



AHMED ZAKER & Co.

CHARTERED ACCOUNTANTS



A MEMBER FIRM OF KINGSTON SMITH INTERNATIONAL DEVONSHIRE HOUSE, 60, GOSWELL ROAD, LONDON EC1M 7AD

Auditors' Report

We have audited the accompanying financial statements of Mozaffar Hossain Textile Mills Limited, which comprise the Statement of Financial position as at June 30, 2011 along with Statement of comprehensive Income, Statement of Changes in equity and Statement of Cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Bangladesh Standards on Auditing, those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of Mozaffar Hossain Textile Mills Limited as of June 30, 2011 and of its financial performance for the year then ended in accordance with Bangladesh Financial Reporting Standards and comply with the Companies Act 1994 and other applicable laws and regulations.

ABC

HEAD OFFICE : ● 45, Shaheed Syed Nazrul Islam sarani, Bijoy Nagar, Saiham Tower (2nd Floor), Dhaka-1000, Bangladesh.
TEL : 880-2-8391440-3, Fax : 880-2-8391011, E-mail : azcbangladesh@gmail.com web : www.ahmed-zaker.com

BRANCH OFFICE : ● 304, SK. MUJIB ROAD, AGRABAD C/A, CHITTAGONG. TEL : 880-31-712258, 728332
● 107 Sir Iqbal Road, Khulna, Tel : 880-41-723166, 723160
● 35A Westbury Avenue, Wood Green, London N226BS, UK, Tel : +44-181-889-4902



Report on Other Legal and Regulatory Requirements:

We also report that;

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

Date: Dhaka
November 10, 2011


Ahmed Zaker & Co.
Chartered Accountants

Mozaffar Hossain Textile Mills Limited
Statement of Financial Position
As at June 30,2011

Particulars	Notes	Amount in Taka	
		30.06.2011	30.06.2010
NON-CURRENT ASSETS		482,095,676	361,385,740
Property, Plant and Equipments	5.00	482,095,676	359,701,620
Investment in Share		-	1,684,120
CURRENT ASSETS		563,457,984	414,316,868
Inventories	6.00	177,230,593	116,341,935
Accounts Receivable	7.00	286,016,320	243,512,562
Fixed Deposits with Bank	8.00	10,000,000	-
Other Receivable	9.00	604,869	-
Inter Company Current Account	10.00	13,851,783	8,071,182
Advances, Deposits & Pre-Payments	11.00	74,834,113	43,952,042
Cash and bank balance	12.00	920,306	2,439,147
TOTAL ASSETS		1,045,553,660	775,702,608
SHAREHOLDERS' EQUITY		355,960,049	162,766,981
Share Capital	13.00	99,750,000	99,750,000
Revaluation Reserve	14.00	130,314,640	-
Tax Holiday Reserve	15.00	42,856,878	25,206,793
Retained Earnings		83,038,531	37,810,188
LONG TERM LIABILITY		252,603,952	248,426,117
Loan from Other Finance	16.00	-	10,557,705
Long Term Loan Net Off Current Maturity	17.00	252,603,952	237,868,412
CURRENT LIABILITIES		436,989,659	364,509,510
Accounts Payable	18.00	19,151,858	14,061,823
Workers profit participation fund		5,618,181	2,308,790
Current portion of long term loan	19.00	36,339,400	62,540,203
Short term Bank loan	20.00	366,563,850	283,084,523
Provision for Tax		3,309,391	-
Accrued Expenses	21.00	6,006,979	2,514,171
TOTAL EQUITY & LIABILITIES		1,045,553,660	775,702,608
Net Asset Value Per Share (NAVPS)		35.69	16.32

The annexed notes 1 to 30 form an integral part of these financial statements.

These financial statements were approved by the Board of Directors on 10 November 2011 and were signed on it behalf by:

Managing Director

Director

Signed as per annexed report on even date

Place: Dhaka
Dated: November 10, 2011

Ahmed Zaker & Co.
Chartered Accountants

Mozaffar Hossain Textile Mills Limited
Statement of Comprehensive Income
For the year ended June 30, 2011

Particulars	Notes	Amount in Taka	
		30.06.2011	30.06.2010
Turnover	22.00	638,921,387	442,588,794
Less: Cost of goods sold	23.00	488,294,678	345,393,446
Gross Profit		150,626,709	97,195,348
Other Income	24.00	608,592	-
Operating Expenses:		8,100,554	4,164,486
Administrative Expenses	25.00	4,358,609	3,635,392
Marketing and Distribution Expenses	26.00	3,741,945	529,094
Profit from Operation		143,134,747	93,030,862
Less: Financial expenses	27.00	73,637,537	44,546,278
Net Profit before WPPF		69,497,210	48,484,584
Less: Workers profit participation fund 5%		3,309,391	2,308,790
Net Profit after WPPF		66,187,819	46,175,794
Income tax expenses:		3,309,391	-
Current tax		3,309,391	-
Net Profit after Tax Transferred to Equity		62,878,428	46,175,794
Earning Per Share (Re-stated)	28.00	6.30	4.63

The annexed notes 1 to 30 form an integral part of these financial statements.

These financial statements were approved by the Board of Directors on 10 November 2011 and were signed on its behalf by:

Managing Director

Director

Signed as per annexed report on even date

Place: Dhaka
Dated: November 10, 2011

Ahmed Zaker & Co.
Chartered Accountants

Mozaffar Hossain Textile Mills Limited
Statement of Changes in Equity
For the year ended June 30,2011

Amount in Taka					
Particulars	Share Capital	Tax holiday	Revaluation	Retained Earnings	Total
Balance as on July 01 , 2010	99,750,000	26,130,308	-	31,852,265	157,732,573
Adjustment	-	(923,515)	-	5,957,923	5,034,408
Restatement of Opening Balance	99,750,000	25,206,793	-	37,810,188	162,766,981
Net Profit / (Loss) for the year	-	-	-	62,878,428	62,878,428
Tax Holiday Reserve	-	17,650,085	-	(17,650,085)	-
Revaluation reserve	-	-	130,314,640	-	130,314,640
Balance as on June 30 , 2011	99,750,000	42,856,878	130,314,640	83,038,531	355,960,049

Statement of Changes in Equity
For the year ended June 30,2010

Particulars	Share Capital	Tax holiday Reserve	Revaluation Reserve	Retained Earnings	Total
Balance as on July 01 , 2009	1,000,000	6,736,475	-	10,104,712	17,841,187
Issued during the year	98,750,000	-	-	-	98,750,000
Net Profit / (Loss) for the year	-	-	-	41,141,386	41,141,386
Tax Holiday Reserve	-	19,393,833	-	(19,393,833)	-
Balance as on June 30 , 2010	99,750,000	26,130,308	-	31,852,265	157,732,573

These financial statements were approved by the Board of Directors on 10 November 2011 and were signed on it behalf by:

Managing Director

Director

Signed as per annexed report on even date

Place: Dhaka
Dated: November 10, 2011

Ahmed Zaker & Co.
Chartered Accountants

Mozaffar Hossain Textile Mills Limited
Statement of Cash Flows
For the year ended June 30,2011

Particulars	Amount in Taka	
	30.06.2011	30.06.2010
A. Cash flows from operating activities :		
Collection from Turnover & others	599,662,072	329,048,705
Payment to suppliers, employees & others	(540,969,998)	(453,851,783)
Cash Generated from operation	58,692,074	(124,803,078)
Financial Expenses	(73,637,537)	(29,643,154)
Net cash flows/(used) in operating activities	(14,945,463)	(154,446,232)
B. Cash flow from investing activities:		
Acquisition of Property, Plant & Equipment	(32,249,136)	(103,617,225)
FDR with Bank	(10,000,000)	-
Net cash flows/ (used) in Investing Activities	(42,249,136)	(103,617,225)
C. Cash flow from financing activities:		
Received from share capital	-	98,750,000
Received from short term loan	83,479,327	187,799,076
Received/ (repaid) Inter company loan	(16,338,306)	(92,082,968)
Received/(Repaid) long term loan	(11,465,263)	64,995,902
Net cash flows/(used) in financing activities	55,675,758	259,462,010
D. Net Cash Increase/ (Decrease) (A+B+C)	(1,518,841)	1,398,553
E. Opening cash and cash equivalents at the beginning of the year	2,439,147	1,040,594
F. Closing cash and cash equivalents at the end of the year (D+E)	920,306	2,439,147

Mozaffar Hossain Spinning Mills Limited

Notes to the Accounts

For the period ended 31 December, 2011

1. Legal Status of the Company

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

Registered office of the company

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

2. Nature of Business Activities

Mozaffar Hossain Spinning Mills Limited runs the business of 100% export oriented woven brics fabrics cotton yarn.

3. 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 payoff the outstanding Bank Loan with the IPO proceeds to make the Gearing Ratio at a satisfactory level which is expected to reduce the financial leverage and interest burden significantly.

3.2 Exchange Rate Risk

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

Management Perception: MHSML settles its foreign transaction through US Dollars in case of both export and import. While the value of functional currency fluctuates, the loss or gain on currency fluctuation for export automatically sets off against the loss or gain on currency fluctuation for import. As the value of export is always

greater than the value of import, some balance is created in the foreign currency transaction. Furthermore, the Company is contemplating about setting a system of hedging on foreign currency transactions in the future. Movement in the exchange rate adversely may expose the company to risks of foreign currency loss.

3.3 Industry Risks

- (a) **Market demand:** The products of MHSML are sold both in local and 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 dyeing 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.

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. 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, 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 December 31, 2011.
- ii) Statement of Comprehensive Income for the period ended December 31, 2011.
- iii) Statement of Changes in Equity for the period ended December 31, 2011
- iv) Statement of Cash Flows for the period ended December 31, 2011.
- v) Notes comprising a summary of significant accounting policies and other explanatory information to the financial Statements for the period ended Dec. 31, 2011.

4.7 Reporting Period

The Financial Period of the company under audit cover for a year from 01 July 2011 to 31 December 2011.

4.8 Inventories

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

4.9 Revenue

Revenue represents the invoice value of goods supplied to customers during the period. Revenue from sale of goods is recognized in the income statement 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. Sales in these accounts are stated as per Net Realization Value as per BAS-18.

4.10 Property, Plant and Equipment

Initial Recognition and measurement

Property, plant and equipment are capitalized at cost of acquisition and subsequently

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

Subsequent Costs

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

Depreciation on Fixed Assets

Depreciation is provided to amortize the cost or valuation of the assets after commissioning, over the period of their expected useful lives, in accordance with the provisions of BAS 16: Property, Plant and Equipment. Full year depreciation is charged in the year of acquisition regardless of the date of purchase. No depreciation is charged in the year of disposal regardless of the date of disposal. Depreciation of an asset begins when it is available for use. Depreciation is charged on all fixed assets except land and land developments on **reducing balance method**. Rates of depreciation is noted below:

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

The gain or loss on disposal or retirement of assets is included statement of comprehensive income when the item is disposed off/derecognized.

The fair value of the property, plant and equipment on 31.12.2011 is not materially differing with the carrying amount.

4.11 Cash and Cash Equivalent and Statement of Cash Flows:

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

The Statement of Cash Flows is prepared using the **Direct Method** as stipulated in Bangladesh Accounting Standards (BAS) No. 7 “Statement of Cash Flows”

4.12 Earnings Per Share

The company calculates Earnings Per Share (EPS) in accordance with the requirement of BAS – 33: “Earning Per Share”, which has been shown on the face of the Statement of Comprehensive Income and the computation, is shown in “Note - 28”.

Basic earnings:

This represents earnings for the period ended on 31 December 2011 attributable to the ordinary shareholders.

Basic earning per share:

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

Diluted Earning Per Share:

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

4.13 Foreign Currency Transactions

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

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

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

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

4.14 Impairment of Assets

All assets, except inventory, arising from construction contracts and financial assets is assessed at the end of each reporting period to determine whether there is any indication that an assets may be impaired. If any such indication exists the company assesses the recoverable amount. If, and only if, the recoverable amount of an asset is less than its carrying amount, the carrying amount of the assets is reduced to its recoverable amount. The reduction is an impairment loss.

An impairment loss is recognized immediately in profit or loss, 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 period under audit and for this reason no provision has been made for impairment of assets.

4.15 Borrowing Cost

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

4.16 Authorization date for issuing Financial Statements

The financial statements were authorized for issue by the Board of Directors on 26 February, 2012.

4.17 Reporting Currency

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

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

The Preparation of Financial Statements in conformity with 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.

4.19 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.

4.20 Advances, Deposits and Prepayments

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

4.21 Financial Instruments

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

Initial recognition

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

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

4.22 Segment Reporting

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

4.23 Related Party Disclosures

The information as required by BAS 24: "Related party Disclosure" has been disclosed separately in notes to the accounts (Note 30).

4.24 Corporate Tax

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

Current tax is recognized in profit or loss account except to the extent that it relates to business combination or item recognized directly in equity.

As the company has enjoying tax holiday @100% upto October 2010, and has been enjoying 50% tax holiday starting from November 2010 for which provision for current tax has been made on taxable income to that extent as prescribed in Income Tax Ordinance, 1984.

b. **Deferred Tax**

Company is under the Umbrella of Tax holiday as such Deferred Tax is not recognized during the period.

c. **Tax Holiday**

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

4.25 Contingent Assets and Liabilities

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

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

The company has no contingent assets or liabilities which require disclosure under BAS: 37. Contingent assets and contingent liabilities are not recognized in the financial statements.

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

4.26 Event after reporting period.

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

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

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

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

4.27 Comparative Information

Comparative information has been disclosed as required by BAS 34 :‘Interim Financial Reporting’ in respect of the previous period for all numerical information in the current financial statements as below:

- Statement of Financial Position as of the end of the preceding financial period.
- Statement of Comprehensive Income for the comparable Interim period of preceding financial period.
- Statement of Changes in Equity for the comparable Interim period of preceding financial period.
- Statement Cash Flows for the comparable Interim period of preceding financial period.

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

		Amount in Taka	
		30.06.2011	30.06.2010
5.00 Property, Plant and Equipments			
Land & Land Development		132,685,000	2,370,360
Factory Building		60,693,501	56,967,493
Plant & Machinery		287,793,230	299,335,165
Furniture & Fixture		923,945	1,028,602
	Tk.	482,095,676	359,701,620

Please refer to Annexure-'A' for further details

6.00 Inventories:

Break-up of this item is as follows:

		Qty. (Ton)		
Finished Goods:			14,281,104	5,705,720
Yarn	77,100		14,281,104	5,705,720
Working-in-process	92,571		14,268,662	4,088,809
Raw Materials:			147,158,395	106,100,207
Virgin Cotton	620,074		97,586,609	62,576,560
Waste Cotton	507,155		49,571,786	43,523,647
Packing Materials			712,782	151,391
Store Materials			809,650	295,808
	Tk.		177,230,593	116,341,935

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

7.00 Accounts Receivable:

Please refer to Annexure: B for details

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

I) Accounts Receivable considered good in respect of which the company is fully	-	-
Accounts Receivable considered good in respect of which the company holds no security other than the debtor personal security (Annexure B)	81,280,289	73,898,330
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)	204,736,031	169,614,232
The maximum amount of receivable due		
VI) by any director or other officer of the company	-	-
	286,016,320	243,512,562
Aging of accounts receivable:		
Due within three months	143,008,160	121,756,281
Due within three months to six months	85,804,896	73,053,769
Due within six months to one year	57,203,264	48,702,512
	286,016,320	243,512,562

		Amount in Taka	
		30.06.2011	30.06.2010
8.00 Fixed Deposits with Bank			
Bank Asia FDR no. 00755008916 (Scotia Branch , Kawran Bazar)	5,300,000	-	
Bank Asia FDR no. 00755008903 (Scotia Branch , Kawran Bazar)	4,700,000	-	
	10,000,000	-	
9.00 Other Receivable			
Interest on FDR	604,869	-	
	604,869	-	
10.00 Inter Company Current Account:			
Shoaib Apparel limited	-	3,458,550	
SIM Fabrics Ltd.	13,851,783	4,612,632	
	13,851,783	8,071,182	
11.00 Advances, Deposits & Pre-Payments:			
Advance against Salaries	335,000	332,000	
Advance against Purchase (Note-11.01)	64,914,059	43,620,042	
Loan to Mr. Mozaffar Hossain	6,100,000	-	
Advance for Consultancy Fees	700,000	-	
Advance against L/c for Cotton & Spares Import	1,427,859	-	
Tax deducted at sources	1,357,195	-	
Tk.	74,834,113	43,952,042	
11.01 Advance against Purchase			
Due within three months	32,457,030	21,810,021	
Due within three months to six months	19,474,217	13,086,013	
Due within six months to one year	12,982,812	8,724,008	
	64,914,059	43,620,042	
11.01 Advance against Salaries:			
This represent amounts are adjusted with salaries to the following employees			
M A Quam (GM Spinning)	70,000	70,000	
Md. Mozammel Hoque (GM)	100,000	-	
Rafiqul Islam-DM	150,000	247,000	
Shafyet Jamil	15,000	15,000	
Tk.	335,000	332,000	
11.02 Advance against Store purchase:	Amount in Taka	00-Jan-00	
Belayet Hossain	500,000	500,000	
Mr. Jamil	23,254	23,254	
Mr. Liakat Hossain	154,350	60,626	
Mehedi (Admin)	4,127	-	
Sahal Hossain	53,017	2,746	
Shafiqul Islam	1,470	16,502	
Shahidul Islam	250	-	
Swadesh Shaha	5,000	2,200	

Toufiqul Islam		500	500
	Tk.	<u>741,968</u>	<u>605,828</u>
11.03 Advance against Purchase & Services:			
A. Hossain & Co.		-	525,000
Adip Paper & Products		-	100,000
Akhandra		400,000	400,000
Akota Traders		16,026,331	6,026,331
Anowar traders		9,754,370	9,754,370
Ashim Traders		44,200	44,200
Badal Enterprise		316,251	139,130
Bangla Trac Ltd		-	293,440
BBS Bangladesh		300,000	300,000
Bengal Roots		500	-
Biotech Chemical		20,000	20,000
Delcot Limited		15,600	15,600
Design Tech		140,507	140,509
Dhaka Trade		20,000	20,000
Down Engineering		1,101,090	951,090
Ekota Eng		102,917	102,917
GM Tiles		67,127	67,127
Hotel Bon Vivant		20,000	20,000
Insaf Trading		7,265,000	6,545,000
Islmail Hossain		100,000	-
Jamalpur Shipping		33,010	330,313
Kabir Hossain		4,600,000	4,250,000
Mita Engineering		20,000	20,000
Mita Engineers		794,050	794,050
Modern Electric		100	100
Nasir Construction		564,954	521,544
Prime Finance Investment Limited		100,000	100,000
Project Consultants and Construction		80,000	80,000
Ratan Construction		2,075,000	2,075,000
Robin Boring Enterprise		100,000	100,000
SA Corporation		6,000	6,000
S.A International		17,460	17,460
Sarmin spinning		18,213,880	8,213,880
Sarwar Law Syndicate		10,000	10,000
Shakti Eng & Services Centre		9,500	9,500
Sumon Enterprise		39,000	39,000
Sunlight Glass		150,000	150,000
Trade Clippers Cargo Ltd		7,653	7,653
United Rotospin		300,000	300,000
Wattson Eng & Consultants		524,998	525,000
Sandha Enterprise		381,900	-
Three Star Syndicate		200,000	-
Fariha Cotton		250,693	-
		<u>64,172,091</u>	<u>43,014,214</u>
12.00 Cash and bank balance:			
Cash in hand		711,368	980,978
Cash at Banks:			
IBBL Mauchak br. CD-327918		108,337	616,784
IBBL Mauchak br. Mudaraba Deposit Normal		2,086	17,464
IBBL Mauchak br. Mudaraba Deposit Special		79,453	443,868
Sonali Bank Motijheel br. CD-1892		5,000	5,000
Bank Asia Scotia br. CD-3534		138	46,477
Bank Asia Scotia br. STD-738		3,924	322,522

Habib Bank Gulshan br. CD	-	1,054
Jamuna Bank Gulshan br. CD-1259	5,000	5,000
IBBL Gaosia br. CD-987	5,000	-
	208,938	1,458,169
Tk.	920,306	2,439,147

Amount in Taka	
30.06.2011	30.06.2010

13.00 Share Capital:

Authorised capital:

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

1,000,000,000	1,000,000,000
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Issued subscribed and paid up capital:

9,975,000 ordinary shares of taka 10/= each

99,750,000	99,750,000
Tk. 99,750,000	99,750,000

13.01 Share Holding Position:

Share holding position is as follows:

Name of the shareholders	No of Shares	%	Taka
a) Md. Mozaffar Hossain	5,050,000	51	50,500,000
b) Mrs. Rahima Hossain	2,020,000	20	20,200,000
c) A.S.M. Rakibul Hasan	1,515,000	15	15,150,000
d) Raisul Hossain	1,390,000	14	13,900,000
Total No. of Shares	9,975,000	100	99,750,000

14.00 Revaluation Reserve

This represents the revaluation Reserve on revaluation of fixed assets like land & land development which has been found as per revaluation report dated. 30.06.2011 conducted and certified by Ata Khan & co. Chartered Accountants. This figure has been arised at as under:

Value after Revaluation of Land	132,685,000	-
Acquisition cost of the above Land	2,370,360	-
Revaluation reserve	130,314,640	-

15.00 Tax Holiday Reserve

A. Restatement of Opening balance

25,206,793

6,736,475

Tax Holiday Reserve (30%)

19,597,843

5,052,356

Reserve for Investment (10%)

6,532,465

1,684,119

Less: Adjutment

923,515

-

B. Add: Transferred from retained

17,650,085

19,393,384

Tax Holiday Reserve (30%)

13,237,564

14,545,038

Reserve for Investment (10%)

4,412,521

4,848,346

Total (A+B)

42,856,878

26,129,859

16.00 Loan from Other finance:

Opening balance

10,557,705

102,640,673

Payment made during the year

(10,557,705)

(92,082,968)

Closing balance

Tk. -

10,557,705

This represents temporary loan bearing no interest provided by Sim Fabrics Ltd. an associate company of the Group.

Amount in Taka		
	30.06.2011	30.06.2010
17.00 Long Term Loan :		
Outstanding for HPSM-489	204,355,111	223,908,615
Outstanding for HPSM-529	84,588,241	76,500,000
	288,943,352	300,408,615
Less: Current portion of Long term loan	36,339,400	62,540,203
	252,603,952	237,868,412

This represents amount payable to Islami Bank Bangladesh Limited, Mouchak Branch for import of capital machineries under deferred payment. Break up of this item is as follows with terms & conditions.

1. Purpose of Investment - To purchase/import capital machinery for BMRE of the project.
2. Period of Investment - 05 (five) years excluding gestation period of 9-months.
3. Rate of return - 13% per annum list of collateral is given below-
 - A.108.00 decimal project land alongwith 88,200 sft. Project building vide FSV 79.30 million.
 - B.48.10 decimal project land vide FSV 1.92 million.

18.00 Accounts Payable

Trade Creditors (Annexure- C)	18,167,610	9,434,296
Bills Payable (Annexure - C)	984,248	4,627,527
	19,151,858	14,061,823

19.00 Current portion of long term loan

Outstanding for HPSM-489	24,450,899	43,778,142
Outstanding for HPSM-529	11,888,501	18,762,061
	36,339,400	62,540,203

20.00 Short term bank loan:

Islami Bank Bangladesh Limited Mouchak Br.

Local Bill purchase against (MDB)	135,181,234	112,018,803
Loan against Local purchase (MTR)	92,998,937	72,025,527
L/C Liability for Import Merchandise (MPI)	88,421,594	7,294,076
L/C Liability for Import Merchandise (MURA-132)	-	18,850,116
Bai FC Bill	5,600,085	
Cash Bill	8,000,000	
	330,201,850	210,188,522

Add:

Interest of short term loan (MTR)	-	908,238
	-	908,238

Total short term loan of Islami Bank Bangladesh Ltd.

330,201,850 211,096,760

Bank Asia Limited Scotia Br.

Local Bill purchase against (LDBC)	36,362,000	39,234,442
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Habib Bank Limited Gulshan Br.

Inland Bill purchase against (IBP)	-	32,753,321
------------------------------------	---	------------

Tk. 366,563,850 283,084,523

This represents amount provided by the following Banks as working capital which is fully secured by

stock hypothecation and Export bills receivable at the following terms & condition as 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% per annum or the rate to be determined by the bank from time to time.
4. Collateral:
 - A.108.00 decimal project land along with 88,200 sq. ft. Project building vide FSV 79.30 million.

Amount in Taka	
30.06.2011	30.06.2010

B.48.10 decimal project land vide FSV 1.92 million.

C.194.75 decimal project land along with 96,345 sq. ft. Factory building vide FSV 47.48 million.

D. Personal Guarantee of all Directors of the Project Companies & Mortgages own name of properties in their individual capacity.

21.00 Accrued Expenses:

Professional fees & charges	950,000	600,000
Salaries & Allowances	2,508,609	1,164,171
Gas Bill	2,200,081	750,000
Store Purchase	348,289	-
Tk.	6,006,979	2,514,171

22.00 Turnover

This is made up as follows:	qty.	Rate		
Yarn 20's	592900	241	142,752,533	97,369,534
Yarn 16's	673923	241	162,260,441	115,073,091
Yarn 12's	330100	241	79,478,177	53,110,655
Yarn 10's	537100	241	129,317,567	88,517,758
Yarn 9's	133250	241	32,082,603	22,129,439
Yarn 8's	100650	241	24,233,501	17,703,551
Yarn 7's	257100	241	61,901,967	44,258,879
Yarn 6's	28650	241	6,894,600	4,425,887
	2653673		638,921,387	442,588,794

23.00 Cost of Goods Sold:

Opening Work-in-Process	4,088,809	6,773,110
Raw materials consumed	435,191,868	287,249,580
Accessories & Stores Consumed	5664384	4,994,559
Packing Materials Consumed	4519135	5,800,168
Factory overhead (Note-23.01)	65,990,481	50,849,929
Closing Work-in-Process	(14,268,662)	(4,088,809)
Cost of Production	500,110,782	351,578,537
Opening stock of FG	5,705,720	1,263,967
Cost of Goods Available for Sale	505,816,502	352,842,504
Closing stock of Finished Goods	(14,281,104)	(5,705,720)
Wastage Sales	(3,240,720)	(1,743,338)
Cost of Goods Sold	488,294,678	345,393,446

23.01 Factory Overhead

Gas Bill	9,486,179	9,243,261
Salary & Wages	13,672,495	9,142,498

Repair & Maintenance	1,534,168	1,892,030
Factory Machine Maintenance	952,184	1,504,590
General Hardware	17,639	66,280
Building Maintenance	259,725	118,880
Pipe & Pipe Fitting	304,620	202,280
Factory Insurance	227,530	1,115,313
Sundry Carrying Charges	623,825	1,023,138
Sundry daily labour charges	321,877	131,853
Other Expenses	59,344	123,338
Uniform and liveries	15,300	11,900
Medical Aid	19,290	35,236
Inspection of Raw Material	24,754	76,202
Depreciation	40,065,063	28,178,498
Tk.	65,990,481	50,849,929
Amount in Taka		
	30.06.2011	30.06.2010

24.00 Other Operating Income: Tk. 608,592

This is made up as follows:

Interest on FDR	604,869	-
Interest on Bank Account	3,723	-
	608,592	-

25.00 Administrative Expenses:

Salary and Allowances	1,387,500	1,064,000
Bonus	84,250	64,500
Audit Fees	350,000	350,000
Entertainment	248,451	89,684
Traveling and Conveyance	316,267	798,706
House rent	177,980	159,698
Telephone (mobile)	71,840	39,160
General Maintenance	282,089	56,600
Other Expenses	1,335,575	1,013,044
Misc Expenses	453,964	148,075
Fees & Renewals	653,557	589,311
Subscription and Donations	68,000	5,700
Internet Exp	3,100	1,550
Medical Aid	-	108,931
Postage and Stamp	10,365	2,538
Printing & Stationery	112,489	68,610
Service Charges	34,100	41,450
Ceremonial Exp	-	43,400
Exchange Fluctuation loss	-	2,891
Iron, Steel, Rode & Plate	-	588
Depreciation	104,657	-
Tk.	4,358,609	3,635,392

26.00 Marketing, Selling & Distribution Expenses:

Salaries and Allowances	532,000	260,000
Advertisement	10,000	-

Export Expenses	455,982	60,786
Other Expenses	2,743,963	208,308
Tk.	<u>3,741,945</u>	<u>529,094</u>

27.00 Financial Expenses:

Bank Charges and Commission	4,553,346	1,427,696
Interest on HPSM investment	37,892,737	27,288,788
Interest in BAI Murabah FC Bills	462,774	1,055,911
Interest on MDB Loan	21,003,545	6,513,939
Interest on LDBC	616,958	-
Interest on MPI	1,046,838	4,268,985
Interest on Murabaha TR	8,061,339	3,990,959
Tk.	<u>73,637,537</u>	<u>44,546,278</u>

28.00 Earning Per Share

The computation of EPS is given below:

Net Profit for the Year	62,878,428	46,175,794
Weighted average no. of Shares (Note-28.01)	9,975,000	9,975,000
Basic EPS (Restated)	6.30	4.63

28.01 Weighted average number of share:

99,75,000 share for 365 days	9,975,000
	9,975,000

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

29.00 General:

29.01 Claims not Acknowledged

There is no claim against the Company not acknowledged as debt as on June 30,2011 .

29.02 Credit Facilities not Availed

There is no credit facilities available to the Company but not availed of as on 31.12.2011. under any contract, other than trade credit available in the ordinary course of business.

29.03 Commission, Brokerage or Discount

No commission, brokerage or discount was incurred or paid by the Company against sales .

29.04 Directors Responsibility Statements

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

29.05 Employee Details:

During the year, there were 260 permanent employees employed for the full year out of which 188 employees received salary Taka 3,000 per month and above.

29.06 Rounding Off

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

29.07 Rearrangement of Last Year Figures

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

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

Value of Raw material, packing materials and Capital goods

Particular	Local Purchase	Import	Total Purchase	Consumption	% of Consumption
Raw Material	146,554,452	329,695,604	476,250,056	435,191,868	74.73%
Packing Materials	4,519,135	-	4,519,135	3,957,744	87.58%
Spare Parts	5,664,384	-	5,664,384	5,150,542	86.42%

Value of Export

Particular	In Foreign Currency USD	In BDT
Export	\$ 9,037,858	638,921,389

29.09 Details of capacity has given below

Particular	Licence Capacity	Installed Capacity	Actual Production (1 July to 31 Dec. 2011)
Annual Production (kg)	7,700,000	7,700,000	2,679,823

30. 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 half-year to the directors, including managing directors or manager	Nil
(b)	Any other perquisite or benefits in cash or in kind stating, approximate money value where applicable.	Nil
(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-1) Transaction with Related Entity:

Sl.	Name of Customer	Type of transection	Balance as at 01.07.2010	Addition during the period	Realized during the period	Balance as at 30.06.2011
(a)	SIM Fabrics Limited	Yarn sales	169,614,232	411,872,105	376,750,306	204,736,031
	Total		169,614,232	411,872,105	376,750,306	204,736,031

b-2) Transaction with Related Entity:

Sl.	Name of Customer	Type of transection	Balance as at 01.07.2010	Addition during the period	Paid during the period	Balance as at 30.06.2011
(a)	SIM Fabrics Limited	cash	10,557,705	-	10,557,705	-

Mozaffar Hossain Textile Mills Limited
Fixed Assets Schedule
For the year ended June 30,2011

Annexure A
Amount in Taka

Particulars	COST			Rate of Dep.	DEPRECIATION			Written down value as at 30.06.2011	Revaluation Surplus	Written down value as at 30.06.2011
	As at 1.07.2010	Addition During the year	As at 30.06.2011		As at 1.07.2010	Addition During the year	As at 30.06.2011			
Land & Land Dev.	2,370,360	-	2,370,360	-	-	-	-	2,370,360	130,314,640	132,685,000
Factory Building	61,441,356	7,155,869	68,597,225	5%	4,473,863	3,429,861	7,903,724	60,693,501	-	60,693,501
Plant & Machinery	341,258,749	25,093,267	366,352,016	10%	41,923,584	36,635,202	78,558,786	287,793,230	-	287,793,230
Furniture & Fixture	1,046,569	-	1,046,569	10%	17,967	104,657	122,624	923,945	-	923,945
Balance as on 30.06.2011	406,117,034	32,249,136	438,366,170		46,415,414	40,169,720	86,585,134	351,781,036	130,314,640	482,095,676
Balance as on 30.06.2010	302,499,809	103,617,225	406,117,034		18,236,916	28,178,498	46,415,414	359,701,620	-	359,701,620

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

Depreciation Charged To-

Administrative Cost	104,657
Manufacturing Cost	40,065,063
Total	40,169,720

Mozaffar Hossain Textile Mills Limited
Fixed Assets Schedule
For the year ended Amount in Taka

Carrying value (tax base):

Particulars	WDV			Rate of Dep.	DEPRECIATION			Written down value as at Amount in Taka	Written down value as at 00.01.00
	As at 01.01.00	Addition During the year	As at Amount in Taka		As at 01.01.00	Addition During the year	As at Amount in Taka		
Factory Building	40,628,572	7,155,869	47,784,441	20%	-	9,556,888	-	38,227,553	40,628,572
Plant & Machinery	234,255,026	25,093,267	259,348,293	20%	-	51,869,659	-	207,478,634	234,255,026
Furniture & Fixture	939,059	-	939,059	10%	-	93,906	-	845,153	939,059
Balance as on 30.06.2010	275,822,657	32,249,136	308,071,793		-	61,520,453	-	246,551,340	275,822,657

Deferred tax calculation (without revaluation):

Particulars	Carrying amount	Tax base	Different	Tax rate	DTL/(DTA)
Factory Building	60,693,501	38,227,553	22,465,948	15%	3,369,892
Plant & Machinery	287,793,230	207,478,634	80,314,596	15%	12,047,189
Furniture & Fixture	923,945	845,153	78,792	15%	11,819
	349,410,676	246,551,340	102,859,336		15,428,900

Closing Balance as on Amount in Taka 15,428,900

Closing Balance as on 00.01.00 -

15,428,900

Mozaffar Hossain Textile Mills Limited
Fixed Assets Schedule
For the year ended June 30,2010

Carrying value (tax base):

Particulars	WDV			Rate of Dep.	DEPRECIATION			Written down value as at 30.06.10	Written down value as at 30.06.09
	As at 01.07.09	Addition During the year	As at 30.06.10		As at 01.07.09	Addition During the year	As at 30.06.10		
Factory Building	42,622,563	8,163,152	50,785,715	20%	-	10,157,143	-	40,628,572	42,622,563
Plant & Machinery	198,379,579	94,439,204	292,818,783	20%	-	58,563,757	-	234,255,026	198,379,579
Furniture & Fixture	28,530	1,014,869	1,043,399	10%	-	104,340	-	939,059	28,530
Balance as on 30.06.2010	241,030,672	103,617,225	344,647,897		-	68,825,240	-	275,822,657	241,030,672

Deferred tax calculation for 2010:

Particulars	Carrying amount	Tax base	Different	Tax rate	DTL/(DTA)
Factory Building	60,693,501	40,628,572	20,064,929	15%	3,009,739
Plant & Machinery	287,793,230	234,255,026	53,538,204	15%	8,030,731
Furniture & Fixture	923,945	939,059	(15,114)	15%	(2,267)
	349,410,676	275,822,657	73,588,019		11,038,203

Closing Balance as on 00.01.1900	11,038,203
#N/A	-
	11,038,203
Charged	5,034,408
Short/(Excess) Charged	6,003,795

Deferred tax calculation for 2009:

Particulars	Carrying amount	Tax base	Different	Tax rate	DTL/(DTA)
Factory Building	51,502,264	42,622,563	8,879,701	15%	1,331,955
Plant & Machinery	230,364,908	198,379,579	31,985,329	15%	4,797,799
Furniture & Fixture	25,360	28,530	(3,170)	15%	(476)
	281,892,532	241,030,672	40,861,860		6,129,278

HPSM-489

Inst. No.	Due Date	Principal	Intt. Rate	Interest	Installment	Balance	Principal
1	Jul-11	204,355,111	13.00%	2,213,847	4,132,850	202,436,108	1,919,003
2	#N/A	202,436,108	13.00%	2,193,058	4,132,850	200,496,316	1,939,792
3	#N/A	200,496,316	13.00%	2,172,043	4,132,850	198,535,509	1,960,807
4	#N/A	198,535,509	13.00%	2,150,801	4,132,850	196,553,461	1,982,049
5	#N/A	196,553,461	13.00%	2,129,329	4,132,850	194,549,940	2,003,521
6	#N/A	194,549,940	13.00%	2,107,624	4,132,850	192,524,714	2,025,226
7	#N/A	192,524,714	13.00%	2,085,684	4,132,850	190,477,549	2,047,166
8	#N/A	190,477,549	13.00%	2,063,507	4,132,850	188,408,205	2,069,343
9	#N/A	188,408,205	13.00%	2,041,089	4,132,850	186,316,444	2,091,761
10	#N/A	186,316,444	13.00%	2,018,428	4,132,850	184,202,022	2,114,422
11	#N/A	184,202,022	13.00%	1,995,522	4,132,850	182,064,694	2,137,328
12	#N/A	182,064,694	13.00%	1,972,368	4,132,850	179,904,212	2,160,482

HPSM-529

Inst. No.	Due Date	Principal	Intt. Rate	Interest	Installment	Balance	Principal
1	Jul-11	84,588,241	13.00%	916,373	1,849,429	83,655,185	933,056
2	#N/A	83,655,185	13.00%	906,264	1,849,429	82,712,020	943,165
3	#N/A	82,712,020	13.00%	896,047	1,849,429	81,758,638	953,382
4	#N/A	81,758,638	13.00%	885,719	1,849,429	80,794,928	963,710
5	#N/A	80,794,928	13.00%	875,278	1,849,429	79,820,777	974,151
6	#N/A	79,820,777	13.00%	864,725	1,849,429	78,836,073	984,704
7	#N/A	78,836,073	13.00%	854,057	1,849,429	77,840,701	995,372
8	#N/A	77,840,701	13.00%	843,274	1,849,429	76,834,547	1,006,155
9	#N/A	76,834,547	13.00%	832,374	1,849,429	75,817,492	1,017,055
10	#N/A	75,817,492	13.00%	821,356	1,849,429	74,789,419	1,028,073
11	#N/A	74,789,419	13.00%	810,219	1,849,429	73,750,209	1,039,210
12	#N/A	73,750,209	13.00%	798,961	1,849,429	72,699,740	1,050,468

LTL	252,603,952
STL	36,339,400
Total	288,943,352

FDR

No.	Opening	Encashment	Rate	Principal	Net Realize	T. Interest	T. Days	Year End
424	02-Sep-10	05-Dec-11	9.50%	5,300,000	5,824,693	585,214	460	30-Jun-11
411	26-Aug-10	25-Aug-11	9.50%	4,700,000	4,932,589	260,654	365	30-Jun-11

for the Yr	Intt. for Yr.	Half year	for Half Yr.	31-Dec-10	30-Jun-11	31-Dec-11	Charge	AIT
302	384,206	31-Dec-10	121	153,937	230,269	201,008	2,000	58521.43
309	220,663	31-Dec-10	128	91,407	129,256	39,991	2000	26065.42
Total	604,869			245,344	359,525	240,999	4,000	84,587

Amount in Taka

Virgin Cotton:	Qty.	Rate	Amount
Opening Stock	478,502.00	135.24	64,712,048.00
Add: Purchase	2,027,600.22	162.60	329,695,604.00
	2,506,102.22	157.38	394,407,652.00
Less: Issue to Production	1,886,028.00	157.38	296,821,043.00
Closing Stock	620,074.22	157.38	97,586,609.00

Waste Cotton:			
Opening Stock	508,715.00	81.36	41,388,159.00
Add: Purchase	1,414,073.00	103.64	146,554,452.00
	1,922,788.00	97.74	187,942,611.00
Less: Issue to Production	1,415,633.00	97.74	138,370,825.00
Closing Stock	507,155.00	97.74	49,571,786.00

Total Cotton			
Opening Stock	987,217.00	107.47	106,100,207.00
Add: Purchase	3,441,673.22	138.38	476,250,056.00
	4,428,890.22	131.49	582,350,263.00
Less: Issue to Production	3,301,661.00	131.81	435,191,868.00
Closing Stock	1,127,229.22	130.55	147,158,395.00

Opening WIP	37,885.00	107.93	4,088,809.00
Cotton Consumed	3,301,661.00	131.81	435,191,868.00
Accessories Consumed			5,150,542
Packing Material Consumed			3,957,744
Factory Overhead			65,990,481.00
	3,339,546.00	154.03	514,379,444.00
Less: Wastage	567,152.00		-
	2,772,394.00	185.54	514,379,444.00
Less: Closing WIP	92,571.00	154.14	14,268,662.00
Cost of Production	2,679,823.00	186.62	500,110,782.00
Add: Opening Finished Goods	50,950.00	111.99	5,705,720.00
Add: Available for Sale	2,730,773.00	185.23	505,816,502.00
Less: Wastage			3,240,729.00
Less: Closing Finished Goods	77,100.00	185.23	14,281,104.00
Cost of Goods Sold	2,653,673.00	184.01	488,294,669.00

Sales	2,653,673.00		
Local	382,000.00	221.55	84,630,654.00
Export	2,271,673.00	244.00	554,290,733.00
	2,653,673.00	240.77	638,921,387.00

Mozaffar Hossain Textile Mills Limited**Schedule of Accounts Receivable****Annexure No. - B**

For the year ended June 30,2011

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 01.07.2010	Addition during the period	Realized during the period	Balance as at 30.06.2011
ACS Textile Mills Limited	5,596,774	-	5,596,774	-
Adnan Textile	-	969,913	969,913	-
Afabunnesa Textile Mills Ltd	1,267,250	-	1,267,250	-
All Tex Textile	-	51,636,481	38,555,306	13,081,175
Bengal Ingigo	32,049,301	8,761,364	40,810,665	-
Deep Textile	-	1,092,277	1,092,277	-
Dhaka Denime	5,483,425	68,937,312	10,999,760	63,420,977
Envoy Textile Mills Ltd.	25,025,105	23,212,777	48,237,882	-
Farha Textile	-	3,095,226	3,095,226	-
Globex Agency	-	44,159,101	44,159,101	-
Hamim Denims Ltd.	4,137,400	23,957,581	28,094,981	-
JAD Textile	-	770,000	770,000	-
Jamuna Denime	-	3,389,908	3,389,908	-
Janani Bastra Bitan	-	500,000	500,000	-
Julhas Enterprise	-	3,738,066	3,738,066	-
Mab Denime	-	969,115	969,115	-
Padma Textile	-	620,888	-	620,888
Quality Tex	-	10,511,811	10,511,811	-
Refat Textile Mills	-	891,590	-	891,590
Rezent Textile	-	971,075	971,075	-
Rois Uddin	-	3,196,529	3,196,529	-
SSB Textile	-	1,692,309	1,692,309	-
Tania Textile	-	388,600	388,600	-
Unifeel Textile Mills Ltd.	339,075	5,331,314	2,404,730	3,265,659
Total	73,898,330	258,793,237	251,411,278	81,280,289

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 01.07.2010	Addition during the period	Realized during the period	Balance as at 30.06.2011
SIM Fabrics Limited	169,614,232	411,872,105	376,750,306	204,736,031
Total	169,614,232	411,872,105	376,750,306	204,736,031