

## **Auditors' Report**

### **To the Shareholders of Mozaffar Hossain Spinning Mills Limited**

We have audited the accompanying financial statements of **Mozaffar Hossain Spinning Mills Limited**, which comprise the Statement of Financial position as at June 30, 2013 along with Statement of comprehensive Income, Statement of Changes in equity and Statement of Cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

#### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Bangladesh Financial Reporting Standards, Bangladesh securities & Exchange Rules 1987, Companies Act 1994 and other applicable Rules & Regulations. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

#### **Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Bangladesh Standards on Auditing, those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### **Opinion**

In our opinion, the financial statements give a true and fair view of the financial position of Mozaffar Hossain Spinning Mills Limited as of June 30, 2013 and of its financial performance for the year then ended in accordance with Bangladesh Financial Reporting Standards, Bangladesh Securities & Exchange Rule 1987 and comply with the Companies Act 1994 and other applicable laws and regulations.

### **Report on Other Legal and Regulatory Requirements**

We also report that;

- a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit and made due verification thereof;
- b) in our opinion proper books of account as required by law have been kept by the company so far as it appeared from our examination of those books;
- c) the company's Statement of Financial position, Statement of comprehensive Income and Statement of Cash flows dealt with by the report are in agreement with the books of accounts;
- d) the expenditure incurred and payments made were for the purpose of the company's business for the year.

Place: Dhaka  
Date: August 13, 2013

**Ahmed Zaker & Co.**  
Chartered Accountants

**Mozaffar Hossain Spinning Mills Limited**  
**Statement of Financial Position**  
**As at June 30, 2013**

Particulars	Notes	Amount in Taka	
		30.06.2013	30.06.2012
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Property, Plant and Equipments	5.00	656,635,086	694,018,230
<b>CURRENT ASSETS</b>			
Inventories	6.00	275,743,356	212,525,076
Accounts Receivable	7.00	320,162,055	192,320,956
Advances, Deposits & Pre-Payments	8.00	89,433,035	82,297,071
Cash and Cash Equivalents	9.00	1,130,350	1,651,652
<b>TOTAL ASSETS</b>		<b>1,343,103,882</b>	<b>1,182,812,985</b>
<b>SHAREHOLDERS' EQUITY &amp; LIABILITIES</b>			
<b>SHAREHOLDERS' EQUITY</b>			
Share Capital	10.00	349,750,000	349,750,000
Revaluation Reserve	11.00	130,314,640	130,314,640
Tax Holiday Reserve	12.00	68,337,364	57,743,696
Retained Earnings		182,178,371	120,789,762
<b>LONG TERM LIABILITY</b>			
Long Term Loan Net Off Current Maturity	13.00	206,756,991	208,508,815
Deferred Tax Liability		15,999,030	16,213,483
<b>CURRENT LIABILITIES</b>			
Accounts Payable	14.00	66,829,922	10,460,459
Workers profit participation fund		13,312,511	9,339,885
Current portion of long term loan	15.00	52,002,847	79,602,320
Short term Bank loan	16.00	206,961,577	181,816,973
Provision for Tax	17.00	12,587,670	8,891,948
Accrued Expenses	18.00	38,072,959	9,381,004
<b>TOTAL EQUITY &amp; LIABILITIES</b>		<b>1,343,103,882</b>	<b>1,182,812,985</b>
<b>Net Asset Value Per Share (NAVPS)</b>		<b>20.89</b>	<b>18.83</b>

The annexed notes 1 to 27 form an integral part of these financial statements.

These financial statements were approved by the Board of Directors on 13th August 2013 and were signed on behalf of the Company by:

Company Secretary

Director

Managing Director

Signed as per annexed report on even date.

Place: Dhaka

Dated: August 13, 2013

**Ahmed Zaker & Co.**  
Chartered Accountants

**Mozaffar Hossain Spinning Mills Limited**  
**Statement of Comprehensive Income**  
 For the year ended June 30, 2013

Particulars	Notes	Amount in Taka	
		30.06.2013	30.06.2012
Turnover	19.00	850,511,230	738,494,616
Less: Cost of goods sold	20.00	642,505,152	558,078,030
<b>Gross Profit</b>		<b>208,006,078</b>	<b>180,416,586</b>
Other Income	21.00	8	241,067
<b>Operating Expenses:</b>		<b>9,976,716</b>	<b>9,725,660</b>
Administrative Expenses	22.00	8,208,185	6,500,981
Marketing and Distribution Expenses	23.00	1,768,531	3,224,679
Profit from Operation		<b>198,029,370</b>	<b>170,931,993</b>
Less: Financial expenses	24.00	114,604,233	92,776,200
<b>Profit before WPPF</b>		<b>83,425,137</b>	<b>78,155,793</b>
Less: Workers profit participation fund 5%		3,972,626	3,721,704
<b>Profit before Tax after WPPF</b>		<b>79,452,511</b>	<b>74,434,089</b>
<b>Income tax expenses:</b>		<b>6,988,266</b>	<b>6,816,176</b>
Current tax		7,202,719	5,582,557
Deferred Tax Expenses/(Income)		(214,453)	1,233,619
<b>Net Profit after Tax Transferred to Equity</b>		<b>72,464,245</b>	<b>67,617,913</b>
<b>Earning Per Share for the year</b>	<b>25.00</b>	<b>2.07</b>	<b>1.93</b>

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Place: Dhaka

Dated: August 13, 2013

**Ahmed Zaker & Co.**  
Chartered Accountants

**Mozaffar Hossain Spinning Mills Limited**
**Statement of Changes in Equity  
 For the year ended June 30, 2013**
**Amount in Taka**

Particulars	Share Capital	Tax holiday Reserve	Revaluation Reserve	Retained Earnings	Total
Balance as on 01.07.2012	349,750,000	57,743,696	130,314,640	120,789,762	658,598,098
Adjustment for short provision	-	-	-	(481,968)	(481,968)
Net Profit / (Loss) for the year	-	-	-	72,464,245	72,464,245
Tax Holiday Reserve	-	10,593,668	-	(10,593,668)	-
<b>Balance as on 30.06.2013</b>	<b>349,750,000</b>	<b>68,337,364</b>	<b>130,314,640</b>	<b>182,178,371</b>	<b>730,580,375</b>

**Statement of Changes in Equity  
 For the year ended June 30, 2012**

Particulars	Share Capital	Tax holiday Reserve	Revaluation Reserve	Retained Earnings	Total
Balance as on 01.07.2011	99,750,000	42,856,878	130,314,640	83,038,531	355,960,049
Adjustment for Deferred Tax				(14,979,864)	(14,979,864)
Issued during the year	250,000,000	-	-	-	250,000,000
Net Profit / (Loss) for the year	-	-	-	67,617,913	67,617,913
Tax Holiday Reserve	-	14,886,818	-	(14,886,818)	-
<b>Balance as on 30.06.2012</b>	<b>349,750,000</b>	<b>57,743,696</b>	<b>130,314,640</b>	<b>120,789,762</b>	<b>658,598,098</b>

These financial statements were approved by the Board of Directors on 13th August 2013 and were signed on behalf of the company by:

**Company Secretary**
**Director**
**Managing Director**

Signed as per annexed report on even date.

 Place: Dhaka  
 Dated: August 13, 2013

**Ahmed Zaker & Co.**  
 Chartered Accountants

**Mozaffar Hossain Spinning Mills Limited**  
**Statement of Cash Flows**  
 For the year ended June 30, 2013

Particulars	Notes	Amount in Taka	
		30.06.2013	30.06.2012
<b>A. Cash flows from operating activities</b>			
Collection from Turnover		722,670,139	833,035,916
Payment to suppliers, employees		(601,298,465)	(575,476,311)
<b>Net cash flows from/(used) in operating activities</b>		<b><u>121,371,674</u></b>	<b><u>257,559,605</u></b>
<b>B. Cash flow from investing activities:</b>			
Acquisition of Property, Plant & Equipment		(3,082,050)	(2,324,748)
FDR with Bank		-	10,000,000
<b>Net cash flows from/ (used) in investing activities</b>		<b><u>(3,082,050)</u></b>	<b><u>7,675,252</u></b>
<b>C. Cash flow from financing activities:</b>			
Received from short term loan (Net)		25,144,604	(184,746,877)
Financial expenses		(114,604,233)	(92,776,200)
Received/ (repaid) Inter company Current Account		-	13,851,783
Received/(Repaid) long term loan (Net)		(29,351,297)	(832,217)
<b>Net cash flows from/(used) in financing activities</b>		<b><u>(118,810,926)</u></b>	<b><u>(264,503,511)</u></b>
<b>D. Net Cash Increase/ (Decrease) (A+B+C)</b>		<b>(521,302)</b>	<b>731,346</b>
<b>E. Opening cash and cash equivalents at the beginning of the year</b>		<b>1,651,652</b>	<b>920,306</b>
<b>F. Closing cash and cash equivalents at the end of the year (D+E)</b>		<b><u>1,130,350</u></b>	<b><u>1,651,652</u></b>
Operating Cash flow Per Share		1.94	7.36

**Company Secretary**

**Director**

**Managing Director**

Signed as per annexed report on even date.

Place: Dhaka  
 Dated: August 13, 2013

**Ahmed Zaker & Co.**  
 Chartered Accountants

**Mozaffar Hossain Spinning Mills Limited**  
**Notes to the Financial Statements**  
**For the year ended 30 June, 2013**

**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

**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 Woven Fabrics cotton yarn.

**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 with the IPO proceeds 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 both in International markets. 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 yarn and other chemicals are rising gradually and drastically round the year. It 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 applies the latest technology in the production process. The machineries and equipment of the company are also 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 one years of post independence period, Bangladesh has gone through a variety of political situations. But 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 on Compliance with Local Laws**

The financial statements have been prepared in compliance with the requirements of the Companies Act, 1994, Bangladesh Securities and Exchange Rules, 1987 and other relevant local laws as applicable.

##### **4.3 Statement on Compliance of Bangladesh Accounting Standards**

The financial statements have been prepared in accordance with the applicable Bangladesh Accounting Standard (BASs) and Bangladesh Financial Reporting Standard (BFRSs) adopted by the Institute of Chartered Accountants of Bangladesh (ICAB) based on International Accounting Standards (IASs) and International Financial Reporting Standards (IFRSs).

##### **4.4 Going Concern**

As per BAS-1, 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.

##### **4.5 Accrual Basis**

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

##### **4.6 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 BAS 1: "Presentation of Financial Statements". A complete set of financial statements comprise:

- i) Statement of Financial Position as at June 30, 2013.
- ii) Statement of Comprehensive Income for the year ended June 30, 2013.
- iii) Statement of Changes in Equity for the year ended June 30, 2013.
- iv) Statement of Cash Flows for the year ended June 30, 2013.

- v) Notes comprising a summary of significant accounting policies and other explanatory information to the financial Statements for the year ended June 30, 2013.

#### **4.7 Reporting Period**

The Financial year of the company under audit cover for a period of 12 months effective from 01 July 2012 to June 30, 2013.

#### **4.8 Inventories**

Inventories comprises of Raw materials, Work-in-Process, Finished goods and Stores & Spares. Raw materials and Stores and Spares have been valued at average cost. Work-in-Process has been valued at prime cost basis as required by IAS-2 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 BAS-2.

#### **4.9 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.

#### **4.10 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 BAS 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 BAS 16: Property, Plant and Equipment. Full year depreciation is charged in the year of acquisition

regardless of the date of purchase. No depreciation is charged in the year of disposal regardless of the date of disposal. 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 is noted below:

<b>Particular of Assets</b>	<b>Rate of Depreciation</b>
Land & Land Developments	0%
Factory Building	5%
Plant & Machinery	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 30.06.2013 is not materially differing with the carrying amount.

#### **4.11 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.

#### **4.12 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 (BAS) No. 7 "Statement of Cash Flows"

#### **4.13 Earnings Per Share**

The company calculates Earnings Per Share (EPS) in accordance with the requirement of BAS – 33: "Earning Per Share", which has been shown on the face of the Statement of Comprehensive Income and the computation, is shown in "Note - 25".

##### **Basic earnings:**

This represents earnings for the year ended June 30, 2013 attributable to the ordinary shareholders.

##### **Basic earning per share:**

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

#### **Diluted Earning 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 BAS – 33.

#### **4.14 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 BAS 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.

#### **4.15 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.

#### **4.16 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.

#### **4.17 Authorization date for issuing Financial Statements**

The financial statements were authorized for issue by the Board of Directors on August 13, 2013.

#### **4.18 Reporting Currency**

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

#### **4.19 Risk and uncertainty for use of estimates (Provisions):**

The Preparation of Financial Statements in conformity with Bangladesh Accounting Standards 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 BAS – 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.

#### **4.20 Accruals & Deferrals**

Deferrals and accruals have been made as per the guidance in BAS- 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.

#### **4.21 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.

#### **4.22 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 BAS-21: The Effects of Changes in Foreign Exchange Rates.

#### **4.23 Segment Reporting**

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

#### **4.24 Related Party Disclosures**

The information as required by BAS 24: "Related party Disclosure" has been disclosed separately in notes to the financial statements. (Note 27).

#### **4.25 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, and has been enjoying 50% up-to October 2012, and has been enjoying 25% tax holiday starting from November 2012 for which provision for current tax has been made on taxable income to that extent as prescribed in Income Tax Ordinance, 1984.

##### **(b) Tax Holiday**

The company has been enjoying tax holiday for five years commencing November 1, 2008. Tax holiday reserve has been made 30% on exempted Income as provision and 10% on exempted income which is required to be invested in the purchase of Shares of a company listed with any stock exchange as per section 46 B in the income tax ordinance 1984.

##### **(c) 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.

#### **4.26 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.

A contingent assets is disclosed as per BAS 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.

#### **4.27 Event after reporting period.**

An event, which could be favorable or unfavorable, that occurs between the end of the reporting period and on the date that the financial statements are authorized for issue.

An event after the reporting period that provides further evidence of conditions that existed at the end of the reporting period and financial statements required to adjust for those events.

An event after the reporting period that is indicative of a condition that arose after the end of the reporting period.

There were no adjusting or non adjusting events after reporting period.

#### **4.28 Comparative Information**

Comparative information has been disclosed as required by BAS 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 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.

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



	Amount in Taka	
	30.06.2013	30.06.2012
<b>5.00 Property, Plant and Equipments</b>		
Land & Land Development	385,137,050	382,685,000
Factory Building	53,833,779	57,263,640
Plant & Machinery	216,949,626	253,250,302
Furniture & Fixture	714,631	819,288
<b>Tk.</b>	<b>656,635,086</b>	<b>694,018,230</b>

Please refer to Annexure-'A' for further details

#### 6.00 Inventories

Break-up of this item is as follows:

	<u>Qty. (kg.)</u>		
<b>Finished Goods:</b>			
Yarn	79,050	12,295,352	15,218,649
Work-in-process	196,194	27,213,464	8,986,483
<b>Raw Materials:</b>		228,813,793	178,808,259
Virgin Cotton	734,446	117,945,873	123,926,844
Waste Cotton	1,104,234	110,867,920	54,881,415
Packing Materials		16,564	953,501
Store Materials		7,404,183	8,558,184
<b>Tk.</b>		<b>275,743,356</b>	<b>212,525,076</b>

The above Inventories are as per physical counting made and valued by the inventory team comprise of management staff. Inventories in hand have been valued at lower of cost and net realizable value as per BAS-2. Inventories are hypothecated against working capital facilities from the bank (Islami Bank BD Ltd.).

#### 7.00 Accounts Receivable

Please refer to Annexure: B for details

This is unsecured, considered good and is falling due within one year . No bad debts are considered 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)	11,904,174	52,413,023
II) Accounts Receivable considered good in respect of which the company holds no security other than the debtor 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)	308,257,881	139,907,933
VI) The maximum amount of receivable due by any director or other officer of the company	-	-
	<b>320,162,055</b>	<b>192,320,956</b>
<b>Aging of accounts receivable:</b>		
Dues within three months	224,113,439	134,624,669
Dues within three months to six months	64,032,411	38,464,191
Dues within six months to one year	32,016,206	19,232,096
	<b>320,162,055</b>	<b>192,320,956</b>

Amount in Taka	
30.06.2013	30.06.2012

#### 7.01 Contingent liabilities/assets

The Company has received a letter of credit accepted by SIM Fabrics Ltd & All Tex Ltd. against sales of yarn worth Tk. 25,29,83,460 opened with Islami Bank Bangladesh Limited, Mouchak Branch. A short term loan amount to Tk. 25,29,83,460 was sanctioned by Islamic Bank Bangladesh Ltd. keeping above mentioned Bill Receivable as collateral. The entire amount of loan liabilities has been set off against that Bill Receivable which is subject to realization upon 120 days. The company might have a liability to the extent to which the said bill becomes unrealized. No provision against that liability has been created as it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation, or a sufficiently reliable estimate of the amount of the obligation cannot be made.

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

Advance against Purchase (Note-8.01)	83,638,860	76,495,338
Advance for Consultancy Fees	2,825,000	1,925,000
Advance against L/c for Cotton & Spares Import	-	369,736
Tax deducted at sources	2,969,175	3,506,997
<b>Tk.</b>	<b>89,433,035</b>	<b>82,297,071</b>

#### 8.01 Advance against Purchase

Dues within three months	58,547,202	53,546,737
Dues within three months to six months	16,727,772	15,299,068
Dues within six months to one year	8,363,886	7,649,534
	<b>83,638,860</b>	<b>76,495,338</b>

#### 9.00 Cash and Cash Equivalents

<b>Cash in Hand</b>	1,040,834	1,086,792
<b>Cash at Banks:</b>	89,516	564,860
Bank Branch A/C Type		
IBBL Mauchak CD-327918	8,472	16,754
IBBL Mauchak CD-438315	4,626	-
IBBL Mauchak Mudaraba Deposit Normal	8,664	385
IBBL Mauchak Mudaraba Deposit Special	2,167	134
Sonali Bank Motijheel CD-1892	-	5,000
Bank Asia Scotia CD-3534	3,305	528,000
Bank Asia Scotia CD-36551	3,678	3,678
Bank Asia Scotia STD-738	-	909
Jamuna Bank Gulshan CD-1259	-	5,000
Dutch Bangla Bank Limited # 5894	53,852	-
IBBL Gaosia CD-987	4,396	5,000
IBBL MDA UR-49	356	-
<b>Tk.</b>	<b>1,130,350</b>	<b>1,651,652</b>

#### 10.00 Share Capital:

This represents the followings:

##### Authorised capital:

100,000,000 ordinary Shares of tk 10/= each	1,000,000,000	1,000,000,000
---------------------------------------------	---------------	---------------

##### Issued subscribed and paid up capital:

34,975,000 ordinary shares of taka 10/= each	349,750,000	349,750,000
<b>Tk.</b>	<b>349,750,000</b>	<b>349,750,000</b>

		Amount in Taka	
		30.06.2013	30.06.2012
<b>10.01 Share Holding Position:</b>			
	Share holding position is as follows:		
a) Sponsors	4,144,250	11.85%	41,442,500
b) Sister Concern	20,600,000	58.90%	206,000,000
c) Other Shareholders	10,230,750	29.25%	102,307,500
	<u>34,975,000</u>	<u>100.00%</u>	<u>349,750,000</u>
			<u>349,750,000</u>
<b>11.00 Revaluation Reserve</b>			
	Opening Balance	130,314,640	130,314,640
	Adjustment made during the year	-	-
	<b>Net Balance of Revaluation reserve</b>	<u>130,314,640</u>	<u>130,314,640</u>
<b>12.00 Tax Holiday Reserve</b>			
<b>A. Opening balance</b>		<b>57,743,696</b>	<b>42,856,879</b>
	Tax Holiday Reserve (30%)	43,307,772	32,142,659
	Reserve for Investment (10%)	14,435,924	10,714,220
<b>B. Add: During the Year</b>		<b>10,593,668</b>	<b>14,886,817</b>
	Tax Holiday Reserve (30%)	7,945,251	11,165,113
	Reserve for Investment (10%)	2,648,417	3,721,704
	<b>Total (A+B)</b>	<u>68,337,364</u>	<u>57,743,696</u>
<b>13.00 Long Term Loan</b>			
	Outstanding for HPSM-489	185,617,572	204,378,171
	Outstanding for HPSM-529	73,142,266	83,732,964
		<u>258,759,838</u>	<u>288,111,135</u>
	Less: Current portion of Long term loan	52,002,847	79,602,320
		<u>206,756,991</u>	<u>208,508,815</u>
<p>This represents amount payable to Islami Bank Bangladesh Limited Mouchak Branch for import of capital machinery under deferred payment. Break up of this item is as follows with terms &amp; conditions.</p> <ol style="list-style-type: none"> <li>Purpose of Investment - To purchase/import capital machinery for BMRE of the project.</li> <li>Period of Investment - 05 (five) years excluding gestation of 9-months.</li> <li>Rate of return - 13% per annum and collateral is given below- 156.10 decimal project land alongwith 88,200 sft. Project building vide FSV 81.22 million.</li> </ol>			
<b>14.00 Accounts Payable</b>			
	Trade Creditors ( Annexure-C )	62,778,782	7,278,814
	Bills Payable ( Annexure-C )	4,051,140	3,181,645
		<u>66,829,922</u>	<u>10,460,459</u>
<b>15.00 Current portion of long term loan</b>			
	Outstanding for HPSM-489	34,854,288	52,299,877
	Outstanding for HPSM-529	17,148,558	27,302,444
		<u>52,002,847</u>	<u>79,602,320</u>
<b>16.00 Short term bank loan</b>			
<b>Islami Bank Bangladesh Limited Mouchak Br.</b>			
	Loan against Local purchase (MTR)	113,347,160	108,437,804
	L/C Liability for Import Merchandise (MPI)	-	13,788,185
	L/C Liability for Import Merchandise (MURA)	93,614,417	54,373,884
	L/C Liability for Import Merchandise (MURA FC)	-	5,217,100
	<b>Total short term loan of Islami bank Bangladesh Ltd.</b>	<u>206,961,577</u>	<u>181,816,973</u>

Amount in Taka	
30.06.2013	30.06.2012

This represents amount provided by the following Banks as working capital which is fully secured by stock hypothecation and Export bills receivable at terms & condition is 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 - 15.50% per annum or the rate to be determined by the bank from time to time.
4. Collateral:
  - A. 156.10 decimal project land alongwith 88,200 sft. Project building vide FSV 81.22 million.
  - B. 194.75 decimal project land alongwith 96,345 sft. Factory building vide FSV 47.49 million by SFL.
  - C. 183.16 decimal project land alongwith 65,411 sft. Factory building vide FSV 139.50 million by SFL.
  - D. Personal Guarantee of all Directors of the Project Companies & Mortgages in their individual capacity.

#### 17.00 Provision for Income tax

Opening Balance	8,891,948	3,309,391
Add: During the year	7,202,719	5,582,557
<b>Total</b>	<b>16,094,667</b>	<b>8,891,948</b>
Less: AIT Adjutment	3,506,997	-
<b>Closing Balance</b>	<b>12,587,670</b>	<b>8,891,948</b>

#### 18.00 Accrued Expenses

Audit fees	115,000	600,000
Salaries & Allowances	4,731,857	3,003,747
Gas Bill	8,470,074	3,850,718
Others	219,625	14,625
Store materials	3,856,889	1,911,914
Accrued Interest	20,679,514	-
	<b>Tk. 38,072,959</b>	<b>9,381,004</b>

#### 19.00 Turnover

	qty. (kg.)	Rate		
Yarn 20's	1,695,761	219.90	372,904,143	183,124,403
Yarn 16's	1,145,100	215.60	246,883,560	144,464,040
Yarn 12's	1,111,400	179.98	200,027,341	178,857,250
Yarn 10's	133,812	173.25	23,182,929	192,033,317
Yarn 9's	-	-	-	268,240
Yarn 7's	58,428	128.59	7,513,257	39,747,366
	<b>4,144,501</b>		<b>850,511,230</b>	<b>738,494,616</b>

#### 20.00 Cost of Goods Sold

Opening Work-in-Process	8,986,483	14,268,662
Raw Materials Consumed (Note-20.01)	549,209,392	471,381,196
Accessories & Stores Consumed (Note-20.02)	14,968,725	6,463,532
Packing Materials Consumed (Note-20.03)	5,369,373	4,039,385
Factory overhead (Note-20.04)	90,387,424	73,105,384
Closing Work-in-Process	(27,213,464)	(8,986,483)
<b>Cost of Production</b>	<b>641,707,933</b>	<b>560,271,676</b>
Opening stock of FG	15,218,649	14,281,104
<b>Cost of Goods Available for Sale</b>	<b>656,926,582</b>	<b>574,552,780</b>
Closing stock of Finished Goods	(12,295,352)	(15,218,649)
Wastage Sales	(2,126,078)	(1,256,101)
<b>Cost of Goods Sold</b>	<b>642,505,152</b>	<b>558,078,030</b>

		Amount in Taka	
		30.06.2013	30.06.2012
<b>20.01</b>	<b>Raw Materials Consumption</b>		
	Opening Raw Materials	178,808,259	147,158,395
	Purchase during the year	599,214,926	503,031,060
	Available for use	<b>778,023,185</b>	<b>650,189,455</b>
	Closing Raw Materials	(228,813,793)	(178,808,259)
		<b>549,209,392</b>	<b>471,381,196</b>
<b>20.02</b>	<b>Accessories &amp; Stores Consumption</b>		
	Opening Accessories & Stores	8,558,184	712,782
	Purchase during the year	13,814,724	14,308,934
	Available for use	<b>22,372,908</b>	<b>15,021,716</b>
	Closing Accessories & Stores	(7,404,183)	(8,558,184)
		<b>14,968,725</b>	<b>6,463,532</b>
<b>20.03</b>	<b>Packing Materials Consumption</b>		
	Opening Packing Materials	953,501	809,650
	Purchase during the year	4,432,436	4,183,236
	Available for use	<b>5,385,937</b>	<b>4,992,886</b>
	Closing Packing Materials	(16,564)	(953,501)
		<b>5,369,373</b>	<b>4,039,385</b>
<b>20.04</b>	<b>Factory Overhead</b>		
	Gas Bill	20,479,086	11,684,333
	Salary & Wages	23,382,782	16,438,952
	Repair & Maintenance	2,090,012	2,111,387
	Factory Insurance	3,031,000	1,738,512
	Sundry Carrying Charges	592,212	530,195
	Sundry daily labour charges	276,546	254,742
	Other Expenses	175,249	49,726
	Depreciation	40,360,537	40,297,537
		<b>90,387,424</b>	<b>73,105,384</b>
		Tk.	
<b>21.00</b>	<b>Other Operating Income</b>		
	Interest on FDR	-	241,000
	Interest on Bank Account	8	67
		<b>8</b>	<b>241,067</b>
<b>22.00</b>	<b>Administrative Expenses</b>		
	Salary and Allowances	1,693,824	1,044,300
	Bonus	145,200	132,000
	Audit Fees	215,000	325,000
	Managing Director Remuneration	600,000	600,000
	Director's Remuneration	1,800,000	1,800,000
	Board Meeting Fees	80,000	80,000
	Entertainment	175,643	135,278
	Group Insurance Exp.	133,600	-
	Traveling and Conveyance	642,169	209,398

	Amount in Taka	
	30.06.2013	30.06.2012
House rent	177,401	162,263
Telephone (mobile)	72,070	46,500
General Maintenance	142,322	140,500
Other Expenses	2,226,299	1,721,085
Depreciation	104,657	104,657
<b>Tk.</b>	<b>8,208,185</b>	<b>6,500,981</b>

**Payment/ Perquisites to Directors and officers**

The aggregate amount paid/ provided during the year 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	1,800,000
Board Meeting Fees	80,000	80,000

During the year four Board meeting was held .

**23.00 Marketing, Selling & Distribution Expenses**

Salaries and Allowances	290,400	132,000
Advertisement	1,095,000	25,000
Business Development	257,000	287,250
Export Expenses	15,800	685,330
Other Expenses	110,331	2,095,099
<b>Tk.</b>	<b>1,768,531</b>	<b>3,224,679</b>

**24.00 Financial Expenses**

Bank Charges and Commission	942,104	3,361,711
Interest on HPSM investment	39,554,703	37,865,783
Interest in BAI Murabah	14,091,017	1,037,878
Interest on MDB Loan	26,416,635	18,707,852
Interest on MPI	3,440,322	13,113,693
Interest on Murabaha TR	29,567,486	10,784,615
Interest on LDBC Loan	591,966	7,904,668
<b>Tk.</b>	<b>114,604,233</b>	<b>92,776,200</b>

**25.00 Basic Earning Per Share**

Net Profit for the year	<b>72,464,245</b>	<b>67,617,913</b>
No. of Shares	34,975,000	34,975,000
<b>Basic EPS for the Year</b>	<b>2.07</b>	<b>1.93</b>

\*Previous year's EPS has been adjusted as per the requirement of BAS-33 "Earning per share".

**26.00 General:**

**26.01 Claims not Acknowledged**

There is no claim against the Company not acknowledged as debt as on 30.06.2013

**26.02 Credit Facilities not Availed**

There is no credit facilities available to the Company but not availed of as on 30.06.2013. under any contract, other than trade credit available in the ordinary course of business.

**26.03 Commission, Brokerage or Discount**

No commission, brokerage or discount was incurred or paid by the Company against sales during the year ended 30.06.2013

Amount in Taka	
30.06.2013	30.06.2012

**26.04 Directors Responsibility Statements**

The Board of Directors takes the responsibility for the preparation and presentation of these financial statements.

**26.05 Employee Details:**

During the year there were 298 permanent employees employed for the full year out of which 187 employees received salary Taka 3,000 per month and above.

**26.06 Rounding Off**

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

**26.07 Rearrangement of Last Year Figures**

To facilitate comparison, certain relevant balances pertaining to the previous year have been rearranged or re-stated or reclassified whenever considered necessary to conform to current year presentation.

**26.08 Disclose as per requirement of schedule XI, part II para 8**

**Value of Raw material, packing materials and Capital goods**

Particular	Local Purchase	Import	Total Purchase	Consumption
Raw Material	394,120,336	205,094,590	599,214,926	549,209,392
Packing Materials	4,432,436	-	4,432,436	5,369,373
Spare Parts	13,814,724	-	13,814,724	14,968,725

**Value of Export**

Particular	In Foreign Currency USD	In BDT
Export	\$ 10,903,990.13	850,511,230

**26.09 Details of capacity has given below**

Particular	Licence Capacity	Installed Capacity	Actual Production
Annual Production (kg)	4,550,000	4,550,000	4,131,551



**27.00 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 year 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 where applicable.	80,000
(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 01.07.2012	Addition during the Year	Realized during the Year	Balance as at 30.06.2013
(a)	SIM Fabrics Limited yarn sale	Common Management	139,907,933	595,798,798	427,448,850	308,257,881
	Total		<b>139,907,933</b>	<b>595,798,798</b>	<b>427,448,850</b>	<b>308,257,881</b>

**c) Transaction with Related Entity:**

Sl.	Name of Customer	Relationship	Balance as at 01.07.2012	Addition during the year	Realized during the year	Balance as at 30.06.2013
(a)	SIM Fabrics Limited (land transferred against shares)	Common Management	250,000,000	-	-	250,000,000
	Total		<b>250,000,000</b>	<b>-</b>	<b>-</b>	<b>250,000,000</b>

**Mozaffar Hossain Spinning Mills Limited**  
**Schedule of Property, Plant & Equipment**  
**As at June 30, 2013**

Annexure A  
Amount in Taka

Particulars	COST			Rate of Dep.	DEPRECIATION			Written down value as at 30.06.2013
	Opening balance as at July 01,2012	Addition During the year	As at 30.06.2013		Opening balance as at July 01,2012	Addition During the year	As at 30.06.2013	
Land & Land Dev.	382,685,000	2,452,050	385,137,050	-	-	-	-	385,137,050
Factory Building	68,597,225	-	68,597,225	5%	11,333,585	3,429,861	14,763,446	53,833,779
Plant & Machinery	368,676,764	630,000	369,306,764	10%	115,426,462	36,930,676	152,357,138	216,949,626
Furniture & Fixture	1,046,569	-	1,046,569	10%	227,281	104,657	331,938	714,631
<b>Balance as on 30.06.2013</b>	<b>821,005,558</b>	<b>3,082,050</b>	<b>824,087,608</b>		<b>126,987,328</b>	<b>40,465,194</b>	<b>167,452,522</b>	<b>656,635,086</b>

Note: Ata Khan & Co., Chartered Accountants have revalued the Land & Land Development of the Company as of Amount in Taka following Current Cost Method showing Total Cost of Tk. 132,685,000 resulting in a revaluation surplus of Tk. 130,314,640

**Depreciation Charged To-**

Administrative Cost	104,657
Manufacturing Cost	40,360,537
<b>Total</b>	<b><u>40,465,194</u></b>

## Mozaffar Hossain Spinning Mills Limited

### Schedule of Accounts Receivable

Annexure No. - B

For the year ended June 30, 2013

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:-

**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 01.07.2012	Addition during the year	Realized during the year	Balance as at 30.06.2013
ACS Textile Mills Limited	21,288,000	4,980,139	26,268,139	-
Aftabunessa Textile Mills Ltd.	-	4,066,259	4,066,259	-
Akhi Enterprise (P+S)	-	12,563,300	12,563,300	-
All Tex Textile	14,737,350	50,448,072	62,369,002	2,816,420
Crown Mills BD Ltd.	-	6,702,333	6,702,333	-
Dhaka Denime	-	18,650,210	10,443,312	8,206,898
Friend Fashion	3,049,915	5,228,685	8,278,600	-
Globex Agency	7,279,327	14,671,481	21,950,808	-
Master Textile	-	13,257,555	13,257,555	-
Mamun Traders	-	415,000	415,000	-
Newlook Enterprise	-	1,132,000	1,132,000	-
Refat Textile Mills	891,590	-	-	891,590
Ramzan Ali	-	1,540,869	1,540,869	-
Quality Tex	-	7,773,200	7,773,200	-
Shibchar Yarn Trading	-	59,965,022	59,975,756	(10,734)
Sikder Textile	5,166,841	12,370,547	17,537,388	-
Trust Fashion	-	40,947,760	40,947,760	-
<b>Sub-Total</b>	<b>52,413,023</b>	<b>254,712,432</b>	<b>295,221,281</b>	<b>11,904,174</b>

### Accounts Receivable due by Common management:

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

	Amount in Taka			
Name of Customer	Balance as at 01.07.2012	Addition during the year	Realized during the year	Balance as at 30.06.2013
SIM Fabrics Limited	139,907,933	595,798,798	427,448,850	308,257,881
<b>Sub-Total</b>	<b>139,907,933</b>	<b>595,798,798</b>	<b>427,448,850</b>	<b>308,257,881</b>
<b>Total</b>	<b>192,320,956</b>	<b>850,511,230</b>	<b>722,670,131</b>	<b>320,162,055</b>

**Mozaffar Hossain Spinning Mills Limited**

 Schedule of Trade Creditors  
 For the year ended June 30, 2013

 Annexure No. - C  
 Amount in Taka

**Trade Creditors:**

Name of Supplier	Balance as at 01.07.2012	Payment during the year	Bill during the year	Balance as at 30.06.2013
Akhi Enterprise	3,027,121	2,629,017	-	398,104
Akhi Waste cotton	-	44,686,098	44,686,098	-
AB Enterprise	2,107,273	219,106,093	238,830,339	21,831,519
Cotton Bezz	-	72,394,670	72,389,675	(4,995)
Intimate International	-	81,466	128,436	46,970
N. H. K fabrics & Textile	-	8,101,905	8,101,905	-
Nurul Islam Enterprise	136,490	50,000	-	86,490
Sinha Enterprise	2,007,930	57,406,000	57,619,436	2,221,366
Deferred LC against virgin cotton	-	215,658,365	177,459,037	38,199,328
<b>Sub Total (A)</b>	<b>7,278,814</b>	<b>620,113,614</b>	<b>599,214,926</b>	<b>62,778,782</b>

**Bills Payable:**

Amount in Taka

Name of Supplier/Service Provider	Balance as at 01.07.2012	Payment during the year	Bill during the year	Balance as at 30.06.2013
3N Printers	53,109	150,000	194,140	97,249
Ahmed zaker & Co.	50,000.00	200,000	150,000	-
Ali Refrigeration & electronics	-	1,100,000	1,200,000	100,000
Axis Engineering	-	63,800	63,800	-
Ahee-Sohi Transport Agency	-	964,300	964,300	-
A Hossain & Co.	358,800	50,000	225,000	533,800
A. K. M Golam Faruk	162,300	860,000	714,150	16,450
ASSL Textile	10,000	-	-	10,000
Bangla Trac Limited	189,278	4,246,000	4,483,467	426,745
Cargo Control Group	71,305	-	78,560	149,865
Care Inspection Ltd.	257	257	-	-
Delzan Enterprise	233,570	150,000	198,845	282,415
Doel Engineering	89,300	-	-	89,300
Erfan Enterprise	-	630,000	630,000	-
Fahim Transport Agency	102,700	477,000	435,400	61,100
Islamia Commercial Insurance	544	188,169	187,625	-
Liberty Association Ltd.	51,750	-	-	51,750
Minarva Engineering Works	151,920	287,500	367,600	232,020
Muntaz Enterprise	-	5,000	5,000	-
Northbengal Yarn Manufacture	-	20,000	20,000	-
Prime Engineering	20,000	-	-	20,000
Progressive Life Ins.	-	-	133,600	133,600
Reyan Machineries	11,100	-	-	11,100
Road King Tyre	94,000	94,000	-	-
Sahara International	119,800	30,000	-	89,800
Shahazul Islam	16,615	1,028,884	1,069,626	57,357
Shahin Ahmed	2,953	270	270	2,953
ShareBiz Kortcha	-	870,000	950,000	80,000
Shemel Engineering Works	31,550	30,000	29,700	31,250
Simul Traders	729,087	1,746,000	1,743,900	726,987
S.S. Vission Ltd.	127,500	-	-	127,500
Tally Soft Ware	-	-	12,600	12,600
Tanbir & Sabbir Enterprise	600	-	-	600
Tekno Pack Accessories Industries	6,162	-	-	6,162
Textile Associates	-	985,395	1,108,762	123,367
Uttaran Paper Products	481,945	2,726,000	2,821,225	577,170
Trust Logistic	-	82,000	82,000	-
Union Insurance	-	97,172	97,172	-
Rams Engineering	-	58,400	58,400	-
S.B Paper Tubes	-	256,255	256,255	-
United Trade Center	15,500	15,500	-	-
<b>Sub Total (B)</b>	<b>3,128,536</b>	<b>17,261,902</b>	<b>18,087,257</b>	<b>4,051,140</b>
<b>Total (A+B)</b>				<b>66,829,922</b>