

Auditors' Report

To the Shareholders of Mozaffar Hossain Spinning Mills Limited

We have audited the accompanying financial statements of **Mozaffar Hossain Spinning Mills Limited**, which comprise the Statement of Financial position as at June 30, 2016 along with 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 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, The securities & Exchange Rules 1987, Companies Act 1994 and other applicable Rules & Regulations. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements of the company based on our audit. The assets and liabilities as at June 30, 2016 and Income and expenses for the year ended June 30, 2016 of the company's one associate namely Suntech Energy Limited has been accounted for in the financial statements. The financial statements of the associate company audited by other auditors whose reports have been furnished to us and our opinion is as so far as it relates to the amounts included in respect of the company's associate based on the reports. 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 of the company are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of **Mozaffar Hossain Spinning Mills Limited** as of June 30, 2016 and of its financial performance for the year then ended in accordance with Bangladesh Financial Reporting Standards, The Securities & Exchange Rules 1987 and comply with the Companies Act 1994 and other applicable laws and regulations.

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 Profit or Loss and other comprehensive Income and Statement of Cash flows dealt with by the report are in agreement with the books of accounts;
- d) the expenditure incurred and payments made were for the purpose of the company's business for the year.

Place: Dhaka
Date: November 15, 2016

Ahmed Zaker & Co.
Chartered Accountants

Mozaffar Hossain Spinning Mills Limited
Statement of Financial Position
As at June 30, 2016

Particulars	Notes	Amount in Taka	
		30.06.2016	30.06.2015
ASSETS			
NON-CURRENT ASSETS		739,205,845	706,073,249
Property, Plant and Equipments	5.00	671,078,399	641,696,103
Capital Work-In-Progress	6.00	68,127,446	64,377,146
INVESTMENT		4,981,778	4,931,545
Investment	7.00	4,981,778	4,931,545
CURRENT ASSETS		1,006,291,727	927,335,956
Inventories	8.00	312,681,632	326,136,767
Accounts Receivable	9.00	525,093,162	437,215,251
Advances, Deposits & Pre-Payments	10.00	147,272,203	148,505,818
Cash and Cash Equivalents	11.00	21,244,730	15,478,120
TOTAL ASSETS		1,750,479,350	1,638,340,750
SHAREHOLDERS' EQUITY & LIABILITIES			
SHAREHOLDERS' EQUITY		1,465,913,819	1,311,540,565
Share Capital	12.00	898,078,125	780,937,500
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	367,281,930	330,049,301
LONG TERM LIABILITIES		39,622,307	65,048,795
Long Term Loan Net off Current Maturity	16.00	22,969,134	48,421,400
Deferred Tax Liability	17.00	16,653,173	16,627,395
CURRENT LIABILITIES		244,943,224	261,751,390
Accounts Payable	18.00	18,550,199	28,491,751
Current Portion of Long Term Loan	19.00	12,384,334	12,767,739
Refundable Fund of IPO Subscribers	20.00	7,800,000	8,164,500
Short Term Bank Loan	21.00	77,028,648	115,890,001
Provision for Tax	22.00	86,541,883	60,073,750
Accrued Expenses	23.00	42,638,160	36,363,649
TOTAL EQUITY & LIABILITIES		1,750,479,350	1,638,340,750
Net Asset Value Per Share (NAVPS)		16.32	14.60

The accompanying notes 1 to 32 form an integral part of these Financial Statements.

Chief Financial Officer Company Secretary Director Managing Director Chairman

Signed as per annexed report of same date.

Place: Dhaka
15th November, 2016

Ahmed Zaker & Co.
Chartered Accountants

Mozaffar Hossain Spinning Mills Limited
Statement of Profit or Loss & Other Comprehensive Income
 For the year ended June 30, 2016

Particulars	Notes	Amount in Taka	
		30.06.2016	30.06.2015
Turnover	24.00	1,061,069,970	1,134,470,479
Less: Cost of goods sold	25.00	809,639,719	856,214,279
Gross Profit		251,430,251	278,256,200
Other Income	26.00	4,521,716	524,480
Operating Expenses:		15,944,135	11,790,330
Administrative Expenses	27.00	13,300,807	10,060,966
Marketing and Distribution Expenses	28.00	2,643,328	1,729,364
Profit from Operation		240,007,832	266,990,350
Less: Financial expenses	29.00	57,140,667	50,297,073
Profit before WPPF		182,867,165	216,693,277
Less: Workers profit participation fund 5%		-	10,318,178
Profit before Tax		182,867,165	206,375,099
Income tax expenses:		28,493,911	31,005,829
Current tax		28,468,133	31,623,995
Deferred Tax Expenses/(Income)		25,778	(618,166)
Net Profit after Tax		154,373,254	175,369,270
Other Comprehensive Income			
Total Comprehensive Income		154,373,254	175,369,270
Earning Per Share for the Year	30.00	1.72	2.25
Earning Per Share for the Year (Re-stated)	30.00	1.72	1.95

The accompanying notes 1 to 32 form an integral part of these Financial Statements.

Chief Financial Officer Company Secretary Director Managing Director Chairman

Signed as per annexed report of same date.

Place: Dhaka
15th November, 2016

Ahmed Zaker & Co.
Chartered Accountants

Mozaffar Hossain Spinning Mills Limited

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

Amount in Taka

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

Statement of Changes in Equity
 For the year ended June 30 , 2015

Particulars	Share Capital	Tax holiday Reserve	Revaluation Reserve	Retained Earnings	Total
Balance as on 01.07.2014	624,750,000	72,845,417	130,314,640	310,867,531	1,138,777,588
Net Profit / (Loss) for the year	-	-	-	175,369,270	175,369,270
Bonus Paid 25% Stock	156,187,500	-	-	(156,187,500)	-
Less: Adjustment for deferred Tax			(2,606,293)	-	(2,606,293)
Balance as on 30.06.2015	780,937,500	72,845,417	127,708,347	330,049,301	1,311,540,565

Chief Financial Officer Company Secretary Director Managing Director Chairman

Signed as per annexed report of same date.

Place: Dhaka
 15th November, 2016

Ahmed Zaker & Co.
 Chartered Accountants

Mozaffar Hossain Spinning Mills Limited
Statement of Cash Flows

For the year ended June 30, 2016

Particulars	Notes	Amount in Taka	
		30.06.2016	30.06.2015
A. Cash flows from operating activities :			
Collection from Turnover and other Income		977,663,542	1,080,869,010
Payment of tax		(5,835,657)	(7,944,416)
Payment to suppliers, employees & Others		(764,426,022)	(877,602,951)
Net cash flows from/(used) in operating activities		207,401,863	195,321,643
B. Cash flow from investing activities:			
Acquisition of Property, Plant & Equipment		(65,065,039)	(38,591,940)
Capital Work-In-Progress		(16,221,490)	(75,388,533)
Investment		-	(4,920,000)
Net cash flows from/ (used) in Investing Activities		(81,286,529)	(118,900,473)
C. Cash flow from financing activities:			
Received/(Repaid) short term loan		(38,861,353)	(77,973,556)
Refundable fund of IPO subscriber		(364,500)	(2,474,750)
Financial Expenses		(55,287,200)	(54,830,047)
Received/(Repaid) long term loan		(25,835,671)	61,189,139
Net cash flows from/(used) in financing activities		(120,348,724)	(74,089,214)
D. Net Cash Increase/ (Decrease) (A+B+C)		5,766,610	2,331,956
E. Opening cash and cash equivalents at the begining of the year		15,478,120	13,146,164
F. Closing cash and cash equivalents at the end of the year (D+E)		21,244,730	15,478,120
Operating Cash Flow Per Share		2.31	2.17

Chief Financial Officer Company Secretary Director Managing Director Chairman

Signed as per annexed report of same date.

 Place: Dhaka
 15th November, 2016

Ahmed Zaker & Co.
 Chartered Accountants

Mozaffar Hossain Spinning Mills Limited

Notes to the Financial Statements
For the year ended June 30, 2016

1.0 Legal Status of the Company

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

Registered office of the company

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

2.0 Nature of Business Activities

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

3.0 Risk Exposure

3.1 Interest Rate Risk

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

Management perception:

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

3.2 Exchange Rate Risk

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

Management Perception:

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

3.3 Industry Risks

(a) Market demand:

The products of MHSML are sold both in international markets. Any economic recession, changes in tastes and fashions of the consumers, national income and other related factors may cause to decline the market demand of the company products.

Management Perception:

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

(b) Competition:

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

Management Perception:

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

(c) Rising of Raw Materials costs:

The cost of yarn and other chemicals are rising gradually and drastically round the year. It may hamper the profitability of the company to a greater extent.

Management Perception:

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

3.4 Risks steaming from technological changes:

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

Management perception:

MHSML applies the latest technology in the yarn process in the production. The machineries and equipment of the company are also the latest invention in the sector which is imported from renowned manufacturers of the world.

3.5 Other risk factors:

(a) Political Unrest:

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

Management Perception:

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

(b) Possible slowdown in economic growth in Bangladesh:

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

Management Perception:

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

(c) Natural calamities:

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

Management perception:

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

4.0 Basis of preparation and significant accounting policies

4.1 Basis of Measurement of Elements of Financial Position

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

4.2 Statement on Compliance with Local Laws

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

4.3 Statement on Compliance of Bangladesh Accounting Standards

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

4.4 Going Concern

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

4.5 Accrual Basis

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

4.6 Structure, Content and Presentation of Financial Position

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

- i) Statement of Financial Position as at June 30, 2016.
- ii) Statement of Profit or Loss and other Comprehensive Income for the year ended June 30, 2016.
- iii) Statement of Changes in Equity for the year ended June 30, 2016.
- iv) Statement of Cash Flows for the year ended June 30, 2016.
- v) Notes comprising a summary of significant accounting policies and other explanatory information to the financial Statements the year ended June 30, 2016.

4.7 Reporting Year

The Financial year of the company under audit cover for a year of 12 months effective from 01 July 2015 to June 30, 2016.

4.8 Inventories

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

4.9 Revenue

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

4.10 Property, Plant and Equipment

Initial Recognition and measurement

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

Subsequent Costs

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

Depreciation on Fixed Assets

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

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

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

The fair value of the property, plant and equipment on 30.06.2016 is not materially differing with the carrying amount.

CAPITAL WORK-IN-PROCESS

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

4.11 Revaluation Reserve

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

4.12 Cash and Cash Equivalent and Statement of Cash Flows:

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

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

4.13 Earnings per Share

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

Basic earnings:

This represents earnings for the Year ended June 30, 2016 attributable to the ordinary shareholders.

Basic earnings per share:

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

Diluted Earnings Per Share:

Diluted EPS is calculated if there is any commitment for issuance of equity shares in foreseeable future, i.e., potential shares, without inflow of resources to the Company against such issue. This is in compliance with the requirement of BAS – 33.

4.14 Foreign Currency Transactions

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

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

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

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

4.15 Impairment of Assets

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

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

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

4.16 Borrowing Cost

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

4.17 Authorization date for issuing Financial Statements

The financial statements were authorized for issue by Board of Directors on 15th November, 2016

4.18 Reporting Currency

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

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

The Preparation of Financial Statements in conformity with Bangladesh Accounting Standards requires management to make estimates and assumptions that affect the reported amounts of revenue and expenses, assets and liabilities and disclosure requirements for contingent assets and liabilities during and the date of the financial statements. Due to inherent uncertainty involved in making estimates, actual result reported could differ from those estimates.

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

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

4.20 Accruals & Deferrals

Deferrals and accruals have been made as per the guidance in BAS- 1 Presentation of Financial Statements. In order to meet their objectives, Financial Statements, except for cash flow statement and related information, are prepared on accrual basis of accounting. Under the basis, the effects of transactions and other events are recognized when they occur (and not when cash or its equivalent is received or paid) and they are recorded in the accounting records and reported in the Financial Statements of the years to which they relate.

Other Payables are not interest bearing and are stated at their nominal value.

4.21 Advances, Deposits and Prepayments

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

4.22 Financial Instruments

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

Initial recognition

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

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

4.23 Segment Reporting

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

4.24 Related Party Disclosures

The information as required by BAS 24: "Related party Disclosure" has been disclosed separately in notes to the financial statements. (Note-32)

4.25 Corporate Tax

(a) Current Tax

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

(b) Deferred Tax

Deferred tax liabilities are the amount of income taxes payable in future years in respect of taxable temporary differences. Deferred tax assets are the amount of income taxes recoverable in future years in respect of deductible temporary differences. Deferred tax assets and liabilities are recognized for the future tax consequences of timing differences arising between the carrying values of assets, liabilities, income and expenditure and their respective tax bases. Deferred tax assets and liabilities are measured using tax rates and tax laws that have been enacted or subsequently enacted at the financial statement date.

4.26 Workers Profit Participation Fund

As per provision of Bangladesh Labor Law, Amendment 2013, Section 232(2), in case of a 100% export oriented industrial sector or for any industry investing 100% foreign exchange, the Government, through enactment of Rule, shall adopt required provisions with regard to formation of sector based central fund comprising of buyers and owners, form a Board to execute that fund, determine contributions and their realization procedure and provisions for utilizations of the money for the welfare of the beneficiaries in the sector. Therefore, Company has not made any provision on profit against WPPF.

4.27 Contingent Assets and Liabilities

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

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

The company has no contingent assets or liabilities which require disclosure under BAS: 37. Contingent assets and contingent liabilities are not recognized in the financial statements except the balance amount of IPO subscription money shown in (Note: 20.00) yet to be refundable.

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

The company opened a L/C for Tk.163, 871,787 with the Islami Bank Bangladesh Bank in favor of SIM Fabrics Ltd. against sale of Yarn. The above mentioned L/C amount as bill receivable as kept as collateral. Entire amount of loan liabilities subject to set off against the Bill Receivable amount realize within 120 days. The company might have a liability to the extent to which the said bill becomes unrealized. No provision has been made against the liability created as it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation, or a sufficiently reliable estimate of the amount of the obligation cannot be made.

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

As per decision taken In the 10th AGM and Board of Director's meeting held on 20/12/2015 MHSML has declare 20% Stock Dividend to all the Shareholders but later Considered 15% Stock Dividend to all the Shareholders as per order dated 17.01.2016 passed by the Hon'ble High Court Division of the Supreme Court of Bangladesh in Writ Petition No. 447/2016. Decision regarding the remaining 5% dividend payment is awaiting Hon'ble High Court.

4.28 Comparative Information and Rearrangement Thereof

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

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

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

		Amount in Taka	
		30.06.2016	30.06.2015
5.00 Property, Plant and Equipments			
Cost:			
Opening balance at cost		762,181,791	695,701,318
Add : Addition during the year		77,536,229	66,480,473
		839,718,020	762,181,791
Add : Disposed / Sold during the year		-	-
Total	Tk.	839,718,020	762,181,791
Depreciation:			
Opening balance		250,800,328	208,110,551
Charged during the year		48,153,933	42,689,777
		298,954,261	250,800,328
Total (a)		540,763,759	511,381,463
Revaluation:			
Opening balance		130,314,640	130,314,640
Add : Addition during the year		-	-
Total (b)		130,314,640	130,314,640
Written Down Value (WDV) (a+b)		671,078,399	641,696,103

Please refer to Annexure-'A' for further details

6.00 Capital Work-In-Progress

Break-up of this are as follows:

Opening Balance		64,377,146	16,877,146
Addition during the year		16,221,490	75,388,533
Total		80,598,636	92,265,679
Acquisition of the Year		(12,471,190)	(27,888,533)
Closing Balance	Tk.	68,127,446	64,377,146

Capital work in progress represents the cost incurred for acquisition and/or for construction of items of property, plant and equipment that are not ready for use. CWIP is measured at cost.

7.00 Investment

This represents the followings:

Suntech Energy Limited		4,931,545	4,920,000
		4,931,545	4,920,000
Add: Profit from the Associates		50,233	11,545
Total	Tk.	4,981,778	4,931,545

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

Amount in Taka	
30.06.2016	30.06.2015

8.00 Inventories

Break-up of this item is as follows:

	Qty. (kg.)		
Finished Goods:			
Yarn	328,390	52,463,028	65,247,191
Work-in-process	256,612	35,932,982	42,431,441
Raw Materials:		212,737,963	208,924,347
Virgin Cotton	900,304	113,056,103	106,232,924
Waste Cotton	1,216,413	99,681,861	102,691,423
Packing Materials		717,573	271,464
Store Materials		10,830,086	9,262,324
Tk.		312,681,632	326,136,767

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

9.00 Accounts Receivable

Please refer to Annexure: B for details

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

I) Accounts Receivable considered good in respect of which the company is fully secured (Annexure B)	-	-
II) Accounts Receivable considered good in respect of which the company holds no security other than the debtor's personal security	-	-
III) Accounts Receivable considered doubtful or bad	-	-
IV) Accounts Receivable due by any director or other officer of the company	-	-
V) Accounts Receivable due by Common management (Annexure B)	525,093,162	437,215,251
VI) The maximum amount of receivable due by any director or other officer of the company	-	-
	525,093,162	437,215,251
Aging of accounts receivable:		
Dues within three months	138,594,970	147,213,245
Dues above three months but within six months	386,498,192	290,002,006
Dues above six months	-	-
	525,093,162	437,215,251

10.00 Advances, Deposits & Pre-Payments

Advance against Purchase (Note-10.01)	66,364,317	47,270,861
Advance against Factory Expenses	3,236,638	1,305,818
Advance against L/c for Cotton & Spares Import	57,615,138	84,668,554
Advanced for Consultancy	1,460,000	500,000
Prepaid Insurance	880,000	880,132
Tax deducted at sources	17,716,110	13,880,453
Tk.	147,272,203	148,505,818

		Amount in Taka	
		30.06.2016	30.06.2015
10.01	Advance against Purchase		
	Dues within three months	49,773,238	35,453,146
	Dues above three months but within six months	13,272,863	9,454,172
	Dues above six months	3,318,216	2,363,543
		66,364,317	47,270,861
11.00	Cash and Cash Equivalents	6,492,812	171,522
	Cash in hand	6,492,812	171,522
	Cash at Banks:	14,751,918	15,306,598
	IBBL Mouchak CD-327918	4,851,639	4,006,361
	IBBL Mouchak CD-438315	3,476	3,476
	IBBL Mouchak Mudaraba Deposit Normal	37,695	43,568
	IBBL Mouchak Mudaraba Deposit Special	56,005	2,496,013
	DBBL Gausia # 176-120-1733	287,759	238,010
	Bank Asia Scotia CD-3534	-	2,155
	Bank Asia Scotia CD-36551	-	1,952
	Habib Bank Gausia CD- 9240	-	1,000
	DBBL Bashundhara # 147-110-5894	231,915	41,236
	EBL Principal (for ipo refundable fund)	7,897,824	8,463,727
	NRB Bank Gulshan # 00174	5,000	5,000
	IBBL Gausia CD-987	3,246	3,246
	IBBL Mouchak MDA UR-49	1,377,359	854
	Tk.	21,244,730	15,478,120
12.00	Share Capital:		
	This represents the followings:		
	Authorised capital:		
	300,000,000 ordinary Shares of tk 10/= each	3,000,000,000	3,000,000,000
	Issued subscribed and paid up capital:		
	89,807,812.5 ordinary shares of taka 10/= each	898,078,125	780,937,500
	Tk.	898,078,125	780,937,500
12.01	Share Holding Position:		
	Share holding position is as follows:		
	a) Sponsors	5,957,359.4	6.63% 59,573,593.75
	b) SIM Fabrics Limited	29,612,500.0	32.97% 296,125,000.00
	c) Other Shareholders	54,237,953.1	60.39% 542,379,531.25
		89,807,812.5	100.00% 898,078,125.00
13.00	Revaluation Reserve		
	Opening Balance	130,314,640	130,314,640
	Add: Related Deferred Tax on Revaluation 2%	(2,606,293)	(2,606,293)
		127,708,347	127,708,347

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

		Amount in Taka	
		30.06.2016	30.06.2015
14.00 Tax Holiday Reserve			
A. Opening balance		72,845,417	72,845,417
Tax Holiday Reserve (30%)		54,634,063	54,634,063
Reserve for Investment (10%)		18,211,354	18,211,354
B. Add: During the Year		-	-
Tax Holiday Reserve (30%)		-	-
Reserve for Investment (10%)		-	-
Total (A+B)	Tk.	72,845,417	72,845,417
15.00 Retained Earnings			
Opening Balance		330,049,301	310,867,531
Add: Net Profit / (Loss) for the year		154,373,254	175,369,270
Total		484,422,555	486,236,801
Bonus Paid (15% Stock)		(117,140,625)	(156,187,500)
	Tk.	367,281,930	330,049,301
16.00 Long Term Loan			
Outstanding for HPSM		35,353,468	61,189,139
Total		35,353,468	61,189,139
Less: Current portion of Long term loan		(12,384,334)	(12,767,739)
		22,969,134	48,421,400

1. Purpose of Investment - To purchase/import of Rotor Machine, Chiller for the project.
2. Period of Investment - 05 (five) year
3. Rate of return -13.80% per annum or the rate to be determined by the bank from time to time.
4. Collateral:
 - A. 156.10 decimal project land along with 88,200 sft. Project building vide FSV 81.22 million.
 - B. 194.75 decimal project land alongwith 96,345 sft. Factory building vide FSV 47.49 million by SFL.
 - C. 183.16 decimal project land alongwith 65,411 sft. Factory building vide FSV 139.50 million by SFL.
 - D. Personal Guarantee of all Directors of the Project Companies & Mortgages of their individual properties.

17.00 Deferred Tax

As at 30 June 2016	Carrying amount	Tax base	Taxable/ deductible temporary difference
Property, plant & equipments except land at cost	254,142,448	160,496,582	93,645,866
Revaluation surplus-PPE	130,314,640		130,314,640
Total taxable temporary difference	384,457,088	160,496,582	223,960,506
Tax on business income			15%
Tax on capital gain			2%
Closing deferred tax liabilities/(assets)-at cost			14,046,880
Closing deferred tax liabilities/(assets)-at revaluation			2,606,293
Total closing deferred tax liabilities/(assets)			16,653,173
Opening deferred tax liabilities/(assets)-at cost			14,021,102
Opening deferred tax liabilities/(assets)-at revaluation			2,606,293
Total opening deferred tax liabilities/(assets)			16,627,395
Deferred tax expense/(income)-at cost			25,778
Deferred tax expense/(income)-at revaluation			-
Total deferred tax expense/(income)			25,778

As at 30 June 2015	Carrying amount	Amount in Taka	
		30.06.2016	30.06.2015
		Tax base	Taxable/ deductible temporary difference
Property, plant & equipments except land at cost	256,559,053	163,085,040	93,474,013
Revaluation surplus-PPE	130,314,640		130,314,640
Total taxable temporary difference	386,873,693	163,085,040	223,788,653
Tax on business income			15%
Tax on capital gain			2%
Closing deferred tax liabilities/(assets)-at cost			14,021,102
Closing deferred tax liabilities/(assets)-at revaluation			2,606,293
Total closing deferred tax liabilities/(assets)			16,627,395
Opening deferred tax liabilities/(assets)-at cost			14,639,268
Opening deferred tax liabilities/(assets)-at revaluation			
Total opening deferred tax liabilities/(assets)			14,639,268
Deferred tax expense/(income)-at cost			(618,166)
Deferred tax expense/(income)-at revaluation			2,606,293
Total deferred tax expense/(income)			1,988,127

18.00 Accounts Payable

Trade Creditors (Annexure-C)	6,048,055	19,691,520
Bills Payable (Annexure-C)	12,502,144	8,800,231
	18,550,199	28,491,751

19.00 Current portion of long term loan

Outstanding for HPSM	12,384,334	12,767,739
	12,384,334	12,767,739

20.00 Refundable fund of IPO subscribers

Refund warrant to IPO subscribers	7,800,000	8,164,500
	7,800,000	8,164,500

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.

21.00 Short term bank loan

Islami Bank Bangladesh Limited Mouchak Br.

Loan against Local purchase (MTR)	43,623,648	79,100,000
L/C Liability for Import Merchandise (MURA)	33,405,000	36,790,001
Total short term loan of Islami bank Bangladesh Ltd.	77,028,648	115,890,001

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.

- Purpose of Investment - To purchase/import raw materials for the project.
- Period of Investment - 01 (one) year on revolving basis.
- Rate of return - 13.80% per annum or the rate to be determined by the bank from time to time.
- Collateral:
 - 156.10 decimal project land along with 88,200 sft. Project building vide FSV 81.22 million.
 - 194.75 decimal project land alongwith 96,345 sft. Factory building vide FSV 47.49 million by SFL.
 - 183.16 decimal project land alongwith 65,411 sft. Factory building vide FSV 139.50 million by SFL.
 - Personal Guarantee of all Directors of the Project Companies & Mortgages of their individual properties.

		Amount in Taka	
		30.06.2016	30.06.2015
22.00	Provision for Income tax		
22.01	Current Tax		
	Profit Before Tax	182,867,165	206,375,099
	Less: Other Income	(4,521,716)	(524,480)
	Add: Accounting Depreciation	48,153,933	42,689,777
	Less: Tax Depreciation	(40,010,301)	(38,568,654)
	Taxable Income for the year	186,489,081	209,971,742
	Rate of Tax	15%	15%
	Tax on business	27,973,362	31,495,761
	Add: 10 % Tax on Capital Gain	415,400	-
	Add: 25 % Tax on Other Income	79,371	128,234
	Total Provision for the year	28,468,133	31,623,995
22.01	Provision for Tax		
	Opening Balance	60,073,750	32,149,755
	Add: during the year	28,468,133	31,623,995
	Total	88,541,883	63,773,750
	Less: Tax Paid	2,000,000	3,700,000
	Closing Balance	86,541,883	60,073,750
23.00	Accrued Expenses		
	Audit fees	125,000	115,000
	Salaries & Allowances	3,330,173	6,530,665
	Gas Bill	12,337,111	4,675,584
	TDS, VAT & Others	238,365	277,962
	Store materials	1,732,619	1,743,013
	WPPF Payable	19,669,992	19,669,992
	Accrued Interest	5,204,900	3,351,433
	Tk.	42,638,160	36,363,649
24.00	Turnover		
		Qty. (kg.)	Rate
	Yarn 20's	3,808,545	190.00
	Yarn 16's	1,517,850	180.00
	Yarn 12's	254,850	169.25
	Yarn 10's	116,400	160.84
	Yarn 6's	19,600	121.29
		5,717,245	
			1,061,069,970
			1,134,470,479
25.00	Cost of Goods Sold		
	Opening Work-in-Process	42,431,441	26,875,763
	Raw materials consumed (Note-25.01)	640,179,818	801,946,853
	Accessories & Stores Consumed (Note-25.02)	12,865,927	16,412,228
	Packing Materials Consumed (Note-25.03)	8,005,418	8,985,918
	Factory overhead (Note-25.04)	134,562,686	96,182,246
	Closing Work-in-Process	(35,932,982)	(42,431,441)
	Cost of Production	802,112,308	907,971,567
	Opening stock of Finished Goods	65,247,191	19,411,493
	Cost of Goods Available for Sale	867,359,499	927,383,060
	Closing stock of Finished Goods	(52,463,028)	(65,247,191)
	Wastage Sales	(5,256,752)	(5,921,590)
	Cost of Goods Sold	809,639,719	856,214,279

		Amount in Taka	
		30.06.2016	30.06.2015
25.01	Raw Materials Consumption		
	Opening Raw Materials	208,924,347	250,689,641
	Purchase during the year	643,993,434	760,181,559
	Available for use	852,917,781	1,010,871,200
	Closing Raw Materials	(212,737,963)	(208,924,347)
		640,179,818	801,946,853
25.02	Accessories & Stores Consumption		
	Opening Accessories & Stores	9,262,324	8,352,559
	Purchase during the year	14,433,689	17,321,993
	Available for use	23,696,013	25,674,552
	Closing Accessories & Stores	(10,830,086)	(9,262,324)
		12,865,927	16,412,228
25.03	Packing Materials Consumption		
	Opening Packing Materials	271,464	261,886
	Purchase during the year	8,451,527	8,995,496
	Available for use	8,722,991	9,257,382
	Closing Packing Materials	(717,573)	(271,464)
		8,005,418	8,985,918
25.04	Factory Overhead		
	Gas Bill	41,625,897	21,396,699
	Salary & Wages	42,024,552	28,589,349
	Repair & Maintenance	1,341,095	1,632,591
	Factory Insurance	960,132	1,106,679
	Sundry Carrying Charges	315,980	737,961
	Sundry daily labor charges	438,474	278,631
	Medical & other Expenses	12,115	59,551
	Depreciation	47,844,441	42,380,785
		134,562,686	96,182,246
	Tk.		
26.00	Other Operating Income		
	Interest on Bank Account	317,483	512,935
	Share Investment Income (Fareast Stock & Bond Ltd.)	4,154,000	-
	Profit from Associate	50,233	11,545
		4,521,716	524,480
	Tk.		
27.00	Administrative Expenses		
	Salary and Allowances	3,168,572	2,991,272
	Bonus	1,000,410	521,500
	Audit Fees	125,000	115,000
	Managing Director Remuneration	1,200,000	600,000
	Director's Remuneration	2,977,500	2,215,000
	Board Meeting Fees	176,000	240,000
	Entertainment	214,597	470,525
	Traveling and Conveyance	84,497	240,640
	House & Office rent	780,000	780,000
	Telephone (mobile)	83,150	93,400
	Fuel, newspaper & other Expenses	3,181,589	1,484,637
	Depreciation	309,492	308,992
		13,300,807	10,060,966
	Tk.		

Amount in Taka	
30.06.2016	30.06.2015

Payment/ Perquisites to Directors and officers

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

Particulars

Managing Director Remuneration	1,200,000	600,000
Director's Remuneration	2,977,500	2,215,000
Board Meeting Fees	208,000	240,000

During the year 11 (eleven) Board meeting was held .

28.00 Marketing, Selling & Distribution Expenses

Salaries and Allowances	314,400	314,400
Advertisement	818,562	925,837
Business Development	400,000	165,000
Export Expenses	250,000	58,722
Sample & other Expenses	860,366	265,405
Tk.	2,643,328	1,729,364

29.00 Financial Expenses

Bank Charges and Commission	1,828,544	1,088,843
Interest on HPSM investment	6,866,403	977,063
Interest in BAI Murabah	12,016,854	11,961,763
Interest on MDB Loan	18,937,243	21,586,068
Interest on Murabaha TR	16,186,733	14,683,336
Interest on MPI	1,304,890	-
Tk.	57,140,667	50,297,073

30.00 Basic Earning Per Share

Net Profit for the year	154,373,254	175,369,270
No. of Shares	89,807,813.5	78,093,750
No. of Shares (Re-stated)	89,807,813.5	89,807,814
Earning Per Share for the Year	1.72	2.25
Earning Per Share for the Year (Re-stated)	1.72	1.95

30.01 Net Profit for the year (Excluding Other Income)

No. of Shares (Re-Stated)	89,807,814	89,807,814
Earning per share excluding other income	1.67	1.95

31.00 General:
31.01 Claims not Acknowledged

There is no claim against the Company not acknowledged as debt as on 30.06.2016

31.02 Credit Facilities not Availed

There is no credit facilities extended to the Company but nor availed of as on 30.06.2016, under any contract, other than trade credit available in the ordinary course of business.

Amount in Taka	
30.06.2016	30.06.2015

31.03 Commission, Brokerage or Discount Against Sales

No commission, brokerage or discount was incurred or paid by the Company against sales during the year ended 30.06.2016.

31.04 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) .

31.05 Employees Details:

During the year there were 402 permanent employees employed for the full year. All employees received salary Taka 5,000 per month and above.

31.06 Rounding Off

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

31.07 Rearrangement of Last Year's Figures

To facilitate comparison, certain relevant balances pertaining to the previous year has been rearranged or restated or reclassified whenever considered necessary to conform to current years presentation. During the year previous year figures for profit from Associate Tk. 590,547 is rectified By Tk. 11,545. The changes of the above effects has Tk. .0074 on EPS for 2015.

31.08 Events after the Reporting Period

Subsequent to the Statement of Financial Position date, the Board of Directors in their meeting held on 15th November, 2016 recommended 5% cash dividend to the General Public Shareholders other than Sponsor/Directors Shareholders for the year ended 30th June 2016. The proposed dividend is subject to shareholders' approval in the forthcoming Annual General Meeting.

31.09 Disclosed as per requirement of schedule XI, part II para 8
Value of Raw material, packing materials and Capital goods

Particular	Local Purchase	Import	Total Purchase	Consumption
Raw Material	267,858,636	376,134,798	643,993,434	725,971,320
Packing Materials	8,451,527	-	8,451,527	8,005,418
Spare Parts	14,433,689	-	14,433,689	12,865,927

Value of Export

Particular	In Foreign Currency USD	In BDT
Export	\$ 13,603,461.15	1,061,069,970

31.10 Details of capacity has given below

Particular	Licence Capacity	Installed Capacity	Actual Production
Annual Production (kg)	6,600,000	6,600,000	5,672,985

32.00 Related Party Disclosure

a) Transaction with Key Management Personnel of the entity:

No.	Particulars	Value in Tk.
(a)	Managerial Remuneration paid or payable during the year to the directors, including Managing directors or manager	4,177,500
(b)	Any other perquisite or benefits in cash or in kind stating, approximate money value applicable.	176,000
(c)	Other allowances and commission including guarantee commission	Nil
(d)	Pensions etc.	Nil
	(i) Pensions	Nil
	(ii) Gratuities	Nil
	(iii) Payments from a provident funds, in excess of own subscription and interest	Nil
(e)	Share Based payments	Nil

b) Transaction with Related Entity:

Sl.	Name of Customer	Relationship	Balance as at 01.07.2015	Addition during the Year	Realized during the Year	Balance as at 30.06.2016
(a)	SIM Fabrics Limited yarn sale	Common Management	437,215,251	1,061,069,970	973,192,059	525,093,162
	Total		437,215,251	1,061,069,970	973,192,059	525,093,162

c) Transaction with Related Entity:

Sl.	Name of Customer	Relationship	Balance as at 01.07.2015	Addition during the year	Realized during the year	Balance as at 30.06.2016
(a)	SIM Fabrics Limited (land transferred against shares)	Common Management	250,000,000	-	-	250,000,000
	Total		250,000,000	-	-	250,000,000

Mozaffar Hossain Spinning Mills Limited
Annexure of Property, Plant & Equipment
As at June 30, 2016

Annexure A
 Amount in Taka

Cost:

Particulars	COST			Rate of Dep.	DEPRECIATION			Written down value as at 30.06.2016
	As at July 01, 2015	Addition During the year	As at 30.06.2016		As at July 01, 2015	Addition During the year	As at 30.06.2016	
Land & Land Dev.	254,822,410	31,798,901	286,621,311	-	-	-	-	286,621,311
Factory Building	107,074,165	12,471,190	119,545,355	5%	22,111,145	5,680,334	27,791,479	91,753,876
Plant & Machinery	397,195,297	33,246,138	430,441,435	10%	227,750,761	42,164,107	269,914,868	160,526,567
Vehicle	1,641,000	-	1,641,000	10%	328,200	164,100	492,300	1,148,700
Furniture & Fixture	1,448,919	20,000	1,468,919	10%	610,222	145,392	755,614	713,305
Balance as on 30.06.2016	762,181,791	77,536,229	839,718,020		250,800,328	48,153,933	298,954,261	540,763,759
Balance as on 30.06.2015	695,701,318	66,480,473	762,181,791		208,110,551	42,689,777	250,800,328	511,381,463

Revaluation:

Particulars	COST			Rate of Dep.	DEPRECIATION			Written down value as at 30.06.2016
	As at July 01, 2015	Addition During the year	As at 30.06.2016		As at July 01, 2015	Addition During the year	As at 30.06.2016	
Land & Land Dev.	130,314,640	-	130,314,640	-	-	-	-	130,314,640
Balance as on 30.06.2016	130,314,640	-	130,314,640	-	-	-	-	130,314,640
Balance as on 30.06.2015	130,314,640	-	130,314,640	-	-	-	-	130,314,640

Balance as on 30.06.2016	892,496,431	77,536,229	970,032,660		250,800,328	48,153,933	298,954,261	671,078,399
Balance as on 30.06.2016	826,015,958	66,480,473	892,496,431		208,110,551	42,689,777	250,800,328	641,696,103

Depreciation Charged To-

Administrative Cost	309,492
Manufacturing Cost	47,844,441
Total	<u>48,153,933</u>

Mozaffar Hossain Spinning Mills Limited
Annexure of Accounts Receivable
 For the year ended June 30, 2016

Annexure No. - B

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

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

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

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

Accounts Receivable due by Common management:

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

Name of Customer	Amount in Taka			
	Balance as at 01.07.2015	Addition during the year	Realized during the year	Balance as at 30.06.2016
SIM Fabrics Limited	437,215,251	1,061,069,970	973,192,059	525,093,162
Sub-total	437,215,251	1,061,069,970	973,192,059	525,093,162
Total	437,215,251	1,061,069,970	973,192,059	525,093,162

Mozaffar Hossain Spinning Mills Limited

Schedule of Trade Creditors

For the year ended June 30, 2016

Annexure No. - C

Trade Creditors:

Amount in Taka

Name of Supplier	Balance as at 01.07.2015	Payment during the Year	Purchase during the Year	Balance as at 30.06.2016
AB Enterprise	4,649,216	270,368,580	267,858,636	2,139,272
Deferred LC against virgin cotton	14,021,382	386,247,397	376,134,798	3,908,783
Sinha Enterprise	998,378	998,378	-	-
Cotton Bezz	22,544	22,544	-	-
Sub Total (A)	19,691,520	657,636,899	643,993,434	6,048,055

Bills Payable:

Amount in Taka

Name of Supplier/Service Provider	Balance as at 01.07.2015	Payment during the Year	Bill during the Year	Balance as at 30.06.2016
Bills Payable Staff	199,457	1,088,535	975,173	86,095
3N Printers	158,543	250,000	305,139	213,682
Abdullah Techo Trade	24,000	-	-	24,000
Ali Refrigeration	-	-	30,800	30,800
Alpha Capital Management	1,010	-	-	1,010
Arthosuchak.com	-	-	7,000	7,000
Amreen Refrigeration	115,000	115,000	-	-
Axis Engineering	15,710	40,110	55,760	31,360
Authentic Color Ltd	-	23,000	82,552	59,552
Automation Eng. Works	-	1,073,144	1,235,936	162,792
Badal Enterprise	-	50,000	184,762	134,762
Bangla Trac Limited	327,970	246,980	178,234	259,224
Bangla Trac Limited Store	-	562,064	712,228	150,164
Bangla Trac Limited Service	-	-	16,000	16,000
BBS Cables	60,849	907,602	1,215,730	368,977
Bengal Roots	45,165	395,434	434,781	84,512
Bestair Engineering	54,250	108,500	108,500	54,250
Bhuiya Trading	-	-	201,403	201,403
Beximco Online	13,800	31,050	31,050	13,800
Bismillah Paper Products	239,885	250,000	205,173	195,058
Bushra Corporation	-	-	8,000	8,000
Bank Bima Arthonity	-	10,000	10,000	-
Bangladesh Association of Public Listed Co.	-	-	30,000	30,000
Bangladesh Chartered Accountancy Hostel	-	-	7,500	7,500
Bangla Courier Service	-	1,200	1,200	-
Bashundhara Courier Service	-	1,200	1,200	-
Cargo Control Group	185,518	150,000	160,834	196,352
Chemtex B.D	-	80,000	229,800	149,800
Confidence Associates Ltd	164,811	164,811	32,811	32,811
Capital Market Courier Service	-	1,200	1,200	-
Central Depository Bangladesh	-	-	226,861	226,861
Coolteck Bangladesh	-	-	33,000	33,000
Delzan Enterprise	52,415	40,000	-	12,415
Chittagong Stock Exchange	90,000	90,000	721,862	721,862
City Express	6,000	6,000	-	-
Dhaka Stock Exchange	433,331	433,331	721,862	721,862

Dhaka wood House	56,194	49,758	-	6,436
Dohar Engineering Works	8,720	8,720	-	-
Ekushey Express	3,000	4,200	1,200	-
Enviro Engineering	122,950	200,000	198,250	121,200
Eastland Insurance Co. Ltd.	-	23,844	23,844	-
Express Insurance Ltd.	-	-	6,684	6,684
Fahim Transport Agency	109,600	246,200	157,700	21,100
Faith Courier Service	3,000	3,000	-	-
Galaxy Corporation	20,000	200,000	201,750	21,750
Haque Engineering Workshop	90,192	90,192	-	-
Harun Metal Eng. Workshop	70	70	-	-
Hazrat Shahjalal Shahparan Ent.	-	2,500	2,500	-
Insaf Trading	41,000	25,000	-	16,000
Islamia Commercial Insurance	-	45,551	132,742	87,191
Industrial Electronics Solution	-	57,500	127,500	70,000
Jamalpur Shipping Lines	384,768	399,213	14,445	-
Junayet Metalic	-	-	8,750	8,750
J.S Courier Service	-	-	600	600
Kabir Hossain	5,000	-	-	5,000
KDH Engineering Works	-	35,000	35,000	-
Mahin Enterprise & Packaging	-	-	111,592	111,592
Mamun Traders	-	51,760	51,760	-
Mazumdar Sikder	-	25,000	25,000	-
Meghna Insurance Co. Ltd.	-	54,511	54,511	-
Meghna Metal	-	60,350	98,190	37,840
Mahi Trade	84,835	84,835	7,200	7,200
Mati Enterprise	-	-	80,620	80,620
Minarva Engineering Works	218,086	218,086	278,086	278,086
Mitali Agency	-	-	41,899	41,899
Mita Engineers Ltd.	-	24,420	344,643	320,223
Mollah & Sons	21,786	-	36,504	58,290
M.S Enterprise	-	-	-	-
New Asia Ltd.	9,540	22,469	19,930	7,001
New Mokka Trading	385,604	599,890	301,780	87,494
Noor Jutex Industries	-	-	27,000	27,000
Olympic Express	-	-	1,200	1,200
Peoples Insurance Co. Ltd	5,801	5,801	-	-
Provati Insurance Company Limited	96,476	96,476	-	-
Patwary Express Courier Service	-	1,200	1,200	-
Rahman Enterprise	18,434	18,434	-	-
Rofiq & Brothers	60,000	600,000	540,000	-
Rotation Engineering Ltd.	-	-	71,071	71,071
Rapid PR	11,500	-	-	11,500
Real Tech Engineering	16,372	123,717	107,345	-
Reyan Machineries	831,100	200,000	336,350	967,450
Riya Enterprise	112,000	252,000	269,000	129,000
R.K Enterprise	877,022	-	-	877,022
RM Courier Services	11,569	14,894	3,325	-
Rofiqul Enterprise	-	50,000	600,000	550,000
Raida Drinking Water	-	-	12,116	12,116
Sayed Enterprise	-	860,137	861,048	911
Shahin Alam Enterprise	-	399,420	405,917	6,497
Shama Trading	-	-	8,500	8,500