

**PRIVATE & CONFIDENTIAL**

**Auditors' Report  
&  
FINANCIAL STATEMENTS  
OF  
MOZAFFAR HOSSAIN SPINNING MILLS LIMITED  
FOR THE YEAR ENDED 30 JUNE 2019**

**SUBMITTED BY**

**ATA KHAN & Co.**

Chartered Accountants

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**Independent Auditors' Report**

TO

**THE SHAREHOLDERS OF MOZAFFAR HOSSAIN SPINNING MILLS LIMITED****Report on the Audit of the Financial Statements:****Opinion**

We have audited the financial statements of **Mozaffar Hossain Spinning Mills Limited** which comprise the statement of financial position as at 30 June 2019, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, of the financial position of the **Mozaffar Hossain Spinning Mills Limited** as at 30 June 2019, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) and other applicable rules and regulation.

**Basis for Opinion**

We conducted our audit in accordance with International Standards on Auditing(IASs). Our responsibilities under those standards are further described in the auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with ethical requirements that are relevant to our audit of the financial statements in Bangladesh, and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for audit opinion.

**Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in the audit of the financial statements for the year ended 30 June 2019. These matters were addressed in the context of the audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the basis for opinion section, each matter mentioned below our description of how our audit addressed the matter is provided in the context.

Key Audit Matter	How our audit addressed the audit matters
<p><b>Revenue</b> The company has reported a revenue of Taka 352,279,010/- for the year ended 30 June 2019.</p> <p>Refer to note no. 25.00 of the financial statements.</p> <p>All sales may not be legitimate and may not have occurred in the financial year</p> <p>Sales may not be complete and accounts receivable may not included all amounts owed by customers at the balance sheet date.</p>	<ul style="list-style-type: none"> <li>• Our procedures included obtaining an understanding of management's revenue recognition process. We tested a sample of transactions to verify whether the revenue was accounted for in accordance with the revenue accounting policy disclosed in notes to the financial statements. In addition, we assessed whether the disclosed revenue accounting policy was in accordance with relevant accounting standards</li> <li>• Vouch entries in sales journal and subsidiary ledger to support documentation of sale (i.e. invoice and delivery note)</li> <li>• Control tests for relevant controls</li> <li>• Subsequent receipts review</li> <li>• Confirmation of specific transactions with customers</li> </ul>



Key Audit Matter	How our audit addressed the audit matters
<p><b>Revenue continued:</b></p> <p>Sales may not be complete and accounts receivable may not included all amounts owed by customers at the balance sheet date.</p> <p>Sales may not be correctly classified and major revenue categories may not be separately disclosed.</p> <p>Sales may not be recorded correctly and in the correct period.</p>	<ul style="list-style-type: none"> <li>• Furthermore, we tested the sales transaction recognised shortly before and after the statement of financial position date, including the sales return recorded after that date, to test whether sales transaction were recorded in the correct reporting periods</li> <li>• Cut-off test (tests of sales transactions, sales returns and other sales adjustments at or near year-end)</li> <li>• Verify prices, quantity and computation on sales invoices, prices verified to master price list, quantity verified to shipping documentation</li> <li>• Ensure related party sales are adequately disclosed.</li> <li>• Finally assessed the appropriateness and presentation of disclosures against relevant accounting standards.</li> </ul>
<p><b>Inventories</b></p> <p>As of the reporting date the company reports Stock and Stores amounting to Taka 239,084,549/-</p> <p>Refer to note no. 8.00 to the Financial Statements</p> <p>The company may not have good title to stock and work in progress</p> <p>All stock and work in progress may not exists</p> <p>Stock and work in progress may not have been valued correctly, consistently and in accordance with applicable accounting standards. Which is net realisable value is based on estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.</p> <p>that full provision may not have been for all damaged, obsolete or slow moving stock and work in progress</p> <p>Cut-off procedure may not have been strictly applied.</p> <p>All necessary disclosures concerning stock and work-in-progress may not have been made and the information is may not yet have been appropriately presented and described.</p>	<ul style="list-style-type: none"> <li>• Evaluating the design and implementation of key inventory controls operating across the company, including those at a sample of, factory production house, warehouse and sales depot;</li> <li>• Evaluating internal controls to monitor or keep track of inventory movement;</li> <li>• Enquire whether any of the stock is held on behalf of third parties.</li> <li>• Consider whether any consignment stock has been accounted for.</li> <li>• Complete the stock take attendance program Trace all items selected at the stock take to the final stock sheets, internal stock records.</li> <li>• Select a sample of items from the final stock sheets and trace to the copies of the rough stock sheets taken during the stock take.</li> <li>• Review the historical accuracy of inventory provisioning and the level of inventory write-offs during the year.</li> <li>• Test the additions and extensions of the final stock sheet.</li> <li>• Ascertain the method used for valuing stock and consider whether: <ul style="list-style-type: none"> <li>(a) it has been correctly applied;</li> <li>(b) it is an acceptable basis of valuation under applicable accounting standards;</li> <li>(c) it is consistent with previous year's and with the company's accounting policy.</li> </ul> </li> <li>• Challenging the completeness of inventory provision through assessing actual and forecast sells inventory lines to assess whether provisions for slow moving/obsolete stock are valid and complete.</li> <li>• Review all items of stock and work in progress and consider whether any further provision is necessary.</li> </ul>



Key Audit Matter	How our audit addressed the audit matters
<p><b>Measurement of deferred tax Liability</b></p> <p>Company reported net deferred tax liability totaling Taka 5,824,332/- as at 30 June 2019 . significant judgments is required in relation to deferred tax liability as their liability is dependent on forecast of future probability over a number of years .</p> <p>see note no. 17.00 to the financial statements</p>	<p>we obtained and understanding ,evaluated the design and tested the operational effectiveness of the company's key controls over the recognition and measurement of Deferred Tax Assets and taxable expense of the company.</p> <p>We also assessed the completeness and accuracy of the data used for the estimations of future taxable expense.</p> <p>we evaluated the reasonableness of key assumption, timing of reversal of temporary difference and expiration of tax loss carry forwards ,recognition and measurement of deferred tax liability .</p> <p>We assessed the adequacy of the company's disclosures setting out the basis of deferred tax liability balances and the level of estimation involved.</p> <p>we also assessed in evaluating the tax implications , the reasonableness of estimate and calculations determined by the management .</p> <p>finally assessed the appropriateness and presentation of disclosure against IAS -12 income Tax</p>

### Going Concern

We are required to report if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least twelve months from the date of the financial statements. We have nothing to report in these respects.

### Other Information

Management is responsible for other information. The other information comprises all of the information in the Annual report other than the financial statements and our auditors' report thereon. The directors are responsible for those other information. The annual report is expected to be made available to us after the date of this auditors' report.

Our opinion on the financial statements does not cover these other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read these other information and, in doing so, consider whether these other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to communicate the matter to those charged with governance.

### Responsibilities of Management and Those Charged with Governance for the Financial Statements and Internal Controls:

Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards and other applicable rules and regulations and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern, and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.



### **Auditors' Responsibilities for the Audit of the Financial Statements:**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtained sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the company to express an opinion on the financial statements. We are responsible for the direction, Supervision and performance of the company audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.



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**Report on other Legal and Regulatory Requirements:**

In accordance with the Companies Act 1994 and the Securities and Exchange Rules 1987, we also report the following:

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

Dated: Dhaka,  
30 October 2019

**ATA KHAN & CO.**  
Chartered Accountants

**MOZAFFAR HOSSAIN SPINNING MILLS LIMITED**  
**Statement of Financial Position**  
**As at June 30, 2019**

Particulars	Notes	Amount in Taka	
		30.06.2019	30.06.2018
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
		<b>3,419,104,279</b>	<b>1,027,995,960</b>
Property, Plant and Equipment's	5.00	548,881,889	598,991,247
Capital Work-In-Progress	6.00	2,870,222,390	429,004,713
<b>INVESTMENT</b>			
		<b>5,110,847</b>	<b>5,063,647</b>
Investment	7.00	5,110,847	5,063,647
<b>CURRENT ASSETS</b>			
		<b>683,181,614</b>	<b>1,059,205,792</b>
Inventories	8.00	239,084,549	292,102,132
Accounts Receivable	9.00	313,427,416	621,553,495
Advances, Deposits & Pre-Payments	10.00	128,847,685	134,255,558
Cash and Cash Equivalents	11.00	1,821,964	11,294,607
<b>TOTAL ASSETS</b>		<b>4,107,396,739</b>	<b>2,092,265,399</b>
<b>SHAREHOLDERS' EQUITY &amp; LIABILITIES</b>			
<b>SHAREHOLDERS' EQUITY</b>			
		<b>1,545,726,064</b>	<b>1,638,208,275</b>
Share Capital	12.00	990,131,120	942,982,020
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	355,041,180	494,672,491
<b>LONG TERM LIABILITIES</b>			
		<b>439,499,612</b>	<b>99,393,842</b>
Long Term Borrowings	16.00	433,675,280	87,949,625
Deferred Tax Liability	17.00	5,824,332	11,444,217
<b>CURRENT LIABILITIES</b>			
		<b>2,122,171,062</b>	<b>354,663,282</b>
Accounts Payable	18.00	1,304,115,968	6,087,595
Cash Dividend Payable	19.00	469,705	472,738
Long Term Borrowings- Current Maturity	20.00	58,896,930	13,635,157
Refundable Fund of IPO Subscribers	21.00	4,755,000	7,755,000
Short Term Borrowings	22.00	625,907,296	179,942,376
Provision for Tax	23.00	100,877,371	98,761,522
Accrued Expenses	24.00	27,148,792	48,008,894
<b>TOTAL EQUITY &amp; LIABILITIES</b>		<b>4,107,396,739</b>	<b>2,092,265,399</b>
<b>Net Asset Value Per Share (NAVPS)</b>		<b>15.61</b>	<b>16.55</b>

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

Chief Financial Officer

Company Secretary

Director

Managing Director

Chairman

SIGNED IN TERMS OF OUR ANNEXED REPORT OF EVEN DATE

**ATA KHAN & CO.**  
Chartered Accountants

**MOZAFFAR HOSSAIN SPINNING MILLS LIMITED**  
**Statement of Profit or Loss & Other Comprehensive Income**  
**For the year ended 30 June 2019**

Particulars	Notes	Amount in Taka	
		2018-2019	2017-2018
Turnover	25.00	352,279,010	674,569,340
Less: Cost of goods sold	26.00	337,166,119	555,867,024
<b>Gross Profit</b>		<b>15,112,891</b>	<b>118,702,317</b>
Other Income	27.00	362,510	661,594
<b>Operating Expenses:</b>		<b>17,880,204</b>	<b>21,741,871</b>
Administrative Expenses	28.00	16,589,758	20,008,478
Marketing and Distribution Expenses	29.00	1,290,446	1,733,393
Profit from Operation		<b>(2,404,803)</b>	<b>97,622,040</b>
Less: Financial expenses	30.00	93,581,443	40,510,100
<b>Profit Before Tax</b>		<b>(95,986,246)</b>	<b>57,111,940</b>
<b>Income tax expenses:</b>		<b>(3,504,035)</b>	<b>8,632,952</b>
Current tax		2,115,849	11,898,945
Deferred Tax Expenses/(Income)	17.02	(5,619,884)	(3,265,993)
<b>Net Profit after Tax</b>		<b>(92,482,211)</b>	<b>48,478,988</b>
<b>Earnings Per Share (EPS)/ Restated EPS</b>	31.00	<b>(0.93)</b>	<b>0.49</b>
<b>Number of Shares used to compute EPS</b>		<b>99,013,112</b>	<b>99,013,112</b>

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

Chief Financial Officer      Company Secretary      Director      Managing Director      Chairman

SIGNED IN TERMS OF OUR ANNEXED REPORT OF EVEN DATE

Dated: Dhaka  
30 October 2019

**ATA KHAN & CO.**  
Chartered Accountants



**ATA KHAN & CO.**  
Chartered Accountants

**MOZAFFAR HOSSAIN SPINNING MILLS LIMITED**

**Statement of Changes in Equity**

For the year ended 30 June 2019

Amount in Taka

Particulars	Share Capital	Tax holiday Reserve	Revaluation Reserve	Retained Earnings	Total
Balance as on 01.07.2018	942,982,020	72,845,417	127,708,347	494,672,491	1,638,208,275
Net Profit / (Loss) for the period	-	-	-	(92,482,211)	(92,482,211)
Bonus Share Issued 5% Stock	47,149,100	-	-	(47,149,100)	-
<b>Balance as on 30.06.2019</b>	<b>990,131,120</b>	<b>72,845,417</b>	<b>127,708,347</b>	<b>355,041,180</b>	<b>1,545,726,064</b>

**Statement of Changes in Equity**

For the year ended 30 June 2018

Particulars	Share Capital	Tax holiday Reserve	Revaluation Reserve	Retained Earnings	Total
Balance as on 01.07.2017	898,078,125	72,845,417	127,708,347	491,097,398	1,589,729,287
Net Profit / (Loss) for the year	-	-	-	48,478,988	48,478,988
Bonus Share Issued 5% Stock	44,903,895	-	-	(44,903,895)	-
<b>Balance as on 30.06.2018</b>	<b>942,982,020</b>	<b>72,845,417</b>	<b>127,708,347</b>	<b>494,672,491</b>	<b>1,638,208,275</b>

Chief Financial Officer

Company Secretary

Director

Managing Director

Chairman

Dated: Dhaka  
30 October 2019

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Chartered Accountants

**MOZAFFAR HOSSAIN SPINNING MILLS LIMITED**Statement of Cash Flows  
For the year ended 30 June 2019

Particulars	Amount in Taka	
	2018-2019	2017-2018
<b>A. Cash flow from operating activities:</b>		
Cash received from customer	660,720,399	693,287,898
Payment of tax	(113,528)	(4,448,937)
Cash payment to supplier and others	(263,259,650)	(498,278,969)
<b>Cash inflow/(Outflow) from Operating activities</b>	<b>397,347,222</b>	<b>190,559,992</b>
<b>B. Cash flow from investing activities</b>		
Acquisition of property plant and equipment	(2,584,977)	(2,328,524)
Capital Work in progress	(1,144,602,761)	(341,646,307)
<b>Cash inflow/(Outflow) from investing activities</b>	<b>(1,147,187,738)</b>	<b>(343,974,831)</b>
<b>C. Cash flow from financing activities</b>		
Received short term loan	445,964,920	118,770,440
Refundable fund paid to IPO subscriber	(3,000,000)	-
Cash dividend paid	(3,033)	(22,341)
Financial expenses	(93,581,443)	(42,465,140)
Received long term loan	390,987,428	61,757,780
<b>Cash inflow/(Outflow) from financing activities</b>	<b>740,367,872</b>	<b>138,040,739</b>
<b>Net Changes cash and cash equivalent (A+B+C)</b>	<b>(9,472,643)</b>	<b>(15,374,100)</b>
Opening cash and cash equivalent	11,294,607	26,668,707
<b>Closing cash and cash equivalent</b>	<b>1,821,964</b>	<b>11,294,607</b>
<b>Net Operating Cash Flow Per Share (Restated) Note: 32.09</b>	<b>4.01</b>	<b>1.92</b>

Chief Financial Officer

Company Secretary

Director

Managing Director

Chairman

Dated: Dhaka  
30 October 2019

**MOZAFFAR HOSSAIN SPINNING MILLS LIMITED**  
**Notes to the Financial Statements**  
As at and for the year ended 30 June 2019

### **1.0 Legal Status of the Company**

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

#### **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. Products of the company are sold in domestic and International markets.

### **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.

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### **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 spinning 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 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.

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### **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 IASIs of preparation and significant accounting policies**

### **4.1 IASIs of Measurement of Elements of Financial Position**

The financial statements have been prepared on the Historical Cost convention IASIs 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, the Listing Regulations of Dhaka & Chittagong Stock Exchanges 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 International Accounting Standard (IASs) and International Financial Reporting Standard (IFRSs) adopted by the Institute of Chartered Accountants of Bangladesh (ICAB).

### **4.4 Going Concern**

As per IAS-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 IAS 1: "Presentation of Financial Statements". A complete set of financial statements comprise:

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

#### **4.7 Reporting Year**

The Financial year of the company under audit cover for a year of 12 months effective from 01 July 2018 to June 30, 2019.

#### **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 IAS-2. Work-in-Process has been valued at prime cost IASis 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 IAS-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 IAS 16: Property, Plant and Equipment. The cost of acquisition of an asset comprises its purchase price and any directly attributable cost of bringing the assets to its working condition for its intended use inclusive of inward freight, duties, non-refundable taxes and un-allocated expenditures etc. The land and land developments with an effect as on June 30, 2011 have been revalued by an independent valuer to reflect fair value (prevailing market price) thereof following "Current Cost Method".

##### **Subsequent Costs**

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

### **Depreciation on Fixed Assets**

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

<b>Particular of Assets</b>	<b>Rate of Depreciation</b>
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 30.06.2018 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 36,000 Spindle Ring Spinning 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 (IAS) No. 7 "Statement of Cash Flows"

#### **4.13 Earnings per Share**

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

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

This represents earnings for the year ended June 30, 2018 attributable to the ordinary shareholders.

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

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

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

No diluted EPS is required to be calculated for the year as there was no scope for dilution during the year under review.

#### **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 IAS 21: The Effects of Changes in Foreign Exchange Rates are determined as under:

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

#### **4.15 Impairment of Assets**

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

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

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

#### **4.16 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 **October 29, 2019**

#### **4.18 Functional and Presentation Currency**

The financial statements are prepared and presented in Bangladesh Currency (Taka), which is the company's functional currency. All financial information presented has been rounded off to the nearest Taka except where indicated otherwise.

#### **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.



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

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

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

Deferrals and accruals have been made as per the guidance in IAS- 1 Presentation of Financial Statements. In order to meet their objectives, Financial Statements, except for cash flow statement and related information, are prepared on accrual IASis of accounting. Under the IASis, 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 IAS-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 IAS 14: “Segment reporting”.

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

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

#### **4.25 Corporate Tax**

**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.

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

#### **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 IASes. 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 IASed 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 IAS: 37. Contingent assets and contingent liabilities are not recognized in the financial statements except the balance amount of IPO subscription money shown in (Note: 21.00) yet to be refundable.

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

The company opened a L/C for Tk. 38,79,460 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 Hon'ble High Court Division of the Supreme Court of Bangladesh for Tax holiday facility.

As per the decision was taken In the 10th AGM and Board of Director's meeting held on 20/12/2015 MHSML has declared 20% Stock Dividend to all the Shareholders but later considered 15% Stock Dividend to all the Shareholders and 5% cash dividend to the general shareholder (excluding Sponsors/Directors). As per order dated 17.01.2016 passed by the Hon'ble High Court Division of the Supreme Court of Bangladesh in Writ Petition No. 447/2016 15% stock dividend credited to all shareholders through CDBL, the decision regarding the remaining 5% dividend payment is awaiting by Hon'ble High Court.

**4.28 Comparative Information**

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

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

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

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Notes No	Particular	Amount in Taka	
		30.06.2019	30.06.2018
<b>5.00</b>	<b>Property, Plant and Equipment's</b>		
	<b>Cost:</b>		
	Opening balance at cost	870,752,348	868,423,824
	Add : Addition during the year	2,584,977	2,328,524
		<b>873,337,325</b>	<b>870,752,348</b>
	Add : Disposed / Sold during the year	-	-
	<b>Total</b>	<b>873,337,325</b>	<b>870,752,348</b>
	<b>Depreciation:</b>		
	Opening balance	402,075,741	349,639,904
	Charged during the year	52,694,335	52,435,837
		<b>454,770,076</b>	<b>402,075,741</b>
	<b>Total ( a)</b>	<b>418,567,249</b>	<b>468,676,607</b>
	<b>Revaluation:</b>		
	Opening balance	130,314,640	130,314,640
	Add : Addition during the year	-	-
	<b>Total (b)</b>	<b>130,314,640</b>	<b>130,314,640</b>
	<b>Written Down Value (WDV) (a+b)</b>	<b>548,881,889</b>	<b>598,991,247</b>
	Please refer to Annexure-'A' for further details		
<b>6.00</b>	<b>Capital Work-In-Progress</b>		
	Break-up of this are as follows:		
	Capital Work-In-Progress (Building) 60.1)	1,085,391,230	429,004,713
	Capital Work-In-Progress (Machinery) 6.02)	1,784,831,160	-
	<b>Total</b>	<b>2,870,222,390</b>	<b>429,004,713</b>
<b>6.01</b>	<b>Capital Work-In-Progress (Building)</b>		
	Opening Balance	429,004,713	87,358,406
	Addition during the period	656,386,517	341,646,307
	<b>Total</b>	<b>1,085,391,230</b>	<b>429,004,713</b>
	Acquisition of the period	-	-
	Closing Balance	<b>1,085,391,230</b>	<b>429,004,713</b>
<b>6.02</b>	<b>Capital Work-In-Progress (Machinery)</b>		
	Opening Balance	-	-
	Addition during the period	1,784,831,160	-
	<b>Total</b>	<b>1,784,831,160</b>	-
	Acquisition of the period	-	-
	Closing Balance	<b>1,784,831,160</b>	-

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

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Notes No	Particular	Amount in Taka	
		30.06.2019	30.06.2018

### 7.00 Investment

This represents the followings:

Suntech Energy Limited	5,063,647	<b>5,021,147</b>
	5,063,647	5,021,147
Add: Profit from the Associates	47,200	42,500
<b>Total</b>	<b>5,110,847</b>	<b>5,063,647</b>

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

### 8.00 Inventories

Break-up of this item is as follows:

		<u>Qty. (kg.)</u>	
<b>Finished Goods:</b>			
Yarn	325,550	53,715,750	55,316,250
Work-in-process	293,309	43,996,350	32,278,233
<b>Raw Materials:</b>		<b>123,382,139</b>	<b>185,982,447</b>
Virgin Cotton	672,793	88,303,910	126,366,335
Waste Cotton	528,919	35,078,229	59,616,112
Packing Materials		1,477,100	594,061
Store Materials		16,513,210	17,931,141
		<b>239,084,549</b>	<b>292,102,132</b>

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

### 9.00 Accounts Receivable

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)	313,427,416	621,553,495
VI) The maximum amount of receivable due by any director or other officer of the company	-	-
	<b>313,427,416</b>	<b>621,553,495</b>

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Notes No	Particular	Amount in Taka	
		30.06.2019	30.06.2018
	<b>Aging of accounts receivable:</b>		
	Dues within three months	84,483,000	82,500,000
	Dues above three months but within six months	142,211,537	165,589,400
	Dues above six months	86,732,879	373,464,095
		<b>313,427,416</b>	<b>621,553,495</b>
<b>10.00</b>	<b>Advances, Deposits &amp; Pre-Payments</b>		
	Advance against Purchase (Note-10.01)	101,881,640	99,621,778
	Advance against Factory Expenses	4,567,882	5,208,553
	Advance against L/c for Cotton & Spares Import	18,922,396	25,922,396
	Advanced for Ring Spinning Project	2,137,500	2,320,000
	Bank Guarantee	1,009,739	1,009,739
	Prepaid Insurance	215,000	173,092
	Tax deducted at sources	113,528	-
		<b>128,847,685</b>	<b>134,255,558</b>
<b>10.01</b>	<b>Advance against Purchase</b>		
	Dues within three months	56,034,902	54,791,978
	Dues above three months but within six months	30,564,492	29,886,533
	Dues above six months	15,282,246	14,943,267
		<b>101,881,640</b>	<b>99,621,778</b>
<b>11.00</b>	<b>Cash and Cash Equivalents</b>	<b>1,236,273</b>	<b>955,293</b>
	<b>Cash in hand</b>	1,236,273	955,293
	<b>Cash at Banks:</b>	<b>585,691</b>	<b>10,339,314</b>
	IBBL Mouchak Branch A/C No. 20501450100327918	28,247	9,832
	IBBL Mouchak Branch A/C No. 20501452500004916	4,615	1
	IBBL Mouchak Branch A/C No. 20501452600004917	1	1
	DBBL Bhulta Branch A/C No. 1761200001733	108,975	1,013,294
	DBBL Bashundhara Branch A/C No. 1471100005894	291,527	560,730
	EBL Principal A/C No.	1,954	8,253,702
	EBL Principal A/C No. 1011360231502	150,372	496,869
	MCB Bashundhara Branch A/C No. 11471112302611	-	4,885
		<b>1,821,964</b>	<b>11,294,607</b>
<b>12.00</b>	<b>Share Capital</b>		
	This represents the followings:		
	<b>Authorized Capital:</b>		
	300,000,000 ordinary Shares of Tk 10/- each	3,000,000,000	3,000,000,000
	<b>Issued, Subscribed and Paid-up Capital:</b>		
	9,90,13,112 ordinary shares of taka 10/- each	990,131,120	942,982,020
		<b>990,131,120</b>	<b>942,982,020</b>

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Notes No	Particular	Amount in Taka	
		30.06.2019	30.06.2018

The movement of Ordinary Shares during the Year ended June 30, 2019 is as follows:

	Number of Shares	Amount in Taka
Balance as on July 01, 2018	89,807,813	89,807,813
Bonus Shares issued during the year	4,490,390	4,490,390
Balance as on June 30, 2019	<b>94,298,202</b>	<b>94,298,202</b>

**12.01 Share holding Position:**

i) Sponsors	6,567,983	6.63%	65,679,830	62,552,240
ii) SIM Fabrics Limited	32,647,781	32.97%	326,477,810	310,931,250
iii) General Public & Others	59,797,348	60.39%	597,973,480	569,498,530
	<b>99,013,112</b>	<b>100.00%</b>	<b>990,131,120</b>	<b>942,982,020</b>

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

Shareholding range	As at 30.06.2019		As at 30.06.2018	
	No. of shareholders	No. of shares	No. of shareholders	No. of shares
1 to 500	1,184	213,363	1,184	213,363
501 to 5,000	3,369	5,011,129	3,369	5,011,129
5,001 to 10,000	451	3,183,003	451	3,183,003
10,001 to 20,000	309	4,354,313	309	4,354,313
20,001 to 30,000	98	2,415,053	98	2,415,053
30,001 to 40,000	51	1,721,221	51	1,721,221
40,001 to 50,000	25	1,119,248	25	1,119,248
50,001 to 1,00,000	56	3,812,636	56	3,812,636
1,00,001 to 10,00,000	56	15,647,721	56	15,647,721
10,00,001 to Above	9	56,820,515	9	56,820,515
<b>Total</b>	<b>5,608</b>	<b>94,298,202</b>	<b>5,608</b>	<b>94,298,202</b>

**13.00 Revaluation Reserve**

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

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

**14.00 Tax Holiday Reserve**

<b>A. Opening balance</b>	<b>72,845,417</b>	<b>72,845,417</b>
Tax Holiday Reserve (30%)	54,634,063	54,634,063
Reserve for Investment (10%)	18,211,354	18,211,354
<b>B. Add: During the Period</b>	-	-
Tax Holiday Reserve (30%)	-	-
Reserve for Investment (10%)	-	-
<b>Total (A+B)</b>	<b>72,845,417</b>	<b>72,845,417</b>

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Notes No	Particular	Amount in Taka	
		30.06.2019	30.06.2018

**15.00 Retained Earnings**

Details are as follows:

Opening Balance	494,672,491	491,097,398
Add: Net Profit / (Loss) for the year	(92,482,211)	48,478,988
<b>Total</b>	<b>402,190,280</b>	<b>539,576,386</b>
Bonus Paid (5% Stock Dividend)	(47,149,100)	(44,903,895)
Retained Earnings	<b>355,041,180</b>	<b>494,672,491</b>

**16.00 Long Term Borrowings**

Hajj Finance Com. Ltd - 1813	43,532,926	-
Hajj Finance Com. Ltd - 1925	49,500,000	-
Hajj Finance Com. Ltd - 1947	152,458,358	-
Hajj Finance Com. Ltd - 2149	20,000,000	-
IBBL HPSM-784	3,083,741	6,447,020
IBBL HPSM-833	1,785,133	2,959,560
IBBL HPSM-20501454300080112	-	2,642,088
IBBL HPSM-20501454300083500	1,575,475	2,329,371
IBBL HPSM-20501454300089001	12,165,686	15,381,743
IBBL HPSM-20501454300095301	72,955,503	71,825,000
IBBL HPSM-979	40,025,000	-
IBBL HPSM-984	54,000,000	-
IDLC	41,490,388	-
<b>Total</b>	<b>492,572,210</b>	<b>101,584,782</b>
Less: Current portion of Long term loan	(58,896,930)	(13,635,157)
	<b>433,675,280</b>	<b>87,949,625</b>

1. Purpose of Investment - To purchase/import of New Ring Spinning Machine, Utilities and Factory Shed building for the project.

2. Period of Investment - 07 (seven) years excluding 12 month gestration period.

3. Rate of return -12.30% per annum or the rate to be determined by the bank from time to time.

4. Collateral:

A. 156.10 decimal project land along with 88,200 sft. Project building vide FSV 81.36 million.

B. 397.00 decimal project land along with 1,89,4825 sft. Project building vide FSV 251.20 million.

C. 505.04 decimal project land along with 2,49,904 sft. Factory building vide FSV 598.51 million by SFL.

D. Personal Guarantee of all Directors of the Project Companies & Mortgages of their individual properties.



**ATA KHAN & CO.**

Chartered Accountants

Notes No	Particular	Amount in Taka	
		30.06.2019	30.06.2018
<b>17.00</b>	<b>Deferred Tax Liabilities</b>		
	Book value of Depreciable asset	131,945,938	182,055,296
	Less: Tax base value of depreciable assets	100,664,040	123,135,806
	Taxable Temporary Difference	<b>31,281,898</b>	<b>58,919,490</b>
	Effective Tax Rate	15%	15%
	Deferred Tax Liability on original cost of assets	4,692,285	8,837,924
	Deferred Tax Liability on Revaluation surplus (11.01)	2,606,293	2,606,293
	Unused tax losses ( 23.01) C	(1,474,245.08)	-
	Total Deferred Tax Liabilities	<b>5,824,332</b>	<b>11,444,217</b>
<b>17.01</b>	<b>Deferred Tax on Revaluation Reserve of Land</b>		
	Revaluation Reserve	130,314,640	130,314,640
	Effective Tax Rate	2%	2%
		<b>2,606,293</b>	<b>2,606,293</b>
<b>17.02</b>	<b>Deferred Tax (Income)/Expense</b>		
	Closing Deferred Tax Liabilities	5,824,332	11,444,217
	Opening Deferred Tax Liabilities	11,444,217	14,710,210
	<b>Deferred Tax (Income)/Expense</b>	<b>(5,619,884)</b>	<b>(3,265,993)</b>
<b>18.00</b>	<b>Accounts Payable</b>		
	Trade Creditors (Annexure-C )	4,133,462	1,019,564
	Bills Payable (Annexure-C )	3,367,590	5,068,031
	Liability against Import Machinery	1,296,614,916	-
		<b>1,304,115,968</b>	<b>6,087,595</b>
<b>19.00</b>	<b>Cash Dividend Payable</b>		
	Opening Balance	472,738	495,079
	Less: Disburse during the year	(3,033)	(22,341)
	<b>Balance Payable</b>	<b>469,705</b>	<b>472,738</b>
<b>20.00</b>	<b>Long Term Borrowings- Current Maturity</b>		
	A. Islami Bank Bangladesh Limited	58,896,930	13,635,157
		<b>58,896,930</b>	<b>13,635,157</b>
	This consists of as follows and is payable within next twelve months from the Balance Sheet date.		
<b>21.00</b>	<b>Refundable fund of IPO subscribers</b>		
	Refund warrant to IPO subscribers	4,755,000	7,755,000
		<b>4,755,000</b>	<b>7,755,000</b>
	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.		

**ATA KHAN & CO.**

Chartered Accountants

Notes No	Particular	Amount in Taka	
		30.06.2019	30.06.2018

**22.00 Short Term Borrowings****Islami Bank Bangladesh Limited Mouchak Br.**

Loan against purchase (MTR)	226,689,105	115,600,000
MURA	398,159,863	58,775,040
Loan against Bill Purchases (MDB)	-	3,879,460
Car Loan Hajj Finance Co. Ltd	1,058,328	1,687,876
<b>Total short term loan of Islami bank Bangladesh Ltd.</b>	<b>625,907,296</b>	<b>179,942,376</b>

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

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

**23.00 Provision for Income tax**

Opening Balance	98,761,522	111,140,411
Provision for the period (23.01)	2,115,849	11,898,945
<b>Total</b>	<b>100,877,371</b>	<b>123,039,356</b>
AIT & Treasury deposits during the period	-	(4,448,937)
AIT Adjustment (2014 to 2017)	-	(19,828,897)
<b>Closing Balance</b>	<b>100,877,371</b>	<b>98,761,522</b>

**23.01 Provision for Income Tax**

Minimum Tax (A)	2,115,849	4,051,386
Regular Tax (B)	(9,828,301)	11,898,945
<b>Higher One</b>	<b>2,115,849</b>	<b>11,898,945</b>

**A. Minimum Tax**

Turnover and Other income	352,641,520	675,230,934
Minimum Tax Rate	0.6%	0.6%
	<b>2,115,849</b>	<b>4,051,386</b>

**B. Current Tax**

Profit Before Tax	(95,986,246)	57,111,940
Less: Other Income	(362,510)	(661,594)
Add: Accounting Depreciation	52,694,335	52,435,837
Less: Tax Depreciation	(22,471,766)	(30,662,544)
Taxable Income for the period	<b>(66,126,187)</b>	<b>78,223,639</b>
Rate of Tax	<b>15%</b>	<b>15%</b>
Tax on business	(9,918,928)	11,733,545.78
Add: 25 % Tax on Other Income	90,628	165,399
<b>Total Provision for the year</b>	<b>(9,828,301)</b>	<b>11,898,945</b>

**ATA KHAN & CO.**

Chartered Accountants

Notes No	Particular	Amount in Taka	
		30.06.2019	30.06.2018
	<b>C. Unused Tax Loss</b>	<b>(1,474,245)</b>	<b>-</b>
<b>24.00</b>	<b>Accrued Expenses</b>		
	Audit fees	125,000	125,000
	Salaries & Allowances	3,199,252	3,780,000
	Gas Bill	4,154,548	17,665,975
	TDS, VAT & Others	-	3,920,276
	WPPF Payable	19,669,992	19,669,992
	Accrued Interest	-	2,847,651
		<b>27,148,792</b>	<b>48,008,894</b>
<b>25.00</b>	<b>Turnover</b>		
		<b>Qty. (kg.)</b>	<b>Avg. Rate</b>
	Yarn 20's	1668050	172
	Yarn 16's	402950	164
	Yarn 10's	-	-
		<b>2,071,000</b>	<b>352,279,010</b>
			<b>674,569,340</b>
	<b>Deviation from last period Result:</b>		
	Expansion project of 36,000 Spindle Ring Spinning Mills are under construction. Due to up-gradation of power supply work, machinery installation and short supply of Gas, 50% of Rotor machine were shut down for a long time. Hence, production and revenue has been decreased during the period.		
<b>26.00</b>	<b>Cost of Goods Sold</b>		
	Opening Work-in-Process	32,278,233	28,132,300
	Raw materials consumed (Note-26.01)	172,598,618	395,243,191
	Accessories & Stores Consumed (Note-26.02)	12,551,464	18,142,759
	Packing Materials Consumed (Note-26.03)	4,959,557	6,097,152
	Factory overhead (Note-26.04)	158,183,633	151,733,370
	Closing Work-in-Process	(43,996,350)	(32,278,233)
	<b>Cost of Production</b>	<b>336,575,155</b>	<b>567,070,540</b>
	Opening stock of Finished Goods	55,316,250	45,240,000
	<b>Cost of Goods Available for Sale</b>	<b>391,891,405</b>	<b>612,310,540</b>
	Closing stock of Finished Goods	(53,715,750)	(55,316,250)
	Wastage Sales	(1,009,536)	(1,127,266)
	<b>Cost of Goods Sold</b>	<b>337,166,119</b>	<b>555,867,024</b>
<b>26.01</b>	<b>Raw Materials Consumption</b>		
	Opening Raw Materials	185,982,447	213,315,627
	Purchase during the year	109,998,310	367,910,011
	Available for use	<b>295,980,757</b>	<b>581,225,638</b>
	Closing Raw Materials	(123,382,139)	(185,982,447)
		<b>172,598,618</b>	<b>395,243,191</b>
<b>26.02</b>	<b>Accessories &amp; Stores Consumption</b>		
	Opening Accessories & Stores	17,931,141	13,262,074
	Purchase during the year	11,133,533	22,811,826
	Available for use	<b>29,064,674</b>	<b>36,073,900</b>
	Closing Accessories & Stores	(16,513,210)	(17,931,141)

**ATA KHAN & CO.**

Chartered Accountants

Notes No	Particular	Amount in Taka	
		30.06.2019	30.06.2018
		<b>12,551,464</b>	<b>18,142,759</b>
<b>26.03</b>	<b>Packing Materials Consumption</b>		
	Opening Packing Materials	594,061	737,973
	Purchase during the year	5,842,596	5,953,240
	Available for use	<b>6,436,657</b>	<b>6,691,213</b>
	Closing Packing Materials	(1,477,100)	(594,061)
		<b>4,959,557</b>	<b>6,097,152</b>
<b>26.04</b>	<b>Factory Overhead</b>		
	Gas Bill	65,106,033	59,883,405
	Salary & Wages	37,205,096	37,302,065
	Repair & Maintenance	476,459	579,547
	Factory Insurance	1,967,790	1,076,052
	Sundry Carrying Charges	312,424	286,759
	Sundry daily labor charges	500,822	374,180
	Medical & other Expenses	652,149	527,000
	Depreciation	51,962,860	51,704,362
		<b>158,183,633</b>	<b>151,733,370</b>
	(a) Repairs & maintenance includes maintenance of office, premises, vehicles, building, equipment and other infrastructures. Also included therein stores and spares that has been consumed during the year.		
	(b) Other expenses does not included any item exceeding 1% of total revenue.		
<b>27.00</b>	<b>Other Operating Income</b>		
	Interest on Bank Account	119,638	227,253
	Profit from Associate	47,200	42,500
	Exchange Rate Fluctuation Gain/(Loss)	195,672	391,841
		<b>362,510</b>	<b>661,594</b>
<b>28.00</b>	<b>Administrative Expenses</b>		
	Salary and Allowances	7,294,038	6,617,565
	Festival Bonus	1,080,000	1,418,268
	Audit Fee	125,000	125,000
	Managing Director Remuneration	600,000	1,200,000
	Director's Remuneration	2,100,000	3,000,000
	Board Meeting Fees	138,244	136,000
	Entertainment	471,076	728,143
	Traveling and Conveyance	180,455	281,026
	House & Office rent	632,600	780,000
	Telephone (mobile)	106,900	126,000
	Company Secretarial, Regulatory Fee and AGM Expense	1,432,103	1,803,100
	Subscription and Donations	187,000	375,000
	Fuel, newspaper & other Expenses	1,510,867	2,686,901
	Depreciation	731,475	731,475
		<b>16,589,758</b>	<b>20,008,478</b>

**ATA KHAN & CO.**

Chartered Accountants

Notes No	Particular	Amount in Taka	
		30.06.2019	30.06.2018

**Payment/ Perquisites to Directors and officers**

The aggregate amount paid/ provided during the period in respect of Directors and officers of the company as defined in the Bangladesh Securities and Exchange Rules 1987 are disclosed below :

**Particulars**

Managing Director Remuneration	600,000	1,200,000
Director's Remuneration	2,100,000	3,000,000
Board Meeting Fees	138,244	136,000
	<b>2,838,244</b>	<b>4,336,000</b>

**29.00 Marketing, Selling & Distribution Expenses**

Salaries and Allowances	570,065	670,623
Advertisement	176,060	169,270
Business Development	235,000	345,000
Sample Expenses	309,321	548,500
	<b>1,290,446</b>	<b>1,733,393</b>

**30.00 Financial Expenses**

Bank Charges and Commission	264,786	252,565
Interest on HPSM investment	13,836,690	4,363,780
Interest on BAI Murabaha	51,705,862	14,818,021
Interest on MDB Loan	-	4,860,184
Interest on MPI Loan	-	761,977
Interest on Murabaha TR	27,774,105	15,453,573
	<b>93,581,443</b>	<b>40,510,100</b>

**31.00 Basic Earning Per Share**

Earning attributable to the ordinary shareholders	<b>(92,482,211)</b>	<b>48,478,988</b>
No. of ordinary shares outstanding during the year(re-stated)	99,013,112	99,013,112
<b>Earning Per Share (EPS)/Re-Stated EPS</b>	<b>(0.93)</b>	<b>0.49</b>

**32.00 General:****32.01 Claims not Acknowledged**

There is no claim against the Company not acknowledged as debt as on 30.06.2019

**32.02 Credit Facilities not Availed**

There is no credit facilities extended to the Company but nor availed of as on 30.06.2019, under any contract, other than trade credit available in the ordinary course of business.

**32.03 Commission, Brokerage or Discount Against Sales**

No commission, brokerage or discount was incurred or paid by the Company against sales during the period ended 30.06.2019.

**32.04 Directors Responsibility Statements**

The Board of Directors and management of the company takes the responsibility for the preparation and presentation of these financial statements as per section 183 of Companies Act 1994 and Corporate Governance Guidelines issued by Bangladesh Securities & Exchange Commission (BSEC) .

## ATA KHAN & CO.

Chartered Accountants

Notes No	Particular	Amount in Taka	
		30.06.2019	30.06.2018

### 32.05 Employees Details:

During the period there were 475 permanent employees employed for the full year out of which 205 employees received salary Taka 8,425 per month and above.

### 32.06 Rounding Off

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

### 32.07 Events after the Reporting Period

Subsequent to the Statement of Financial Position date, the Board of Directors in their meeting held on 29th October 2019 recommended 5% Stock dividend to the all shareholders for the year ended 30th June 2018. The proposed dividend is subject to the shareholders' approval in the forthcoming Annual General Meeting.

As mentioned above the retained amount of 5% stock dividend for the year 2017-2018 will be utilised for the expansion of 36,000 spindle ring spinning project of Mozaffar Hossain Spinning Mills Limited.

### 32.08 Cash flows from operating activities

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

#### Reconciliation of Cash Flows from operating activities

Net Profit/(Loss) before Tax	(95,986,246)
Add: Non-Cash Item	
Depreciation	52,694,335
Finance expense (to be considered later on)	93,581,443
Profit from associates	(47,200)
	<b>50,242,332</b>
Increase or decrease of Account receivable	308,126,079
Increase/Decrease of inventory	53,017,583
Increase/Decrease of Trade Creditors (Annexure-C )	3,113,898
Increase/Decrease of Bills Payable (Annexure-C )	(1,700,441)
Increase/Decrease of Advance deposits prepayments	5,407,873
Increase/Decrease of Accrued expense	(20,860,102)
<b>Net Cash flow from operating activities under indirect meth</b>	<b>397,347,222</b>
Net Cash flow from operating activities under direct method	397,347,222
Difference	Nil

### 32.09 Operating Cash Flow Per Shaare

Operating Cash flow	397,347,222	190,559,992
No. of ordinary shares outstanding during the year(re-stated)	99,013,112	99,013,112
	<b>4.01</b>	<b>1.92</b>

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

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

Particular	Opening	Purchases	Consumption	Closing
Raw Material	185,982,447	109,998,310	(172,598,618)	123,382,139
Packing Materials	594,061	5,842,596	(4,959,557)	1,477,100
Spare Parts	17,931,141	11,133,533	(12,551,464)	16,513,210

**Value of Export**

Particular	In Foreign Currency USD	In BDT
Export	\$ 4,168,982.37	352,279,010

**32.11 Details of capacity has given below**

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

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

**33.00 Related Party Disclosure**

**a) Transaction with Key Management Personnel of the entity:**

<b>No.</b>	<b>Particulars</b>	<b>Value in Tk.</b>
(a)	Managerial Remuneration paid or payable during the period to the directors, including Managing directors or manager	2,700,000
(b)	Any other perquisite or benefits in cash or in kind stating, approximate money value applicable.	138,244
(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 01.07.2018	Addition during the Year	Realized during the Year	Balance as at 30.06.2019
(a)	SIM Fabrics Limited yarn sale	Common Management	621,553,495	326,411,950	634,538,029	313,427,416
<b>Total</b>			<b>621,553,495</b>	<b>326,411,950</b>	<b>634,538,029</b>	<b>313,427,416</b>

**c) Transaction with Related Entity:**

Sl.	Name of Customer	Relationship	Balance as at 01.07.2018	Addition during the Year	Realized during the Year	Balance as at 30.06.2019
(a)	SIM Fabrics Limited (land transferred against shares)	Common Management	250,000,000	-	-	250,000,000
<b>Total</b>			<b>250,000,000</b>	<b>-</b>	<b>-</b>	<b>250,000,000</b>



**MOZAFFAR HOSSAIN SPINNING MILLS LIMITED**

Annexure of Property, Plant & Equipment

As at June 30, 2019

**Annexure A**  
Amount in Taka

**Cost:**

Particulars	COST			Rate of Dep.	DEPRECIATION			Written down value as at 30.06.2019
	As at July 01, 2018	Addition during the year	As at June 30, 2019		As at July 01, 2018	Charged during the year	As at June 30, 2019	
Land & Land Dev.	286,621,311	-	286,621,311	-	-	-	-	286,621,311
Factory Building	119,545,355	-	119,545,355	5%	39,746,015	5,977,268	45,723,283	73,822,072
Plant & Machinery	457,270,941	2,584,977	459,855,918	10%	359,828,167	45,985,592	405,813,759	54,042,159
Vehicle	5,586,326	-	5,586,326	10%	1,412,299	558,633	1,970,932	3,615,394
Furniture & Fixture	1,728,415	-	1,728,415	10%	1,089,260	172,842	1,262,102	466,313
<b>Balance as on 30.06.2019</b>	<b>870,752,348</b>	<b>2,584,977</b>	<b>873,337,325</b>		<b>402,075,741</b>	<b>52,694,335</b>	<b>454,770,076</b>	<b>418,567,249</b>
<b>Balance as on 30.06.2018</b>	<b>868,423,824</b>	<b>2,328,524</b>	<b>870,752,348</b>		<b>349,639,904</b>	<b>52,435,837</b>	<b>402,075,741</b>	<b>468,676,607</b>

**Revaluation:**

Particulars	COST			Rate of Dep.	DEPRECIATION			Written down value as at 30.06.2019
	As at July 01, 2018	Addition during the year	As at June 30, 2019		As at July 01, 2018	Charged during the year	As at June 30, 2019	
Land & Land Dev.	130,314,640	-	130,314,640	-	-	-	-	130,314,640
<b>Balance as on 30.06.2019</b>	<b>130,314,640</b>	<b>-</b>	<b>130,314,640</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>130,314,640</b>
<b>Balance as on 30.06.2018</b>	<b>130,314,640</b>	<b>-</b>	<b>130,314,640</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>130,314,640</b>
<b>Balance as on 30.06.2019</b>	<b>1,001,066,988</b>	<b>2,584,977</b>	<b>1,003,651,965</b>		<b>402,075,741</b>	<b>52,694,335</b>	<b>454,770,076</b>	<b>548,881,889</b>
<b>Balance as on 30.06.2018</b>	<b>998,738,464</b>	<b>2,328,524</b>	<b>1,001,066,988</b>		<b>349,639,904</b>	<b>52,435,837</b>	<b>402,075,741</b>	<b>598,991,247</b>

**Depreciation Charged To:-**

Administrative Cost	731,475
Manufacturing Cost	51,962,860
<b>Total</b>	<b><u>52,694,335</u></b>

**MOZAFFAR HOSSAIN SPINNING MILLS LIMITED**

**Annexure of Accounts Receivable**

For the year ended 30 June 2019

**Annexure- B**

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

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

**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 01.07.2018	Addition during the year	Realized during the year	Balance as at 30.06.2019
Globex Agency	-	25,824,010	25,824,010	-
Rownak Textile Mills Ltd	-	43,050	43,050	-
<b>Total</b>	<b>-</b>	<b>25,867,060</b>	<b>25,867,060</b>	<b>-</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 01.07.2018	Addition during the year	Realized during the year	Balance as at 30.06.19
SIM Fabrics Limited	621,553,495	326,411,950	634,538,029	313,427,416
<b>Sub-total</b>	<b>621,553,495</b>	<b>326,411,950</b>	<b>634,538,029</b>	<b>313,427,416</b>
<b>Total</b>	<b>621,553,495</b>	<b>352,279,010</b>	<b>660,405,089</b>	<b>313,427,416</b>

**Mozaffar Hossain Spinning Mills Limited**  
**Schedule of Trade Creditors**  
For the year ended 30 June 2019

Annexure - C  
Amount in Taka

**Trade Creditors:**

Name of Supplier	Balance as at 01.07.2018	Payment during the Year	Bill during the year	Balance as at 30.06.2019
AB Enterprise	1,019,564	106,884,412	109,998,310	4,133,462
<b>Sub Total (A)</b>	<b>1,019,564</b>	<b>106,884,412</b>	<b>109,998,310</b>	<b>4,133,462</b>

**Bills Payable:**

Amount in Taka

Name of Supplier/Service Provider	Balance as at 01.07.2018	Payment during the Year	Bill during the year	Balance as at 30.06.2019
Amreen Refrigeration & Engineering	14,600	14,600	-	-
Bangladesh Association of Public Listed Co.	30,000	30,000	50,000	50,000
Bangla Trac Limited	624,204	545,302	406,600	485,502
Bestair Engineering	12,000	12,000	-	-
Best Tecknology	20,000	20,000	-	-
Beximco Online	3,450	44,850	41,400	-
Bismillah Paper Products	45,058	45,058	-	-
Building Design & Technology	276,000	276,000	-	-
Buy To Give	31,508	83,666	52,158	-
Central Depository Bangladesh	106,000	331,403	236,082	10,679
Chandmoni Construction	-	81,209	81,209	-
Chemtex B.D	200,700	327,500	157,500	30,700
Chittagong Stock Exchange Ltd	582,890	582,890	739,402	739,402
Coolteck Bangladesh	33,000	33,000	-	-
Dhaka Stock Exchange LTd	582,890	618,132	598,793	563,551
Enviro Enginiering	31,200	31,200	-	-
Galaxy Corporation	39,750	187,750	148,000	-
Islami Commercial Insurance	42,330	2,001,400	1,959,070	-
Mahin Enterprise & Packaging	520,412	1,400,000	1,035,735	156,147
Master Air Express	-	-	-	-
Mazumder Sikder & Associates	30,000	64,500	34,500	-
Meghna Metal	23,320	53,320	30,000	-
MH rubber & plastic Machineris Ltd	16,600	39,505	22,905	-
Minarva Engineering Works	287,956	625,000	360,150	23,106
Monir Steel House	888,295	35,627,923	35,228,428	488,800
Orient Plastic & Packing Ind. Ltd	105,000	370,000	345,000	80,000
Raju Engineering & Service Centre	47,000	47,000	-	-
Reyan Machinery	-	107,100	294,950	187,850
Rotation Engineering	-	330,000	387,957	57,957
Sabuj Timber & Traders	-	1,230,000	1,501,471	271,471
Simul Traders	117,987	117,987	-	-
S.R Shipping Agency	103,738	-	-	103,738
Step Transmission	138,157	200,000	180,530	118,687
Tecnological Machine & Spares Ltd.	22,000	22,000	-	-
Touch Paper Products	91,986	1,511,980	1,419,994	-
United Trade Centre	-	20,000	20,000	-
<b>Sub Total (B)</b>	<b>5,068,031</b>	<b>47,032,275</b>	<b>45,331,834</b>	<b>3,367,590</b>
<b>Total (A+B)</b>	<b>6,087,595</b>	<b>153,916,687</b>	<b>155,330,144</b>	<b>7,501,052</b>