

ATA KHAN & CO.

CHARTERED ACCOUNTANTS

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INDEPENDENT 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 of the statement of financial position as at 30 June 2017 and the statement of Profit or Loss and Other Comprehensive Income for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibilities for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with **Bangladesh Financial Reporting Standards (BFRS)** as well as **Bangladesh Accounting Standards (BAS)** where applicable, and for such internal control as the management determines as necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' 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 about 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 auditors' 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 the management, as well as evaluating the overall presentation of the financial statements.

We report that:

- (A) to the best of our knowledge and belief, we have obtained all the information and explanations which were necessary for the purpose of our audit;
- (B) in our opinion,
 - 1. the Statement of Financial Position and the Statement of Profit or Loss and Other Comprehensive Income respectively exhibit a true and fair view of the state of the Company's affairs at 30 June 2017 and of the Profit for the year ended on that date and that the Statement of Financial Position and the Statement of Profit or Loss and Other Comprehensive Income contain all the information in the manner required by the Companies Act, 1994, the Securities and Exchange Rules 1987 and other relevant laws;
 - 2. proper books of account as required by law were maintained by the Company so far as appeared from our examination;
 - 3. the Financial Statements are in agreement with the books of account maintained by the Company and examined by us;
 - 4. the Financial Statements have been drawn up in conformity with the Companies Act, 1994, BAS/BFRS and other relevant Laws; and
 - 5. the expenditure incurred was for the purpose of the company's business.

Dated: Dhaka,
28 October 2017

ATA KHAN & CO.
Chartered Accountants

Mozaffar Hossain Spinning Mills Limited
Statement of Financial Position
As at June 30, 2017

Particulars	Notes	Amount in Taka	
		30.06.2017	30.06.2016
ASSETS			
NON-CURRENT ASSETS		736,456,966	739,205,845
Property, Plant and Equipments	5.00	649,098,560	671,078,399
Capital Work-In-Progress	6.00	87,358,406	68,127,446
INVESTMENT		5,021,147	4,981,778
Investment	7.00	5,021,147	4,981,778
CURRENT ASSETS		1,135,828,131	1,006,291,727
Inventories	8.00	300,687,974	312,681,632
Accounts Receivable	9.00	639,652,959	525,093,162
Advances, Deposits & Pre-Payments	10.00	168,818,491	147,272,203
Cash and Cash Equivalents	11.00	26,668,707	21,244,730
TOTAL ASSETS		1,877,306,244	1,750,479,350
SHAREHOLDERS' EQUITY & LIABILITIES			
SHAREHOLDERS' EQUITY		1,589,729,287	1,465,913,819
Share Capital	12.00	898,078,125	898,078,125
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	491,097,398	367,281,930
LONG TERM LIABILITIES		44,210,785	39,622,307
Long Term Loan Net off Current Maturity	16.00	29,500,575	22,969,134
Deferred Tax Liability	17.00	14,710,210	16,653,173
CURRENT LIABILITIES		243,366,172	244,943,224
Accounts Payable	18.00	5,620,029	18,550,199
Cash Dividend Payable	19.00	495,079	-
Current Portion of Long Term Loan	20.00	10,326,427	12,384,334
Refundable Fund of IPO Subscribers	21.00	7,755,000	7,800,000
Short Term Bank Loan	22.00	61,171,936	77,028,648
Provision for Tax	23.00	111,140,411	86,541,883
Accrued Expenses	24.00	46,857,290	42,638,160
TOTAL EQUITY & LIABILITIES		1,877,306,244	1,750,479,350
Net Asset Value Per Share (NAVPS)		17.70	16.32

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

Chief Financial Officer Company Secretary Director Managing Director Chairman

Signed as per annexed report of same date.

Place: Dhaka
28th October, 2017

ATA KHAN & CO.
Chartered Accountants

Mozaffar Hossain Spinning Mills Limited
Statement of Profit or Loss & Other Comprehensive Income
For the year ended June 30, 2017

Particulars	Notes	Amount in Taka	
		30.06.2017	30.06.2016
Turnover	25.00	1,147,562,431	1,061,069,970
Less: Cost of goods sold	26.00	903,289,890	809,639,719
Gross Profit		244,272,541	251,430,251
Other Income	27.00	269,059	4,521,716
Operating Expenses:		16,261,795	15,944,135
Administrative Expenses	28.00	14,826,895	13,300,807
Marketing and Distribution Expenses	29.00	1,434,900	2,643,328
Profit from Operation		228,279,805	240,007,832
Less: Financial expenses	30.00	50,689,795	57,140,667
Profit before Tax		177,590,010	182,867,165
Income tax expenses:		26,655,565	28,493,911
Current tax		28,598,528	28,468,133
Deferred Tax Expenses/(Income)		(1,942,963)	25,778
Net Profit after Tax		150,934,445	154,373,254
Earning Per Share for the Year	31.00	1.68	1.72

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

Chief Financial Officer Company Secretary Director Managing Director Chairman

Signed as per annexed report of same date.

Place: Dhaka
28th October, 2017

ATA KHAN & CO.
Chartered Accountants

Mozaffar Hossain Spinning Mills Limited
Statement of Changes in Equity
For the year ended June 30 , 2017

Amount in Taka

Particulars	Share Capital	Tax holiday Reserve	Revaluation Reserve	Retained Earnings	Total
Balance as on 01.07.2016	898,078,125	72,845,417	127,708,347	367,281,930	1,465,913,819
Net Profit / (Loss) for the year	-	-	-	150,934,445	150,934,445
Cash Dividend (5% for 2015-2016)	-	-	-	(27,118,977)	(27,118,977)
Balance as on 30.06.2017	898,078,125	72,845,417	127,708,347	491,097,398	1,589,729,287

Statement of Changes in Equity
For the year ended June 30 , 2016

Particulars	Share Capital	Tax holiday Reserve	Revaluation Reserve	Retained Earnings	Total
Balance as on 01.07.2015	780,937,500	72,845,417	127,708,347	330,049,301	1,311,540,565
Net Profit / (Loss) for the year	-	-	-	154,373,254	154,373,254
Bonus Paid 15% Stock	117,140,625	-	-	(117,140,625)	-
Balance as on 30.06.2016	898,078,125	72,845,417	127,708,347	367,281,930	1,465,913,819

Chief Financial Officer Company Secretary Director Managing Director Chairman

Signed as per annexed report of same date.

Place: Dhaka
28th October, 2017

ATA KHAN & CO.
Chartered Accountants

Mozaffar Hossain Spinning Mills Limited
Statement of Cash Flows
For the year ended June 30, 2017

Particulars	Notes	Amount in Taka	
		30.06.2017	30.06.2016
A. Cash flows from operating activities :			
Collection from Turnover and other Income		1,033,271,693	977,663,542
Payment of tax		(6,152,156)	(5,835,657)
Payment to suppliers, employees & Others		(888,534,992)	(764,426,022)
Net cash flows from/(used) in operating activities		138,584,545	207,401,863
B. Cash flow from investing activities:			
Acquisition of Property, Plant & Equipment		(28,705,804)	(65,065,039)
Capital Work-In-Progress		(19,230,960)	(16,221,490)
Net cash flows from/ (used) in Investing Activities		(47,936,764)	(81,286,529)
C. Cash flow from financing activities:			
Received/(Repaid) short term loan		(15,856,712)	(38,861,353)
Refundable fund of IPO subscriber		(45,000)	(364,500)
Financial Expenses		(51,092,004)	(55,287,200)
Cash Dividend Paid (5%)		(22,703,622)	-
Received/(Repaid) long term loan		4,473,534	(25,835,671)
Net cash flows from/(used) in financing activities		(85,223,804)	(120,348,724)
D. Net Cash Increase/ (Decrease) (A+B+C)		5,423,977	5,766,610
E. Opening cash and cash equivalents at the beginning of the year		21,244,730	15,478,120
F. Closing cash and cash equivalents at the end of the year (D+E)		26,668,707	21,244,730
Operating Cash Flow Per Share		1.54	2.31

Chief Financial Officer Company Secretary Director Managing Director Chairman

Place: Dhaka
28th October, 2017

Mozaffar Hossain Spinning Mills Limited

Notes to the Financial Statements

For the year ended June 30, 2017

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 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 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 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 yarn process in the production. 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 year, 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, 2017.
- ii) Statement of Profit or Loss and other Comprehensive Income for the year ended June 30, 2017.
- iii) Statement of Changes in Equity for the year ended June 30, 2017.
- iv) Statement of Cash Flows for the year ended June 30, 2017.
- v) Notes comprising a summary of significant accounting policies and other explanatory information to the financial Statements the year ended June 30, 2017.

4.7 Reporting Year

The Financial year of the company under audit cover for a year of 12 months effective from 01 July 2016 to June 30, 2017.

4.8 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 BAS-2. Work-in-Process has been valued at prime cost basis as required by BAS-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 year of their expected useful lives, in accordance with the provisions of BAS 16: Property, Plant and Equipment. Depreciation of an asset begins when it is available for use. Depreciation of an assets has been ceases when it is classified held for sale. 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 30.06.2017 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.

4.11 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 Profit or Loss and other Comprehensive Income.

Basic earnings:

This represents earnings for the Year ended June 30, 2017 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 Year.

Diluted Earnings Per Share:

Diluted EPS is calculated if there is any commitment for issuance of equity shares in foreseeable future, i.e., potential shares, without inflow of resources to the Company against such issue. This is in compliance with the requirement of 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 year, 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 year or in previous financial statements is recognized in profit or loss in the year 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 year 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 and 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 Board of Directors on 28th October, 2017

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 profit or loss and other 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-33)

4.25 Corporate Tax

(a) Current Tax

Provision for current income tax has been made at the rate of 15% as prescribed in the Finance Act, 2015 on the accounting profit made by the Company making some adjustments as per ITO 1984 in compliance with BAS-12 "Income Taxes".

(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.

4.26 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.

4.27 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 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.

The company opened a L/C for Tk.25,085,459 with the Islami Bank Bangladesh Bank in favor of SIM Fabrics Ltd. against sale of Yarn. The above mentioned L/C amount as bill receivable as kept as collateral. Entire amount of loan liabilities subject to set off against the Bill Receivable amount realize within 120 days. The company might have a liability to the extent to which the said bill becomes unrealized. No provision has been made against the liability 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.

Tax assessment for the year 2010-2011, 2011-2012, 2012-2013, 2013-2014 is under appeal to the Tribunal against Commissioner of Taxes 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.

4.28 Comparative Information and Rearrangement Thereof

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

- Statement of Financial Position as of the end of the preceding financial year.
- Statement of Profit or Loss and other Comprehensive Income for the comparable year of preceding financial year.
- Statement of Changes in Equity for the comparable year of preceding financial year.
- Statement Cash Flows for the comparable year of preceding financial year.

Comparative figures have been re-arranged wherever considered necessary to conform current year figure without causing any impact on the profit and value of assets and liabilities as reported in the financial statements.

		Amount in Taka	
		30.06.2017	30.06.2016
5.00 Property, Plant and Equipments			
Cost:			
Opening balance at cost		839,718,020	762,181,791
Add : Addition during the year		28,705,804	77,536,229
		868,423,824	839,718,020
Add : Disposed / Sold during the year		-	-
Total	Tk.	868,423,824	839,718,020
Depreciation:			
Opening balance		298,954,261	250,800,328
Charged during the year		50,685,643	48,153,933
		349,639,904	298,954,261
Total (a)		518,783,920	540,763,759
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)		649,098,560	671,078,399

Please refer to Annexure-'A' for further details

6.00 Capital Work-In-Progress

Break-up of this are as follows:

Opening Balance		68,127,446	64,377,146
Addition during the year		19,230,960	16,221,490
Total		87,358,406	80,598,636
Acquisition of the Year		-	(12,471,190)
Closing Balance	Tk.	87,358,406	68,127,446

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. CWIP is measured at cost.

7.00 Investment

This represents the followings:

Suntech Energy Limited		4,981,778	4,931,545
		4,981,778	4,931,545
Add: Profit from the Associates		39,369	50,233
Total	Tk.	5,021,147	4,981,778

The company has Invested in Suntech Energy Ltd. Tk. 4,920,000 in compliance with BAS 28 " Investment in Associates" .

		Amount in Taka	
		30.06.2017	30.06.2016
8.00 Inventories			
	Break-up of this item is as follows:		
	<u>Qty. (kg.)</u>		
Finished Goods:			
Yarn	282,750	45,240,000	52,463,028
Work-in-process	278,692	28,132,300	35,932,982
Raw Materials:		213,315,627	212,737,963
Virgin Cotton	934,067	123,427,551	113,056,103
Waste Cotton	947,238	89,888,076	99,681,860
Packing Materials		737,973	717,573
Store Materials		13,262,074	10,830,086
	Tk.	300,687,974	312,681,632

The above Inventories are as per physical counting made and valued by a 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 BAS-2. Inventories were hypothecated against working capital facilities availed from the bank (Islami Bank BD Ltd.).

9.00 Accounts Receivable

Please refer to Annexure: B for details

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)	639,652,959	525,093,162
VI) The maximum amount of receivable due by any director or other officer of the company	-	-
	639,652,959	525,093,162
Aging of accounts receivable:		
Dues within three months	130,699,500	138,594,970
Dues above three months but within six months	374,950,740	386,498,192
Dues above six months	134,002,719	-
	639,652,959	525,093,162

10.00 Advances, Deposits & Pre-Payments

Advance against Purchase (Note-10.01)	71,441,539	66,364,317
Advance against Factory Expenses	5,361,618	3,236,638
Advance against L/c for Cotton & Spares Import	68,498,435	57,615,138
Advanced for Consultancy	2,560,000	1,460,000
Prepaid Insurance	1,128,002	880,000
Tax deducted at sources	19,828,897	17,716,110
	Tk.	
	168,818,491	147,272,203

		Amount in Taka	
		30.06.2017	30.06.2016
10.01	Advance against Purchase		
	Dues within three months	40,721,677	49,773,238
	Dues above three months but within six months	28,576,616	13,272,863
	Dues above six months	2,143,246	3,318,216
		71,441,539	66,364,317
11.00	Cash and Cash Equivalents	15,208,609	6,492,812
	Cash in hand	15,208,609	6,492,812
	Cash at Banks:	11,460,098	14,751,918
	IBBL Mouchak CD-327918	8,639	4,851,639
	IBBL Mouchak CD-438315	-	3,476
	IBBL Mouchak Mudaraba Deposit Normal	1,044,549	37,695
	IBBL Mouchak Mudaraba Deposit Special	1,369,825	56,005
	DBBL Gausia # 176-120-1733	457,459	287,759
	DBBL Bashundhara # 147-110-5894	10,838	231,915
	EBL Principal (for ipo refundable fund)	8,052,836	7,897,824
	EBL Bashundhara (BFETN for cash dividend)	500,520	-
	NRB Bank Gulshan # 00174	-	5,000
	IBBL Gausia CD-987	-	3,246
	IBBL Mouchak MDA UR-49	15,432	1,377,359
	Tk.	26,668,707	21,244,730
12.00	Share Capital:		
	This represents the followings:		
	Authorised capital:		
	300,000,000 ordinary Shares of tk 10/= each	3,000,000,000	3,000,000,000
	Issued subscribed and paid up capital:		
	89,807,812.5 ordinary shares of taka 10/= each	898,078,125	898,078,125
	Tk.	898,078,125	898,078,125
12.01	Share Holding Position:		
	Share holding position is as follows:		
	a) Sponsors	5,957,359.4	6.63%
		59,573,593.75	59,573,594
	b) SIM Fabrics Limited	29,612,500.0	32.97%
		296,125,000.00	296,125,000
	c) Other Shareholders	54,237,953.1	60.39%
		542,379,531.25	542,379,531
		89,807,812.5	100.00%
		898,078,125.00	898,078,125

12.02 Classification of shareholders by range of number of shares held

Shareholding range	As at 30.06.2017		As at 30.06.2016	
	No. of shareholders	No. of shares	No. of shareholders	No. of shares
1 to 500	992	196,252	1287	292,447
501 to 5,000	3139	4,733,946	3794	4,948,601
5,001 to 10,000	407	3,176,672	419	3,167,477
10,001 to 20,000	228	3,391,628	282	4,115,307
20,001 to 30,000	86	2,190,053	142	3,579,993
30,001 to 40,000	49	1,772,800	72	2,524,250
40,001 to 50,000	39	1,809,821	46	2,107,847
50,001 to 1,00,000	63	4,652,124	74	4,866,091
1,00,001 to 10,00,000	45	12,644,996	58	16,566,799
10,00,001 to Above	10	55,239,521	10	47,639,001
Total	5058	89,807,812.50	6184	89,807,812.50

	Amount in Taka	
	30.06.2017	30.06.2016
13.00 Revaluation Reserve		
Opening Balance	127,708,347	130,314,640
Add: Related Deferred Tax on Revaluation 2%	-	(2,606,293)
Balance	127,708,347	127,708,347

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 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 Year	-	-
Tax Holiday Reserve (30%)	-	-
Reserve for Investment (10%)	-	-
Total (A+B)	72,845,417	72,845,417

15.00 Retained Earnings		
Opening Balance	367,281,930	330,049,301
Add: Net Profit / (Loss) for the	150,934,445	154,373,254
Total	518,216,375	484,422,555
Bonus Paid (15% Stock for 2014-2015)	-	(117,140,625)
Cash Dividend Declared (5% for 2015-2016)	(27,118,977)	
	491,097,398	367,281,930

16.00 Long Term Loan		
Outstanding for HPSM	39,827,002	35,353,468
Total	39,827,002	35,353,468
Less: Current portion of Long term loan	(10,326,427)	(12,384,334)
	29,500,575	22,969,134

1. Purpose of Investment - To purchase/import of Rotor Machine, Chiller for the project.
2. Period of Investment - 05 (five) year
3. Rate of return -13.80% 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 81.22 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 of their individual properties.

		Amount in Taka	
		30.06.2017	30.06.2016
17.00	Deferred Tax		
	As at 30 June 2017	Carrying amount	Tax base
			Taxable/ deductible temporary difference
	Property, plant & equipments except land at cost	232,162,609	151,469,826
	Revaluation surplus-PPE	130,314,640	130,314,640
	Total taxable temporary difference	362,477,249	151,469,826
	Tax on business income		15%
	Tax on capital gain		2%
	Closing deferred tax liabilities/(assets)-at cost		12,103,917
	Closing deferred tax liabilities/(assets)-at revaluation		2,606,293
	Total closing deferred tax liabilities/(assets)		14,710,210
	Opening deferred tax liabilities/(assets)-at cost		14,046,880
	Opening deferred tax liabilities/(assets)-at revaluation		2,606,293
	Total opening deferred tax liabilities/(assets)		16,653,173
	Deferred tax expense/(income)-at cost		(1,942,963)
	Deferred tax expense/(income)-at revaluation		-
	Total deferred tax expense/(income)		(1,942,963)
	As at 30 June 2016	Carrying amount	Tax base
			Taxable/ deductible temporary difference
	Property, plant & equipments except land at cost	254,142,448	160,496,582
	Revaluation surplus-PPE	130,314,640	130,314,640
	Total taxable temporary difference	384,457,088	160,496,582
	Tax on business income		15%
	Tax on capital gain		2%
	Closing deferred tax liabilities/(assets)-at cost		14,046,880
	Closing deferred tax liabilities/(assets)-at revaluation		2,606,293
	Total closing deferred tax liabilities/(assets)		16,653,173
	Opening deferred tax liabilities/(assets)-at cost		14,021,102
	Opening deferred tax liabilities/(assets)-at revaluation		2,606,293
	Total opening deferred tax liabilities/(assets)		16,627,395
	Deferred tax expense/(income)-at cost		25,778
	Deferred tax expense/(income)-at revaluation		-
	Total deferred tax expense/(income)		25,778
18.00	Accounts Payable		
	Trade Creditors (Annexure-C)	1,861,349	6,048,055
	Bills Payable (Annexure-C)	3,758,680	12,502,144
		5,620,029	18,550,199
19.00	Cash Dividend Payable		
	Cash Dividend Declared 5%	27,118,977	-
	Less: Tax Deducted at Source	(3,920,276)	-
		23,198,701	-
	Less: Disbursed during the year	(22,703,622)	-
	Balance Payable	495,079	-

Amount in Taka	
30.06.2017	30.06.2016

20.00 Current portion of long term loan

Outstanding for HPSM	10,326,427	12,384,334
	10,326,427	12,384,334

21.00 Refundable fund of IPO subscribers

Refund warrant to IPO subscribers	7,755,000	7,800,000
	7,755,000	7,800,000

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 bank loan

Islami Bank Bangladesh Limited Mouchak Br.

Loan against Local purchase (MTR)	26,500,000	43,623,648
L/C Liability for Import Merchandise (MURA)	32,400,000	33,405,000
Car Loan Hajj Finance Co. Ltd.	2,271,936	-
Total short term loan of Islami bank Bangladesh Ltd.	61,171,936	77,028,648

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 - 13.80% 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 81.22 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 of their individual properties.

23.00 Provision for Income tax

Opening Balance	86,541,883	60,073,750
Add: during the year (Note-23.01)	28,598,528	28,468,133
Total	115,140,411	88,541,883
Less: Tax Paid	4,000,000	2,000,000
Closing Balance	111,140,411	86,541,883

23.01 Current Tax

Profit Before Tax	177,590,010	182,867,165
Less: Other Income	(269,059)	(4,521,716)
Add: Accounting Depreciation	50,685,643	48,153,933
Less: Tax Depreciation	(37,732,560)	(40,010,301)
Taxable Income for the year	190,274,034	186,489,081
Rate of Tax	15%	15%
Tax on business	28,541,105	27,973,362
Add: 10 % Tax on Capital Gain	-	415,400
Add: 25 % Tax on Other Income	57,423	79,371
Total Provision for the year	28,598,528	28,468,133

			Amount in Taka	
			30.06.2017	30.06.2016
24.00	Accrued Expenses			
	Audit fees		125,000	125,000
	Salaries & Allowances		4,154,936	3,330,173
	Gas Bill		14,035,460	12,337,111
	TDS, VAT & Others		4,069,211	238,365
	Store materials		-	1,732,619
	WPPF Payable		19,669,992	19,669,992
	Accrued Interest		4,802,691	5,204,900
		Tk.	46,857,290	42,638,160
25.00	Turnover			
			Amount in Taka	
			JUNE 2017	JUNE 2016
	Yarn 20's	Qty. (kg.)	Rate	
		4,620,340	195.41	902,857,388
	Yarn 16's	1,012,755	190.89	193,327,363
	Yarn 12's	15,300	180.00	2,754,000
	Yarn 10's	299,850	162.01	48,578,180
	Yarn 6's	700	65.00	45,500
		5,948,945		1,147,562,431
			1,147,562,431	1,061,069,970
26.00	Cost of Goods Sold			
	Opening Work-in-Process		35,932,982	42,431,441
	Raw materials consumed (Note-26.01)		701,783,846	640,179,818
	Accessories & Stores Consumed (Note-26.02)		20,706,555	12,865,927
	Packing Materials Consumed (Note-26.03)		7,728,748	8,005,418
	Factory overhead (Note-26.04)		159,029,886	134,562,686
	Closing Work-in-Process		(28,132,300)	(35,932,982)
	Cost of Production		897,049,717	802,112,308
	Opening stock of Finished Goods		52,463,028	65,247,191
	Cost of Goods Available for Sale		949,512,745	867,359,499
	Closing stock of Finished Goods		(45,240,000)	(52,463,028)
	Wastage Sales		(982,855)	(5,256,752)
	Cost of Goods Sold		903,289,890	809,639,719
26.01	Raw Materials Consumption		78.71%	76%
	Opening Raw Materials		212,737,963	208,924,347
	Purchase during the year		702,361,510	643,993,434
	Available for use		915,099,473	852,917,781
	Closing Raw Materials		(213,315,627)	(212,737,963)
			701,783,846	640,179,818
26.02	Accessories & Stores Consumption			
	Opening Accessories & Stores		10,830,086	9,262,324
	Purchase during the year		23,138,543	14,433,689
	Available for use		33,968,629	23,696,013
	Closing Accessories & Stores		(13,262,074)	(10,830,086)
			20,706,555	12,865,927
26.03	Packing Materials Consumption			
	Opening Packing Materials		717,573	271,464
	Purchase during the year		7,749,148	8,451,527
	Available for use		8,466,721	8,722,991
	Closing Packing Materials		(737,973)	(717,573)
			7,728,748	8,005,418

		Amount in Taka	
		30.06.2017	30.06.2016
26.04	Factory Overhead		
	Gas Bill	63,550,042	41,625,897
	Salary & Wages	43,208,594	42,024,552
	Repair & Maintenance	379,550	1,341,095
	Factory Insurance	982,546	960,132
	Sundry Carrying Charges	362,750	315,980
	Sundry daily labor charges	41,306	438,474
	Medical & other Expenses	341,625	12,115
	Depreciation	50,163,473	47,844,441
	Tk.	159,029,886	134,562,686
27.00	Other Operating Income		
	Interest on Bank Account	229,690	317,483
	Share Investment Income (Fareast Stock & Bond Ltd.)	-	4,154,000
	Profit from Associate	39,369	50,233
	Tk.	269,059	4,521,716
28.00	Administrative Expenses		
	Salary and Allowances	3,607,607	3,168,572
	Bonus	1,135,126	1,000,410
	Audit Fees	125,000	125,000
	Managing Director Remuneration	1,200,000	1,200,000
	Director's Remuneration	3,000,000	2,977,500
	Board Meeting Fees	200,000	176,000
	Entertainment	184,073	214,597
	Traveling and Conveyance	119,649	84,497
	House & Office rent	780,000	780,000
	Telephone (mobile)	139,100	83,150
	Fuel, newspaper & other Expenses	3,814,170	3,181,589
	Depreciation	522,170	309,492
	Tk.	14,826,895	13,300,807
	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	1,200,000	1,200,000
	Director's Remuneration	3,000,000	2,977,500
	Board Meeting Fees	200,000	176,000
	During the year 10 (ten) Board meeting was held .		
29.00	Marketing, Selling & Distribution Expenses		
	Salaries and Allowances	314,400	314,400
	Advertisement	240,500	818,562
	Business Development	380,000	400,000
	Export Expenses	-	250,000
	Sample & other Expenses	500,000	860,366
	Tk.	1,434,900	2,643,328

		Amount in Taka	
		30.06.2017	30.06.2016
30.00	Financial Expenses		
	Bank Charges and Commission	697,516	1,828,544
	Interest on HPSM investment	4,558,633	6,866,403
	Interest in BAI Murabah	15,021,143	12,016,854
	Interest on MDB Loan	12,672,124	18,937,243
	Interest on Murabaha TR	17,740,379	16,186,733
	Interest on MPI	-	1,304,890
	Tk.	50,689,795	57,140,667
31.00	Basic Earning Per Share		
	Net Profit for the year	150,934,445	154,373,254
	No. of Shares	89,807,812.5	89,807,812.50
	Earning Per Share for the Year	1.68	1.72
32.00	General:		
32.01	Claims not Acknowledged		
	There is no claim against the Company not acknowledged as debt as on 30.06.2017		
32.02	Credit Facilities not Availed		
	There is no credit facilities extended to the Company but not availed of as on 30.06.2017, 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 year ended 30.06.2017.		
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 year there were 460 permanent employees employed for the full year. All employees received salary Taka 5,000 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	Rearrangement of Last Year's Figures		
	To facilitate comparison, certain relevant balances pertaining to the previous year has been rearranged or re-stated or reclassified whenever considered necessary to conform to current years presentation.		
32.08	Events after the Reporting Period		
	Subsequent to the Statement of Financial Position date, the Board of Directors in their meeting held on 28th October 2017 recommended 5% Stock dividend to the all Shareholders for the year ended 30th June 2017. The proposed dividend is subject to shareholders' approval in the forthcoming Annual General Meeting.		

32.09 Disclosed 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	422,533,852	279,827,658	702,361,510	701,783,846
Packing Materials	7,749,148	-	7,749,148	7,524,096
Spare Parts	23,138,543	-	23,138,543	20,706,555

Value of Export

Particular	In Foreign Currency USD	In BDT
Export	\$ 14,712,338.86	1,147,562,431

32.10 Details of capacity has given below

Particular	Licence Capacity	Installed Capacity	Actual Production
Annual Production (kg)	6,600,000	6,600,000	5,903,305

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 year to the directors, including Managing directors or manager	4,200,000
(b)	Any other perquisite or benefits in cash or in kind stating, approximate money value applicable.	200,000
(c)	Other allowances and commission including guarantee commission	Nil
(d)	Pensions etc.	Nil
	(i) Pensions	Nil
	(ii) Gratuities	Nil
	(iii) Payments from a provident funds, in excess of own subscription and interest	Nil
(e)	Share Based payments	Nil

b) Transaction with Related Entity:

Sl.	Name of Customer	Relationship	Balance as at 01.07.2016	Addition during the Year	Realized during the Year	Balance as at 30.06.2017
(a)	SIM Fabrics Limited yarn sale	Common Management	525,093,162	1,147,562,431	1,033,002,634	639,652,959
	Total		525,093,162	1,147,562,431	1,033,002,634	639,652,959

c) Transaction with Related Entity:

Sl.	Name of Customer	Relationship	Balance as at 01.07.2016	Addition during the year	Realized during the year	Balance as at 30.06.2017
(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 June 30, 2017

Annexure A
Amount in Taka

Cost:

Particulars	COST			Rate of Dep.	DEPRECIATION			Written down value as at 30.06.2017
	As at July 01, 2016	Addition During the year	As at 30.06.2017		As at July 01, 2016	Addition During the year	As at 30.06.2017	
Land & Land Dev.	286,621,311	-	286,621,311	-	-	-	-	286,621,311
Factory Building	119,545,355	-	119,545,355	5%	27,791,479	5,977,268	33,768,747	85,776,608
Plant & Machinery	430,441,435	24,500,982	454,942,417	10%	269,914,868	44,186,205	314,101,073	140,841,344
Vehicle	1,641,000	3,945,326	5,586,326	10%	492,300	361,366	853,666	4,732,660
Furniture & Fixture	1,468,919	259,496	1,728,415	10%	755,614	160,804	916,418	811,997
Balance as on 30.06.2017	839,718,020	28,705,804	868,423,824		298,954,261	50,685,643	349,639,904	518,783,920
Balance as on 30.06.2016	762,181,791	77,536,229	839,718,020		250,800,328	48,153,933	298,954,261	540,763,759

Revaluation:

Particulars	COST			Rate of Dep.	DEPRECIATION			Written down value as at 30.06.2017
	As at July 01, 2016	Addition During the year	As at 30.06.2017		As at July 01, 2016	Addition During the year	As at 30.06.2017	
Land & Land Dev.	130,314,640	-	130,314,640	-	-	-	-	130,314,640
Balance as on 30.06.2017	130,314,640	-	130,314,640	-	-	-	-	130,314,640
Balance as on 30.06.2016	130,314,640	-	130,314,640	-	-	-	-	130,314,640

Balance as on 30.06.2017	970,032,660	28,705,804	998,738,464		298,954,261	50,685,643	349,639,904	649,098,560
Balance as on 30.06.2016	892,496,431	77,536,229	970,032,660		250,800,328	48,153,933	298,954,261	671,078,399

Depreciation Charged To-

Administrative Cost	522,170
Manufacturing Cost	50,163,473
Total	<u>50,685,643</u>

Mozaffar Hossain Spinning Mills Limited
Annexure of Accounts Receivable
For the year ended June 30, 2017

Annexure No. - B

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

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

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:

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 30.06.16	Addition during the year	Realized during the year	Balance as at 30.06.17
SIM Fabrics Limited	525,093,162	1,147,562,431	1,033,002,634	639,652,959
Sub-total	525,093,162	1,147,562,431	1,033,002,634	639,652,959
Total	525,093,162	1,147,562,431	1,033,002,634	639,652,959

Mozaffar Hossain Spinning Mills Limited

Schedule of Trade Creditors

For the year ended June 30, 2017

Annexure No. - C

Trade Creditors:

Amount in Taka

Name of Supplier	Balance as at 01.07.2016	Payment during the Year	Purchase during the Year	Balance as at 30.06.2017
AB Enterprise	2,139,272	422,811,775	422,533,852	1,861,349
Deferred LC against virgin cotton	3,908,783	283,736,441	279,827,658	-
Sub Total (A)	6,048,055	706,548,216	702,361,510	1,861,349

Bills Payable:

Amount in Taka

Name of Supplier/Service Provider	Balance as at 01.07.2016	Payment during the Year	Bill during the Year	Balance as at 30.06.2017
Bills Payable Staff	86,095	1,754,706	1,668,611	-
3N Printers	213,682	310,000	106,720	10,402
Abdullah Techo Trade	24,000	24,000	-	-
Ali Refrigeration	30,800	30,800	-	-
Alpha Capital Management	1,010	-	-	1,010
Arthosuchak.com	7,000	27,000	38,000	18,000
Amreen Refrigeration	-	194,900	194,900	-
Axis Engineering	31,360	31,360	-	-
Authentic Color Ltd	59,552	59,552	-	-
Automation Eng. Works	162,792	79,573	79,606	162,825
Badal Enterprise	134,762	134,762	-	-
Bangla Trac Limited	259,224	-	-	259,224
Bangla Trac Limited Store	150,164	2,636	2,636	150,164
Bangla Trac Limited Service	16,000	-	-	16,000
BBS Cables	368,977	368,977	-	-
Bengal Roots	84,512	84,512	-	-
Bestair Engineering	54,250	-	-	54,250
Best Tecknology	-	-	20,000	20,000
Bhuiya Trading	201,403	201,403	-	-
Beximco Online	13,800	44,850	41,400	10,350
Bismillah Paper Products	195,058	100,000	-	95,058
Bushra Corporation	8,000	-	-	8,000
Bank Bima Arthonity	-	20,000	20,000	-
Bangladesh Association of Public Listed Co.	30,000	30,000	30,000	30,000
Bangladesh Textile Mills Association	-	-	30,000	30,000
Bangladesh Chartered Accountancy Hostel	7,500	7,500	-	-
Bangla Courier Service	-	1,200	1,200	-
Bashundhara Courier Service	-	1,200	1,200	-
Cargo Control Group	196,352	151,510	-	44,842
Chemtex B.D	149,800	200,000	168,900	118,700
Confidence Associates Ltd	32,811	132,000	190,000	90,811
Capital Market Courier Service	-	1,200	1,200	-
Central Depository Bangladesh	226,861	226,861	106,000	106,000
Chandmoni Construction	-	-	61,600	61,600
Chandpur Trading	-	200,000	219,091	19,091
Coolteck Bangladesh	33,000	-	-	33,000
Delzan Enterprise	12,415	12,415	-	-
Chittagong Stock Exchange	721,862	721,862	-	-
Dhaka Stock Exchange	721,862	721,862	-	-
Dhaka wood House	6,436	6,436	-	-
Electro Mech	-	-	115,500	115,500
Enviro Enginiering	121,200	70,000	-	51,200
Express Insurance Ltd.	6,684	121,784	139,199	24,099
Fahim Transport Agency	21,100	21,100	-	-
Galaxy Corporation	21,750	250,000	259,000	30,750
Gazi International	-	62,550	265,300	202,750
Globex Agency	-	4,000,000	4,000,000	-
Insaf Trading	16,000	16,000	-	-

Islamia Commercial Insurance	87,191	55,060	10,199	42,330
Industrial Electronics Solution	70,000	47,000	30,000	53,000
Junayet Metalic	8,750	-	-	8,750
J.S Courier Service	600	1,200	600	-
Kabir Hossain	5,000	-	-	5,000
Mahin Enterprise & Packaging	111,592	2,160,000	2,643,408	595,000
Meghna Metal	37,840	92,000	85,480	31,320
Metal Building System	-	3,220,000	3,220,000	-
Mahi Trade	7,200	7,200	-	-
Mati Enterprise	80,620	80,620	-	-
Minarva Engineering Works	278,086	730,000	576,000	124,086
Mitali Agency	41,899	84,139	42,240	-
Mita Engineers Ltd.	320,223	130,000	-	190,223
Mostakim Enterprise	-	1,767,034	1,767,034	-
Mollah & Sons	58,290	58,290	-	-
New Asia Ltd.	7,001	147,569	147,569	7,001
New Mokka Trading	87,494	87,494	-	-
Noor Jutex Industries	27,000	27,000	-	-
Olympic Express	1,200	2,400	1,200	-
Rotation Engineering Ltd.	71,071	93,039	21,968	-
Rapid PR	11,500	11,500	-	-
Reyan Machineries	967,450	1,188,450	365,000	144,000
Riya Enterprise	129,000	129,000	-	-
R.K Enterprise	877,022	877,022	-	-
RM Courier Services	-	1,200	1,200	-
Rofiquel Enterprise	550,000	250,000	-	300,000
Raida Drinking Water	12,116	55,000	51,454	8,570
Raju Engineering & Service Centre	-	60,000	107,000	47,000
Safatex Associates Ltd.	-	1,950,000	1,953,000	3,000
Sayeed Enterprise	911	380,000	381,386	2,297
Shahin Alam Enterprise	6,497	6,497	-	-
Shama Trading	8,500	8,500	-	-
Shah Jalal Courier	-	1,200	1,200	-
Shandha Enterprise	79,638	79,638	-	-
ShareBazar news .com	20,000	140,000	143,000	23,000
ShareBiz Kortcha	-	-	25,000	25,000
Shewly Enterprise	505,100	505,100	-	-
Selim Enterprise	8,700	8,700	-	-
Showrob Enterprise	8,000	39,200	31,200	-
Simul Traders	879,987	2,050,000	1,351,000	180,987
Slogan Communication	1	150,789	150,788	-
Somoy Express Ltd.	-	1,200	1,200	-
S.R Shipping Agency	103,738	-	-	103,738
Star Lamp Courier Service	-	1,200	1,200	-
Step Transmission	53,550	220,000	225,702	59,252
Suntech Energy	667,000	2,061,500	1,394,500	-
Suntech Energy Party	202,350	202,350	-	-
Tanbir Sabbir Enterprise	280,000	338,000	58,000	-
Tecnological Machine & Spares Ltd.	22,000	-	-	22,000
Touch Paper Product	540,847	540,847	-	-
United Trade Centre	50,500	112,000	81,000	19,500
Uttaran Paper Product	766,606	766,606	-	-
3 Star Service Centre	22,000	22,000	-	-
Sub Total (B)	12,502,144	31,372,055	22,628,591	3,758,680
Total (A+B)	18,550,199	737,920,271	724,990,101	5,620,029