossain Spinning Mills Limited
Notes to the Financial Statements
For the three month period ended September 30 , 2019

1.0 Legal Status of the Company

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

Registered office of the company

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

2.0 Nature of Business Activities

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

3.0 Risk Exposure

3.1 Interest Rate Risk

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

Management perception:

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

3.2 Exchange Rate Risk

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

Management Perception:

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

foreign currency transactions in the future. Movement in the exchange rate adversely may expose the company to risks of foreign currency loss.

3.3 Industry Risks

(a) Market demand:

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

Management Perception:

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

(b) Competition:

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

Management Perception:

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

(c) Rising of Raw Materials costs:

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

Management Perception:

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

3.4 Risks steaming from technological changes:

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

Management perception:

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

3.5 Other risk factors:

(a) Political Unrest:

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

Management Perception:

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

(b) Possible slowdown in economic growth in Bangladesh:

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

Management Perception:

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

(c) Natural calamities:

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

Management perception:

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

4.0 Basis of preparation and significant accounting policies

4.1 Basis of Measurement of Elements of Financial Position

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

4.2 Statement of Compliance with Laws

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

4.3 Going Concern

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

Deviation from last period Result

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

4.4 Accrual Basis

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

4.5 Structure, Content and Presentation of Financial Position

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

- i) Statement of Financial Position as at September 30, 2019.
- ii) Statement of Comprehensive Income for the three month period ended September 30, 2019.
- iii) Statement of Changes in Equity for the three month period ended September 30, 2019.
- iv) Statement of Cash Flows for the three month period ended September 30, 2019.
- v) Notes comprising a summary of significant accounting policies and other explanatory information to the financial Statements for the three month period ended September 30, 2019.

4.6 Reporting Period

The Financial year of the company under unaudited cover for three month period effective from 01 July 2019 to 30 September, 2019.

4.7 Inventories

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

4.8 Revenue

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

4.9 Property, Plant and Equipment

Initial Recognition and measurement

Property, plant and equipment are capitalized at cost of acquisition and subsequently stated at cost or valuation less accumulated depreciation in compliance with the requirements of IAS-16: "Property, Plant and Equipment". The cost of acquisition of an asset comprises its purchase price and any directly attributable cost of bringing the assets to its working condition for its intended use inclusive of inward freight, duties, non-refundable taxes and un-allocated expenditures etc. The land and land developments with an effect as on June 30, 2011 have been revalued by an independent valuer to reflect fair value (prevailing market price) thereof following "Current Cost Method".

Subsequent Costs

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

Depreciation on Fixed Assets

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

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

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 30.09.2019 is not materially differing with the carrying amount.

CAPITAL WORK-IN-PROCESS

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

4.10 Revaluation Reserve

In 2011, land under the ownership of MHSML was professionally revalued by ATA KHAN & Co, Chartered Accountants. Fair market value was estimated at Tk. 132,685,000 as against net book value of Tk. 2,370,360 resulting in a revaluation surplus of Taka 130,314,640 which was accounted for and transferred to revaluation reserve.

4.11 Cash and Cash Equivalent and Statement of Cash Flows:

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

The Statement of Cash Flows is prepared using the **Indirect 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 September 30, 2019 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.

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: “Earning per Share”.

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.

Exchange differences arising on the settlement of monetary items or on translating monetary Items at rate different from those at which they were translated on initial recognition during the period or in previous financial statements is recognized in profit or loss in the period in which they arise.

4.14 Impairment of Assets

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

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 period in which it incurs.

4.16 Authorization date for issuing Financial Statements

The financial statements were authorized for issue by Board of Directors on November 12, 2019

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. (Note-33)

4.24 Corporate Tax

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

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

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

(b) Deferred Tax

Deferred tax liabilities are the amount of income taxes payable in future years in respect of taxable temporary differences. Deferred tax assets are the amount of income taxes recoverable in future years in respect of deductible temporary differences. Deferred tax assets and liabilities are recognized for the future tax consequences of timing differences arising between the carrying values of assets, liabilities, income and expenditure and their respective tax bases. Deferred tax

assets and liabilities are measured using tax rates and tax laws that have been enacted or subsequently enacted at the financial statement date.

4.25 Workers Profit Participation Fund

As per provision of Bangladesh Labor Law, Amendment 2013, Section 232(2), in case of a 100% export oriented industrial sector or for any industry investing 100% foreign exchange, the Government, through enactment of Rule, shall adopt required provisions with regard to formation of sector based central fund comprising of buyers and owners, form a Board to execute that fund, determine contributions and their realization procedure and provisions for utilizations of the money for the welfare of the beneficiaries in the sector. Therefore, Company has not made any provision on profit 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 BAS: 37. Contingent assets and contingent liabilities are not recognized in the financial statements except the balance amount of IPO subscription money shown in (Note: 21.00) yet to be refundable.

A contingent assets is disclosed as per IAS-37 "Provisions, Contingent Liabilities and Contingent Assets, 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 decision 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 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. 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 34: 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 Comprehensive Income for the comparable year of preceding financial period.
- Statement of Changes in Equity for the comparable year of preceding financial period.
- Statement Cash Flows for the comparable year of preceding financial period.

Narrative and descriptive information for comparative information have also been disclosed whenever it is relevant for understanding of the current year's financial statement.

Mozaffar Hossain Spinning Mills Limited

Notes to the Financial Statements

As At and for the period ended 30 September 2019

Notes No.	Particulars	Amount in Taka	
		30.09.2019	30.06.2019
5.00	Property, Plant and Equipment's		
	Cost:		
	Opening balance at cost	873,337,325	870,752,348
	Add : Addition during the period	-	2,584,977
		873,337,325	873,337,325
	Add : Disposed / Sold during the year	-	-
	Total	873,337,325	873,337,325
	Depreciation:		
	Opening balance	454,770,076	402,075,741
	Charged during the period	13,173,583	52,694,335
		467,943,659	454,770,076
	Total (a)	405,393,666	418,567,249
	Revaluation:		
	Opening balance	130,314,640	130,314,640
	Add : Addition during the year	-	-
	Total (b)	130,314,640	130,314,640
	Written Down Value (WDV) (a+b)	535,708,306	548,881,889

Please refer to Annexure-'A' for further details

6.00 Capital Work-In-Progress

Break-up of this are as follows:

Note:

Capital Work-In-Progress (Building)	6.01	1,102,191,230	1,085,391,230
Capital Work-In-Progress (Machinery)	6.02	1,811,603,627	1,784,831,160
Total		2,913,794,857	2,870,222,390
6.01 Capital Work-In-Progress (Building)			
Opening Balance		1,085,391,230	429,004,713
Addition during the period		16,800,000	656,386,517
Total		1,102,191,230	1,085,391,230
Acquisition of the period		-	-
Closing Balance	Tk.	1,102,191,230	1,085,391,230
6.02 Capital Work-In-Progress (Machinery)			
Opening Balance		1,784,831,160	-
Addition during the period		26,772,467	1,784,831,160
Total		1,811,603,627	1,784,831,160
Acquisition of the period		-	-
Closing Balance	Tk.	1,811,603,627	1,784,831,160

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

7.00 Investment

This represents the followings:

Suntech Energy Limited		5,110,847	5,063,647
		<u>5,110,847</u>	<u>5,063,647</u>
Add: Profit from the Associates			47,200
Total	Tk.	<u>5,110,847</u>	<u>5,110,847</u>

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

8.00 Inventories

Break-up of this item is as follows:

Finished Goods:	<u>Qty. (kg.)</u>		
Yarn	325,550	87,700,250	53,715,750
Work-in-process	293,309	35,155,400	43,996,350
Raw Materials:		92,690,278	123,382,139
Virgin Cotton	672,793	66,747,916	88,303,910
Waste Cotton	528,919	25,942,362	35,078,229
Packing Materials		510,500	1,477,100
Store Materials		11,005,458	16,513,210
	Tk.	<u>227,061,886</u>	<u>239,084,549</u>

The above Inventories are as per physical counting made and valued by a Inventory team comprised of management nominated staff to carryout the Inventory verification. Inventories in hand have been valued at lower of cost and net realizable value as per IAS-2. Inventories were hypothecated against working capital facilities availed from the bank (Islami Bank BD Ltd.).

9.00 Accounts Receivable

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

I) Accounts Receivable considered good in respect of which the company is fully secured (Annexure B)	-	-
II) Accounts Receivable considered good in respect of which the company holds no security other than the debtor's personal security	-	-
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)		289,773,341	313,427,416
VI) The maximum amount of receivable due by any director or other officer of the company		-	-
		289,773,341	313,427,416
Aging of accounts receivable:			
Dues within three months		84,483,000	84,483,000
Dues above three months but within six months		142,211,537	142,211,537
Dues above six months		63,078,804	86,732,879
		289,773,341	313,427,416
10.00 Advances, Deposits & Pre-Payments			
Advance against Purchase (Note-10.01)		85,668,000	101,881,640
Advance against Factory Expenses		5,055,800	4,567,882
Advance against L/c for Cotton & Spares Import		20,156,825	18,922,396
Advanced for Ring Spinning Project		10,537,500	2,137,500
Bank Guarantee		1,009,739	1,009,739
Prepaid Insurance		215,000	215,000
Tax deducted at sources		-	113,528
	Tk.	122,642,864	128,847,685
10.01 Advance against Purchase			
Dues within three months		46,015,200	56,034,902
Dues above three months but within six months		34,602,800	30,564,492
Dues above six months		5,050,000	15,282,246
		85,668,000	101,881,640
11.00 Cash and Cash Equivalents			
		527,000	1,236,273
Cash in hand		527,000	1,236,273
Cash at Banks:		1,752,927	585,691
IBBL Mouchak #20501450100327918		18,737	28,247
IBBL Mouchak #20501452500004916		6,405	4,615
IBBL Mouchak #20501452600004917		1	1
DBBL Bhulta # 1761200001733		139,932	108,975
DBBL Bashundhara # 1471100005894		1,435,526	291,527
EBL Principal		1,954	1,954
EBL Principal #1011360231502		150,372	150,372
	Tk.	2,279,927	1,821,964
12.00 Share Capital			
This represents the followings:			
Authorized Capital:			
300,000,000 ordinary Shares of Tk 10/- each		3,000,000,000	3,000,000,000
Issued, Subscribed and Paid-up Capital:			
9,90,13,112 ordinary shares of taka 10/- each		990,131,120	990,131,120
	Tk.	990,131,120	990,131,120

12.01 Share holding Position:

i) Sponsors	6,567,983	6.63%	65,679,830	65,679,830
ii) SIM Fabrics Limited	32,647,781	32.97%	326,477,810	326,477,810
iii) General Public & Others	59,797,348	60.39%	597,973,480	597,973,480
	<u>99,013,112</u>	<u>100.00%</u>	<u>990,131,120</u>	<u>990,131,120</u>

13.00 Revaluation Reserve

Opening Balance		130,314,640	130,314,640
Add: Related Deferred Tax on Revaluation 2%		(2,606,293)	(2,606,293)
		<u>127,708,347</u>	<u>127,708,347</u>

In 2011, land under the ownership of MHSML was professionally revalued by ATA KHAN & Co, Chartered Accountants. Fair market value was estimated at Tk. 132,685,000 as against net book value of Tk. 2,370,360 resulting in a revaluation surplus of Taka 130,314,640 which was accounted for and transferred to revaluation reserve.

14.00 Tax Holiday Reserve**A. Opening balance**

		72,845,417	72,845,417
Tax Holiday Reserve (30%)		54,634,063	54,634,063
Reserve for Investment (10%)		18,211,354	18,211,354

B. Add: During the Period

		-	-
Tax Holiday Reserve (30%)		-	-
Reserve for Investment (10%)		-	-

Total (A+B)	Tk.	72,845,417	72,845,417
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15.00 Retained Earnings

Details are as follows:

Opening Balance		355,041,180	494,672,491
Add: Net Profit / (Loss) for the year		(29,245,220)	(92,482,211)
Total		325,795,960	402,190,280
Bonus Paid (5% Stock Dividend)		-	(47,149,100)
Retained Earnings	Tk.	325,795,960	355,041,180

16.00 Long Term Borrowings

Hajj Finance Com. Ltd - 1813		42,379,740	43,532,926
Hajj Finance Com. Ltd - 1925		55,623,137	49,500,000
Hajj Finance Com. Ltd - 1947		164,174,664	152,458,358
Hajj Finance Com. Ltd - 2149		21,647,748	20,000,000
IBBL HPSM-78403		2,976,508	3,083,741
IBBL HPSM-83317		1,763,278	1,785,133
IBBL HPSM-20501454300083500		1,475,165	1,575,475
IBBL HPSM-20501454300089001		11,445,662	12,165,686
IBBL HPSM-20501454300095301		69,234,553	72,955,503
IBBL HPSM-97909		40,000,000	40,025,000
IBBL HPSM-98405		60,000,000	54,000,000
IDLC		40,144,652	41,490,388
Total		510,865,107	492,572,210
Less: Current portion of Long term loan		(61,946,230)	(58,896,930)
		<u>448,918,877</u>	<u>433,675,280</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 -12.30% per annum or the rate to be determined by the bank from time to time.
4. Collateral:
 - A. 156.10 decimal project land along with 88,200 sft. Project building vide FSV 81.36 million.
 - B. 397.00 decimal project land along with 1,89,4825 sft. Project building vide FSV 251.20 million.
 - C. 505.04 decimal project land along with 2,49,904 sft. Factory building vide FSV 598.51 million by SFL.
 - D. Personal Guarantee of all Directors of the Project Companies & Mortgages of their individual properties.

17.00 Deferred Tax

Book value of Depreciable asset	118,772,355	131,945,938
Less : Tax base value of depreciable assets	93,685,923	100,664,040
Revaluation surplus-PPE	-	-
Taxable temporary difference	<u>25,086,432</u>	<u>31,281,898</u>
Effective Tax rate	15%	15%
Deferred tax liabilities on original cost of assets	3,762,965	4,692,285
Deferred tax liabilities on revaluation surplus (17.01)	2,606,293	2,606,293
Unused tax loss (23.01) C	(1,965,985)	(1,474,245)
Total closing deferred tax liabilities/(assets)	<u>4,403,272</u>	<u>5,824,332</u>

17.01 Deferred Tax on Revaluation Reserve of Land

Revaluation Reserve	130,314,640	130,314,640
Effective Tax Rate	2%	2%
Total taxable temporary difference	<u>2,606,293</u>	<u>2,606,293</u>

17.02 Deffered Tax (Income) / Expenses

Closing Deferred Tax Liabilities	4,403,272	5,824,332
Opening Deferred Tax Liabilities	5,824,332	11,444,217
Deferred tax (Income)/ Expenses	<u>(1,421,060)</u>	<u>(5,619,885)</u>

18.00 Accounts Payable

Trade Creditors (Annexure-C)	5,172,102	4,133,462
Bills Payable (Annexure-C)	3,367,590	3,367,590
Liability against Import Machinery	1,296,614,916	1,296,614,916
	<u>1,305,154,608</u>	<u>1,304,115,968</u>

19.00 Cash Dividend Payable

Opening Balance	469,705	472,738
Less: Disburse during the year	-	(3,033)
Balance Payable	<u>469,705</u>	<u>469,705</u>

20.00 Long Term Borrowings- Current Maturity

A. Islami Bank Bangladesh Limited	61,946,230	58,896,930
	<u>61,946,230</u>	<u>58,896,930</u>

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

21.00 Refundable fund of IPO subscribers

Refund warrant to IPO subscribers	4,755,000	4,755,000
	<u>4,755,000</u>	<u>4,755,000</u>

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

22.00 Short Term Borrowings

Islami Bank Bangladesh Limited Mouchak Br.

Loan against purchase (MTR)	226,689,105	226,689,105
MURA	398,159,863	398,159,863
Loan against Bill Purchases (MDB)	-	-
Car Loan Hajj Finance Co. Ltd	1,058,328	1,058,328
Total short term loan of Islami bank Bangladesh Ltd.	<u>625,907,296</u>	<u>625,907,296</u>

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

1. Purpose of Investment - To purchase/import raw materials for the project.
2. Period of Investment - 01 (one) year on revolving basis.
3. Rate of return -12.30% per annum or the rate to be determined by the bank from time to time.
4. Collateral:
 - A. 156.10 decimal project land along with 88,200 sft. Project building vide FSV 81.36 million.
 - B. 397.00 decimal project land along with 1,89,4825 sft. Project building vide FSV 251.20 million.
 - C. 505.04 decimal project land along with 2,49,904 sft. Factory building vide FSV 598.51 million by SFL.
 - D. Personal Guarantee of all Directors of the Project Companies & Mortgages of their individual properties.

23.00 Provision for Income tax

Note

Opening Balance		100,877,371	98,761,522
Provision for the period	23.01	435,033	2,115,849
Total		101,312,404	100,877,371
AIT & Treasury deposits during the period		-	-
AIT Adjustment		-	-
Closing Balance		<u>101,312,404</u>	<u>100,877,371</u>

23.01 Current Tax

Minimum Tax (A)	435,033	2,115,849
Regular Tax (B)	(3,278,268)	(9,828,300)
	<u>435,033</u>	<u>2,115,849</u>
A. Minimum tax		
Trunover and other income	<u>72,505,465</u>	352,641,520
Minimum tax rate	<u>0.6%</u>	<u>0.6%</u>
	<u>435,033</u>	<u>2,115,849</u>

B. Regular tax

Profit Before Tax	(30,231,247)	(95,986,246)
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Less: Other Income	(169,015)	(362,510)
Add: Accounting Depreciation	13,173,583	52,694,335
Less: Tax Depreciation	(4,910,135)	(22,471,766)
Taxable Income for the period	(22,136,814)	(66,126,187)
Rate of Tax	15%	15%
Tax on business	(3,320,522)	(9,918,928)
Add: 25 % Tax on Other Income	42,254	90,628
Total Provision for the year	(3,278,268)	(9,828,300)
C. Unused tax loss	(491,740)	(1,474,245)

24.00 Accrued Expenses

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

Audit fees	-	125,000
Salaries & Allowances	3,199,252	3,199,252
Gas Bill	4,154,548	4,154,548
TDS, VAT & Others	-	-
WPPF Payable	19,669,992	19,669,992
Accrued Interest	-	-
Tk.	27,023,792	27,148,792

25.00 Turnover

		Amount in Taka	
		01.07.2019 to 30.09.2019	01.07.2018 to 30.09.2018
	Qty. (kg.)	Avg. Rate	
Yarn 20's	237657	170	40,401,690
Yarn 16's	89148	160	14,263,680
Yarn 10's	147259	120	17,671,080
	474,064		72,336,450
			89,626,410

Expansion project of 36,000 Spindle Ring Spinning Mills are under construction. Due to up-gradation of

26.00 Cost of Goods Sold

Opening Work-in-Process	43,996,350	32,278,233
Raw materials consumed (Note-26.01)	41,781,861	51,771,656
Accessories & Stores Consumed (Note-26.02)	5,507,752	4,740,267
Packing Materials Consumed (Note-26.03)	991,600	1,229,701
Factory overhead (Note-26.04)	45,612,582	41,712,248
Closing Work-in-Process	(35,155,400)	(33,075,805)
Cost of Production	102,734,745	98,656,300

Opening stock of Finished Goods	53,715,750	55,316,250
Cost of Goods Available for Sale	156,450,495	153,972,550
Closing stock of Finished Goods	(87,700,250)	(68,598,750)
Wastage Sales	(355,810)	(283,512)
Cost of Goods Sold	68,394,435	85,090,288
26.02 Accessories & Stores Consumption		
Opening Accessories & Stores	16,513,210	17,931,141
Purchase during the period	-	4,740,267
Available for use	16,513,210	22,671,408
Closing Accessories & Stores	(11,005,458)	(17,931,141)
	5,507,752	4,740,267
26.03 Packing Materials Consumption		
Opening Packing Materials	1,477,100	594,061
Purchase during the period	25,000	1,229,701
Available for use	1,502,100	1,823,762
Closing Packing Materials	(510,500)	(594,061)
	991,600	1,229,701
26.04 Factory Overhead		
Gas Bill	17,491,312	15,973,801
Salary & Wages	13,564,555	11,447,439
Repair & Maintenance	359,800	287,500
Factory Insurance	525,000	173,092
Sundry Carrying Charges	103,500	152,313
Sundry daily labor charges	365,900	310,844
Medical & other Expenses	211,800	441,168
Depreciation	12,990,715	12,926,091
	Tk. 45,612,582	41,712,248
(a) Repairs & maintenance includes maintenance of office, premises, vehicles, building, equipment and other infrastructures. Also included therein stores and spares that has been consumed during the year.		
(b) Other expenses does not included any item exceeding 1% of total revenue.		
27.00 Other Operating Income		
Interest on Bank Account	119,638	11,859
Profit from Associate	-	
Exchange Rate Fluctuation Gain/(Loss)	49,377	6,291
	Tk. 169,015	18,150
28.00 Administrative Expenses		
Salary and Allowances	1,853,748	1,611,955
Festival Bonus	450,000	270,000
Audit Fee	31,250	28,750
Managing Director Remuneration	300,000	150,000
Director's Remuneration	600,000	525,000
Board Meeting Fees	50,000	40,000
Entertainment	75,000	4,900
Traveling and Conveyance	110,240	94,990
House & Office rent	215,000	195,000
Telephone (mobile)	35,600	28,050
Company Secretarial, Regulatory Fee and AGM Expense	440,000	368,000
Subscription and Donations	122,000	122,000

Fuel, newspaper & other Expenses	725,800	587,533
Depreciation	182,868	182,868
Tk.	5,191,506	4,209,046

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	300,000	150,000
Director's Remuneration	600,000	525,000
Board Meeting Fees	50,000	40,000

29.00 Marketing, Selling & Distribution Expenses

Salaries and Allowances	160,000	150,000
Advertisement	35,000	20,000
Business Development	120,000	47,758
Sample Expenses	40,500	-
Tk.	355,500	217,758

30.00 Financial Expenses

Bank Charges and Commission	60,203	141,903
Interest on HPSM investment	4,978,961	4,941,637
Interest on BAI Murabaha	15,790,520	3,624,849
Interest on MDB Loan	-	157,330
Interest on Murabaha TR	7,965,587	3,742,181
Tk.	28,795,271	12,607,900

31.00 Basic Earning Per Share

Net Profit for the period	(29,245,220)	(11,438,866)
No. of Shares	94,298,202	94,298,202
No. of Shares (Re-stated 5% Stock)	99,013,112	99,013,112
Earning Per Share (EPS)/Re-Stated EPS	(0.30)	(0.12)

32.00 General:

32.01 Claims not Acknowledged

There is no claim against the Company not acknowledged as debt as on 30.09.2019

32.02 Credit Facilities not Availed

There is no credit facilities extended to the Company but nor availed of as on 30.09.2019, 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 30.09.2019.

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 475 permanent employees employed for the full year out of which 205 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.

32.07 Cash flows from operating activities

Statement of Cash Flows have been prepared in accordance with IAS 7 "Statement of Cash Flows" and the cash flows from the operating activities are shown under indirect method as activities

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	123,382,139	-	(41,781,861)	81,600,278
Packing Materials	1,477,100	25,000	(991,600)	510,500
Spare Parts	16,513,210	-	(5,507,752)	11,005,458

Value of Export

Particular	In Foreign Currency USD	In BDT
Export	\$ 856,052.66	72,336,450

32.09 Details of capacity has given below

Particular	License Capacity	Installed Capacity	Actual Production
Annual Production (kg)	6,600,000	6,600,000	2,061,300

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

33.00 Related Party Disclosure :

a) Transaction with Key Management Personnel of the entity:

No.	Particulars	Value in Tk.
(a)	Managerial Remuneration paid or payable during the period to the directors, including Managing directors or manager	900,000
(b)	Any other perquisite or benefits in cash or in kind stating, approximate money value applicable.	50,000
(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 01.07.2019	Addition during the Period	Realized during the Period	Balance as at 30.09.2019
(a)	SIM Fabrics Limited yarn sale	Common Management	313,427,416	50,912,985	82,600,000	281,740,401
	Total		313,427,416	50,912,985	82,600,000	281,740,401

c) Transaction with Related Entity:

Sl.	Name of Customer	Relationship	Balance as at 01.07.2019	Addition during the Period	Realized during the Period	Balance as at 30.09.2019
(a)	SIM Fabrics Limited (land transferred against shares)	Common Management	250,000,000	-	-	250,000,000
	Total		250,000,000	-	-	250,000,000

Mozaffar Hossain Spinning Mills Limited
Annexure of Property, Plant & Equipment
As at September 30, 2019

Annexure A
Amount in Taka

Cost:

Particulars	COST			Rate of Dep.	DEPRECIATION			Written down value as at 30.09.2019
	As at July 01, 2019	Addition during the period	As at September 30, 2019		As at July 01, 2019	Charged during the Period	As at September 30, 2019	
Land & Land Dev.	286,621,311	-	286,621,311	-	-	-	-	286,621,311
Factory Building	119,545,355	-	119,545,355	5%	45,723,283	1,494,317	47,217,600	72,327,755
Plant & Machinery	459,855,918	-	459,855,918	10%	405,813,759	11,496,398	417,310,157	42,545,761
Vehicle	5,586,326	-	5,586,326	10%	1,970,932	139,658	2,110,590	3,475,736
Furniture & Fixture	1,728,415	-	1,728,415	10%	1,262,102	43,210	1,305,312	423,103
Balance as on 30.09.2019	873,337,325	-	873,337,325		454,770,076	13,173,583	467,943,659	405,393,666
Balance as on 30.06.2019	868,423,824	2,328,524	873,337,325		349,639,904	52,435,837	454,770,076	418,567,249

Revaluation:

Particulars	COST			Rate of Dep.	DEPRECIATION			Written down value as at 30.09.2019
	As at July 01, 2019	Addition during the period	As at September 30, 2019		As at July 01, 2019	Charged during the Period	As at September 30, 2019	
Land & Land Dev.	130,314,640	-	130,314,640	-	-	-	-	130,314,640
Balance as on 30.09.2019	130,314,640	-	130,314,640	-	-	-	-	130,314,640
Balance as on 30.06.2019	130,314,640	-	130,314,640	-	-	-	-	130,314,640

Balance as on 30.09.2019	1,003,651,965	-	1,003,651,965		454,770,076	13,173,583	467,943,659	535,708,306
Balance as on 30.06.2019	998,738,464	2,328,524	1,003,651,965		349,639,904	52,435,837	454,770,076	548,881,889

Depreciation Charged To-

Administrative Cost	182,868
Manufacturing Cost	12,990,715
Total	13,173,583

Mozaffar Hossain Spinning Mills Limited
Annexure of Accounts Receivable
For the three month period ended September 30, 2019

Annexure No. - B

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

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

Accounts Receivable considered good in respect of which the company holds no security other than the debtor personal security :

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

	Amount in Taka			
Name of Customer	Balance as at 01.07.2019	Addition during the period	Realized during the period	Balance as at 30.09.2019
Globex Agency	-	30,450,000	25,824,010	4,625,990
Rownak Textile Mills Ltd	-	3,450,000	43,050	3,406,950
Sub-total	-	33,900,000	25,867,060	8,032,940

Accounts Receivable due by Common management:

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

	Amount in Taka			
Name of Customer	Balance as at 01.07.2019	Addition during the period	Realized during the period	Balance as at 30.09.2019
SIM Fabrics Limited	313,427,416	50,912,985	82,600,000	281,740,401
Sub-total	313,427,416	50,912,985	82,600,000	281,740,401
Total	313,427,416	84,812,985	108,467,060	289,773,341

Mozaffar Hossain Spinning Mills Limited

Schedule of Trade Creditors

For the three month period ended September 30, 2019

Annexure No. - C

Trade Creditors:

Amount in Taka

Name of Supplier	Balance as at 01.07.2019	Payment during the Period	Bill during the Period	Balance as at 30.09.2019
AB Enterprise	4,133,462	1,038,640	2,077,280	5,172,102
Sub Total (A)	4,133,462	1,038,640	2,077,280	5,172,102

Bills Payable:

Amount in Taka

Name of Supplier/Service Provider	Balance as at 01.07.2019	Payment during the Period	Bill during the Period	Balance as at 30.09.2019
Amreen Refrigeration & Engineering	-	-	-	-
Bangladesh Association of Public Listed Co.	50,000	-	-	50,000
Bangla Trac Limited	485,502	-	-	485,502
Bestair Engineering	-	-	-	-
Best Tecknology	-	-	-	-
Beximco Online	-	-	-	-
Bismillah Paper Products	-	-	-	-
Building Design & Technology	-	-	-	-
Buy To Give	-	-	-	-
Central Depository Bangladesh	10,679	-	-	10,679
Chandmoni Construction	-	-	-	-
Chemtex B.D	30,700	-	-	30,700
Chittagong Stock Exchange Ltd	739,402	-	-	739,402
Coolteck Bangladesh	-	-	-	-
Dhaka Stock Exchange LTd	563,551	-	-	563,551
Enviro Enginiering	-	-	-	-
Galaxy Corporation	-	-	-	-
Islami Commercial Insurance	-	-	-	-
Mahin Enterprise & Packaging	156,147	-	-	156,147
Master Air Express	-	-	-	-
Mazumder Sikder & Associates	-	-	-	-
Meghna Metal	-	-	-	-
MH rubber & plastic Machinerics Ltd	-	-	-	-
Minarva Engineering Works	23,106	-	-	23,106
Monir Steel House	488,800	-	-	488,800
Orient Plastic & Packing Ind. Ltd	80,000	-	-	80,000
Raju Engineering & Service Centre	-	-	-	-
Reyan Machinery	187,850	-	-	187,850
Rotation Engineering	57,957	-	-	57,957
Sabuj Timber & Traders	271,471	-	-	271,471
Simul Traders	-	-	-	-
S.R Shipping Agency	103,738	-	-	103,738
Step Transmission	118,687	-	-	118,687
Tecnological Machine & Spares Ltd.	-	-	-	-
Touch Paper Products	-	-	-	-
United Trade Centre	-	-	-	-
Sub Total (B)	3,367,590	-	-	3,367,590
Total (A+B)	7,501,052	1,038,640	2,077,280	8,539,692