Annual Report 2017



MOZAFFAR HOSSAIN SPINNING MILLS LTD.

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AMARSTOCK

Transmittal Letter

To
All Share Holders,
Bangladesh Securities and Exchanges Commission,
Registrar of Joint Stock Companies & Firms,
Dhaka Stock Exchange Limited,
Chittagong Stock Exchange Limited.

Subject: Annual Report for the year ended June 30, 2017.

Dear sir (s),
Enclosed pleased find a copy of Annual Report together with the Audited Financial Statements including Statment of Financial Position, Statement of Profit or Loss & Other Comprehensive Income, Statement of Cash Flow and Statement of Changes in Equity for the year ended June 30, 2017 along with notes to thereon of Mozaffar Hossain Spinning Mills Limited for your kind information and records.

Thank you.

Sincerely yours,

(Md. Shahazul Islam ACA)
Company secretary



AMAR STOCK



Mozaffar Hossain Spinning Mills Limited

House # 315, Road # 04, DOHS, Baridhara, Dhaka-1206

Notice of the 12th Annual General Meeting

Notice is hereby given that the 12th Annual General Meeting (AGM) of the shareholders of Mozaffar Hossain Spinning Mills Limited will be held on **Tuesday, December 26, 2017** at 10.30 a.m. at the DOHS Baridhara Convention Center, Baridhara DOHS Parishad, DOHS Baridhara, Dhaka Cantonment, Dhaka-1206 to transact the following business.

Agenda

01. To receive, consider and adopt the Audited Financial Statements for the year ended June 30, 2017 along with report of the Auditors and Directors.
02. To approve the dividend for the year ended June 30, 2017 as recommended by the Board of Directors.
03. To re-appoint the Nominee Directors (Md. Sanwar Hossain & ASM Rakibul Hasan) of the Company.
04. To appoint Auditors of the Company and fixation of their remuneration for the year ended June 30, 2018.

By order of the Board

Md. Shahazul Islam ACA
Company Secretary

Dated: October 28, 2017

Notes:

01. The Record Date is November 22, 2017.
02. The shareholders whose name will appear in the Share Register of the Company and in the Depositary Register on the date will be eligible to attend the 12th Annual General Meeting (AGM) and qualify for the dividend to be declared at the AGM.
03. A Shareholder eligible to attend and vote at the Annual General Meeting (AGM) or may appointed a proxy to attend and vote in his/her place by filling proxy Form. The proxy form must be affixed with a revenue stamp of Tk. 20/= and submitted to the Head Office of the Company not later than 48 hours before the day of the Annual General Meeting (AGM).
04. Members are requested to notify change of address, if any, through their respective Depository Participants before the Record Date.
05. Annual Report 2017 of Mozaffar Hossain Spinning Mills Ltd. will also be available at the Company website: www.simgroup-bd.com.
06. Shareholders attendance counter will open at 9.00 a.m. and to be continued till 10.30 a.m.

বিঃ দ্রঃ সম্মানিত শেয়ার হোল্ডারবৃন্দের অবগতির জন্য জানানো যাচ্ছে যে, বাংলাদেশ সিকিউরিটিজ এন্ড এক্সচেঞ্জ কমিশন এর সার্কুলার নংঃ এসইসি/সিএমআরআরসিডি/২০০৯-১৯৩/১৫৪ তারিখ- অক্টোবর ২৪, ২০১৩ অনুযায়ী আসন্ন ১২তম বার্ষিক সাধারণ সভায় (এজিএম) কোন প্রকার উপহার বা আপ্যায়নের ব্যবস্থা নেই।



Corporate Directory

➢ Date of Incorporation	29.11.2005
➢ License from Ministry of Environment	22.01.2009
➢ License from Bangladesh Export Promotion Bureau	14.01.2008
➢ License from Bangladesh Import Promotion Bureau	04.10.2010
➢ Signing of Management Contract with Suntech Energy Ltd.	28.02.2015

✓ Approval of Initial Public Offering by Bangladesh Securities and Exchange Commission	10.09.2013
✓ Listing with Dhaka Stock Exchange Ltd.	21.01.2014
✓ Listing with Chittagong Stock Exchange Ltd.	21.01.2014
✓ Category of Share Change to "A" from "N"	13.11.2014
✓ Authorized Share Capital	Tk. 3,000 million
✓ Paid up Share Capital	Tk. 898.08 million
✓ Date of Last AGM	29.12.2016

AMARSTOCK

Corporate Management

Board of Directors

Chairman
Mrs. Rahima Hossain

Managing Director
Md. Mozaffar Hossain

Director
Raisul Hasan

Nominee Director
ASM Rakibul Hasan
Mr. Sanwar Hossain

Independent Director
Md. Alamgir Akando Mintu
Md. Kamrul Hossain

Company Secretary
Md. Shahazul Islam ACA

Chief Financial Officer
Shahin Ahmed

Audit Committee

Md. Alamgir Akando Mintu	: Chairman
Raisul Hasan	: Director
ASM Rakibul Hasan	: Nominee Director
Md. Shahazul Islam ACA	: Secretary

Head of Internal Audit
Md. Atiqur Rahman Bhuiyan ACMA

Auditor
ATA KHAN & CO.
Chartered Accountants
67, Motijheel Commercial Area
Dhaka-1000

Banker
Islami Bank Bangladesh Limited
Mouchak Branch
Hosaf Twin Tower (Ground Floor)
New Circular Road, Malibag, Dhaka–1217

Corporate Governance Certified
Mazumdar Sikder & Associates
105/A (3rd Floor), Kakrail, Dhaka-1000

Insurer
Eastland Insurance Company Limited
13 Dilkusha C/A, Dhaka-1000, Bangladesh
Phone: 9564600

Registered Office
House # 315, Road # 04, DOHS, Baridhara,
Dhaka-1206
Phone: +88-02-8415961-3, Fax: +88-02-8415964
E-mail: info@simgroup-bd.com
Web: www.simgroup-bd.com

Factory Office
Thakurbari Teac, Masumabad
Bhulta, Rupgonj, Narayangonj



05 (Five) Years' Financial Summary

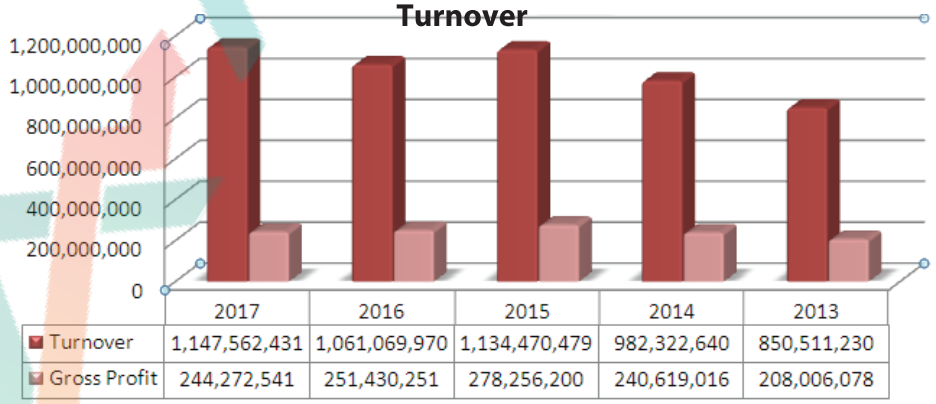


Amountin Taka

Operational Result	30-Jun-17	30-Jun-16	30-Jun-15	30-Jun-14	30-Jun-13
Turnover	1,147,562,431	1,061,069,970	1,134,470,479	982,322,640	850,511,230
Gross Profit	244,272,541	251,430,251	278,256,200	240,619,016	208,006,078
Profit from Operation	228,279,805	240,007,832	266,990,350	234,933,119	198,029,370
Net Profit before tax	177,590,010	182,867,165	206,375,099	156,860,163	79,452,511
Net Profit after Tax	150,934,445	154,373,254	175,369,270	132,898,391	72,464,245
Net Cash Flow From Operation	138,584,545	207,401,863	195,321,643	111,497,477	121,371,674

Financial Position	30-Jun-17	30-Jun-16	30-Jun-15	30-Jun-14	30-Jun-13
Fixed Assets	736,456,966	739,205,845	706,073,249	634,782,553	656,635,086
Current Assets	1,135,828,131	1,006,291,727	927,335,956	817,109,165	686,468,796
Shareholder's Equity	1,589,729,287	1,465,913,819	1,311,540,565	1,138,777,588	730,580,375
Long Term Liability	44,210,785	39,622,307	65,048,795	14,639,268	222,756,021

Key Financial Ratio	30-Jun-17	30-Jun-16	30-Jun-15	30-Jun-14	30-Jun-13
Current Ratio	4.66	4.11	3.54	2.74	1.76
Quick Ratio	3.43	2.84	2.30	1.71	1.05
Debt to Equity Ratio	0.04	0.03	0.05	0.01	0.31
Net Income Ratio (%)	13.15	14.55	15.45	13.53	8.46
Return on Equity (%)	9.49	10.53	13.37	11.67	9.86
Earning Per Share	1.68	1.72	1.95	1.70	2.07





Company Profile

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 Limited Company 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. 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 Teac, Masumabad, Bhulta, Rupgong, Narayangonj.

Mozaffar Hossain Spinning Mills Limited runs the business of 100% export oriented woven fabrics cotton yarn. The company's production facility is equipped with machineries of Germany. The company aims to provide high quality woven fabrics cotton yarn.

Our Vision

1. We aspire to maintain our leadership position in the Textile Industry by producing the best quality various counts of yarns and becoming a reliable business partner of our buyer and suppliers.
2. Protect the interest of our shareholder through sustainable growth and value creation.
3. Preserve the Trust of all our Stakeholders by adopting ethical business practices.
4. Support the society through corporate social responsibility initiative.

Our Mission

MHSML will remain an acknowledged leader in providing high quality products & services, to its customers.

MHSML will continue to provide superior quality of fabrics.

Our Customers see us as:

1. Provider of state of the art product.
2. Focus on their specific needs.
3. Valuable contributors to their Organizations.

Our Employees:

1. The reason for us being in business.
2. Provide cutting edge, solutions to our customers.
3. Acquire skills in anticipation of future needs.

Our Company Leadership Believes:

The Global Textile Market provides a continuous challenge for every stage of manufacturing. The MHSML diversified interests include product line catering different market segments.

Album of MHSML



সম্প্রসারিত নতুন রিং স্পিনিং মিলস এর ভিত্তি পস্তর স্থাপন ও নামফলক উন্মোচন অনুষ্ঠান
এ ইসলামি ব্যাংক বাংলাদেশ এর সম্মানিত চেয়ারম্যান জনাব আরাস্ত খান ।



সম্প্রসারিত নতুন রিং স্পিনিং মিলস এর ভিত্তি পস্তর স্থাপন
ও নামফলক উন্মোচন



ইসলামি ব্যাংক বাংলাদেশ এর সম্মানিত চেয়ারম্যান জনাব আরাস্ত খান
কে ফুল দিয়ে বরণ করে নিচ্ছেন মাননীয় ব্যবস্থাপনা
পরিচালক ইঞ্জিনিয়ার মোজাফফার হোসেন ।

Album of MHSML

সম্প্রসারিত নতুন রিং স্পিনিং মিলস
এর ভিত্তি পস্তর স্থাপন ও নামফলক উন্মোচন











Mozaffar Hossain Spinning Mills Limited & China Tonghe Contract Signing Ceremony

Factory Highlights





Photographs of 11th AGM, 2016











Photographs of 11th AGM, 2016











The Board of Directors



Mrs. Rahima Hossain
Chairman

Mrs. Rahima Hossain wife of Al-Haj Md. Mozzaffar Hossain is the Chairman of Mozaffar Hossain Spinning Mills Limited. Her father name is Mr. Abdur Rahman and mother name is Mrs. Saleha Khatun. She was born in Jamalpur, Bangladesh on 01-Apr-1960. She is related with SIM Fabrics Limited and Authentic Color Limited as Chairman. She has travelled Malaysia, Saudi Arabia etc. She is engaged in various social activities like school, college, madrasha, and mosque. She is the president of Rahima Mozaffar Girls School & College.



Md. Mozaffar Hossain
Managing Director

Md. Mozaffar Hossain is the Founder of 'SIM GROUP' and Managing Director of Mozaffar Hossain Spinning Mills Limited. His father name is Late Saim Uddin and mother name is Mossammat Matabjan Begum. He was born in Jamalpur, Bangladesh on 01-Jan-1957. He has passed B.Sc. in Textile Technology. He has long around 33 year's business experience and started his own business in 1996 later on established woven fabrics weaving mill in 2001. During his successful career he implemented the following business enterprises: Authentic Color Limited, SIM Fabrics Limited, Mozaffar Hossain Spinning Mills Limited and SIM Apparels Limited. He has travelled UK, Switzerland, Germany, France, China, Korea, Pakistan, India, Malaysia, Saudi Arabia almost around the Globe. He is also engaged in various social activities like school, college, madrasa, and mosque. He is the Ex-President of Textile Engineer Association, Ex-Director of BTMA, President of Bangubandhu Textile Engineering Association, Vice President of Jamalpur Zilla Somity, Ex-Vice President of International Lion Club (Red Sun 315 B-3), Member of IEB, Baridhara Society, Greater Mymansingh Somity and Assistant Secretary of Bangladesh Awami League.

Raisul Hasan is serving as Director of Mozaffar Hossain Spinning Mills Limited from the very beginning of his career. His father name is Al-Haj Md. Mozzaffar Hossain and mother name is Mrs. Rahima Hossain. He was born in Dhaka, Bangladesh on 06-May-1989. He is a Graduate from NSU; Bangladesh. He is a dynamic business personality. His acumen in business and flexible manner in terms of public relations made him a role model in developing the culture of the organization.



Raisul Hasan
Director



A.S.M. Rakibul Hasan
Nominee Director

A.S.M. Rakibul Hasan is the Nominee Director by SIM Fabrics Limited in Mozaffar Hossain Spinning Mills Limited. His father name is Al-Haj Md. Mozzaffar Hossain and mother name is Mrs. Rahima Hossain. He was born in Jamalpur, Bangladesh on 31-Jan-1979. He has passed MBA from NSU and taking care of Mozaffar Hossain Spinning Mills Limited from the very beginning of his career.

Mr. Md. Sanwar Hossain is the Nominee Director by SIM Fabrics Limited in Mozaffar Hossain Spinning Mills Limited born on December 31, 1975 in Bangladesh. He is a commerce graduate and taking care of Mozaffar Hossain Spinning Mills Limited from the very beginning of his career.



Mr. Md. Sanwar Hossain
Nominee Director



Mr. Md. Kamrul Hossain
Independent Director

Mr. Md. Kamrul Hossain is the Independent Director of Mozaffar Hossain Spinning Mills Limited. He has completed Bsc. in Textile Technology from College of Textile Technology, Dhaka University. He has participated in various seminars, conferences in Bangladesh as a business leader. He has long around 32 year's business experience in the field of business development. He was the

1. Production Officer (Responsible for Production and Maintenance) at Bangladesh Textile Mills Corporation for the period of 1985-1993.
2. Manager (Responsible for Production and Quality) at Mother Textiles Ltd for the period of 1993-1997.
3. Senior DGM (Responsible for Total Mill Management, its Production and Quality) at Fuad Spinning Mills Ltd for the period of 1997-2005.
4. General Manager (Planning, Procurement and Implementation of Project, Assessment of Existing Projects Production Capacity & Achievements, Innovation of New Products) at Jamuna Group for the period of 2005-present.

Mr. Md. Alamgir Akando Mintu is the Independent Director of Mozaffar Hossain Spinning Mills Limited. He has completed Masters in Management from Dhaka University. As a business leader he has participated in various seminars, conferences in Bangladesh. He has long around 18 year's business experience in the field of business development. He was the

1. Director of Akunda & Trading for the period of 1998-2007.

2. Director of MB Trading for the period of 2007-2013.



Md. Alamgir Akando Mintu
Independent Director

Message from the Chairman

Distinguished Shareholders

On behalf of the Board of Directors, I welcome you all and take immense pleasure and delight in addressing the 12th Annual General Meeting of the company. I also want to thank you the honourable shareholders for joining us to make the event successful.

With pleasure I present the Report of the Board of Directors, the Audited Statements of Financial Position, Statement of Profit or Loss & Other Comprehensive Income and other Financial Statements of the company for the year 2017. It gives me immense pleasure that we get the opportunity to meet with all of you, discuss on the performance of the concerned year of the company and sharing the views of each others, I assumed that to the changed situation more obligations has been created on us on behalf of the valued shareholder in respect of last AGM and to offer them assurance of our sincerity in maintaining operational results up to their expectations at present as well as in future.

As we discuss the financial year in review the western world mainly EU and USA is yet to overcome the financial recession, the world economy is also struggling hard to rehabilitate and revive financially. As a part of our revenue is generated from Exporting of yarn, it is due to these factors we faced difficulties in marketing our product on regular basis. Domestically the incessant weather, political instability created hindrance in our business. In spite of various limitations and hindrances as well as political unrest, the company had its successful year in 2017. This could not be possible without your continuous support conscious suggestion, Boards prudent strategic decision and management's successful execution for the same with passion and zeal. Thanks to all of you.

I on behalf of the Board would like to express my sincere thanks to the respected shareholders for the confidence respond on the Board of the company throughout the year. I am also grateful to the Bangladesh Securities and Exchange Commission, Dhaka Stock Exchange Limited, Chittagong Stock Exchange Limited, Registrar of Join Stock Companies & Firms, Central Depository Bangladesh Limited, Banks and Financial Institutions for their support and patronage extended to the company from time to time.

I embrace your support and seek your co-operation by all means for a brighter future for all.

Thanking you,

Regards,



Mrs. Rahima Hossain
Chairman

Management Team

Sl.	Name	Designation	Department
1.	Md. Mozaffar Hossain	Managing Director	
2.	Md. Shahazul Islam ACA	Company Secretary	Board Secretariat
3.	Mr. Shahin Ahmed	Chief Financial Officer	Accounts & Finance
4.	Md. Atiqur Rahman Bhuiyan ACMA	Head of Internal Audit	Audit
5.	Md. Tafiqul Islam	DGM	Planning & Commercial
6.	Md. Sahal Hossain	Manager	Procurement
7.	Md. Shakib Shah	Accounts Officer	Accounts & Finance
8.	Md. Mehadi Hasan	Manager	Audit Department
9.	Muhammad Ilyas	In-Charge	Share Devision
Owner's Representative			
Mr. Md. Ayenul Hoque		Director (Operation)	Operation

Pattern of Shareholding and No. of Shareholding as on 30 June 2017

Share Holding Range	Number of Share Holders	No. of Share	Percentage of Share Holding
1 to 500	992	196251	0.21%
501 to 5,000	3139	4733946	5.27%
5,001 to 10,000	407	3176672	3.63%
10,001 to 20,000	228	3391628	3.78%
20,001 to 30,000	86	2190053	2.43%
30,001 to 40,000	49	1772800	1.97%
40,001 to 50,000	39	1809821	2.01%
50,001 to 100,000	63	4652124	5.18%
100,001 to 1,000,000	45	12644996	14.08%
1,000,001 to Above	10	55239521	61.50%
Total	5058	89,807,812	100.00%

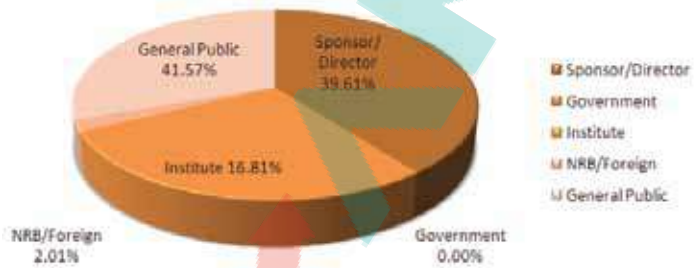
Top 10 (Ten) Shareholders as on 30 June 2017

Sl No	Name Shareholders	No. of Shares Held	% of Holding
1	SIM Fabrics Ltd.	29,612,500	32.97%
2	ICB	11,745,411	13.08%
3	Investment Corporate of Bangladesh	2,769,897	3.08%
4	Raisul Hasan	1,998,125	2.22%
5	Rahima Hossain	1,946,015	2.17%
6	Md. Mozaffar Hossain	1,811,250	2.02%
7	Sasheen Hasan	1,636,904	1.82%
8	Mostafizur Rahman	1,469,419	1.63%
9	Shaiful Islam khan	1,200,000	1.33%
10	Fareast Stocks & Bonds Ltd.	1,050,000	1.17%
Total		**55,239,521**	**61.49%**

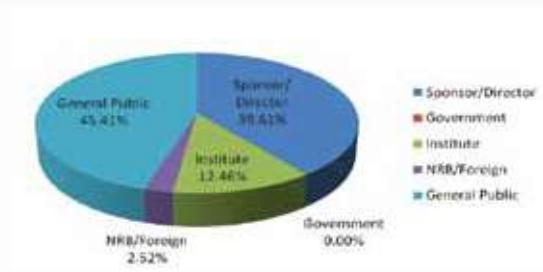
Shareholding Composition as on 30 June

Sl No	Shareholders Group	2017		2016	
		No. of Share	Percentage (%)	No. of Share	Percentage (%)
1	Sponsor/Director	35,569,858	39.61%	35,569,858	39.61%
2	Government	-	0.00%	-	0.00%
3	Institute	25,133,086	27.98%	5,100,377	16.81%
4	NRB/Foreign	1,759,032	1.95%	1,800,005	2.01%
5	General Public	27,345,836	30.46%	37,337,572	41.57%
Total		**89,807,812**	**100.00%**	**89,807,812**	**100.00%**

Shareholding Composition 2017



Shareholding Composition 2016



Directors' Report

Dear Shareholders,

Assalamualaikum,
On behalf of the Board of Directors and on my own behalf I welcome you all to 12th Annual General Meeting. The Board of Directors is pleased to take the opportunity to present you the Audited Financial Statements of the Company for the FY 2016-2017, Auditors' Report and the Directors' Report thereon along with Company's performance and other matters in terms of Companies ACT 1994, the guideline issued by Bangladesh Securities and Exchanges Commission and Bangladesh Accounting Standards.

BACKGROUND
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 Limited Company 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. The Authorized capital of the company is Tk. 3,000,000,000 (Three Hundred Crore only) and paid up capital 898,078,120 (Eighty Nine Crore Eighty Lac Seventy Eight Thousand One Hundred Twenty only). The company was listed with Dhaka Stock Exchange Limited and Chittagong Stock Exchange Limited in the month of January 2014.

REVENUE
As you are aware that the company is a manufacturer of 100% export oriented woven fabrics cotton yarns, the sale proceeds from yarn stood at 114.75 crores. During the last financial years the textile sector went through the toughest time in recent era both domestically and internationally with the ongoing world recession still continuing and incessant political instability hindering our regular business affairs. Yet the efficient and prudent management of process control has enabled the company to avoid financial catastrophe and earn substantial profit instead.

FINANCIAL RESULT AND APPROPIATION OF PROFIT

Particulars	2017	2016
Net Profit after Tax	150,934,445	154,373,254
Profit available for appreciation	491,097,398	212,908,676
Recommended for appropriations (cash dividend @ 05%,)	-	27,118,977
Recommended for appropriations (Stock dividend @ 05%,)	44,903,906	-
Un- appropriated profit carried forward	**446,193,492**	**340,162,953**

Segment-wise or product wise performance
Company operates in single product segment.

Industry outlook and possible future developments in the industry
The company works as a Primary Textile Sector (PTS) for the Export Oriented Garments Industries. Mozaffar Hossain Spinning Mills Limited produces the 100% export oriented woven fabrics cotton yarn and delivers to the Garments Industries. The company has been operated in the market for long with reputation and commitment. Having long experience in yarn marketing we are confident of this value added yarn and believe that we can hold our reputation as a quality yarn supplier.

With the inception of the company has become one of the very few spinning mills in Bangladesh where the garments manufacturer can really rely for various types of yarns. We believe this will add great value to the company in the coming days.

Risk and concerns

Mozaffar Hossain Spinning Mills Limited being a yarn manufacturer and catering as the backward linkage industry its risk is always associated with the global supply and demand chain. Any economic downturn in the western world has a direct impact on the business. With the demand increasing from the emerging countries of Bangladesh has become a market which is very vibrant and growing every day.

Moreover, risks and concern of the industry solely depends on the upcoming Government policy as well. However, garments being the major foreign currency earner have always enjoyed special consideration from all the successive Governments and expectation is that it will continue in the future.

A discussion on cost of goods sold, gross margin and net profit margin

Profit from Operation	2017		2016	
Cost of Goods Sold	903,289,890	78.71%	809,639,719	76.30%
Gross margin	244,272,541	21.29%	251,430,251	23.70%
Net margin for the year	150,934,445	13.15%	154,373,254	14.55%

Related party transactions

The company has transactions with its mother company which have been disclosed in related party transaction in page no. 54 of the annual report.

Significant variance of financial statements

There is no significant variance in the financial statements during the year ended on 30th June 2017.

Compliance of Notification No BSEC/CMRRCD/2006-158/134/Admin/44 dated 07 August 2012.

1.1 Board Size:

The number of members of the Board of Directors stands at 07 (including Two Independent Directors) which are within the limits given by BSEC.

1.2 Independent Directors

1.2.1 Md. Kamrul Hossain

In term of the provision under the sub clause the Boards of Directors has appointed Mr. Md. Kamrul Hossain as Independent Director of the company for the period of three years. He has completed Bsc. in Textile Technology, from College of Textile Technology, Dhaka University. He has participated in various seminars, conferences in Bangladesh as a business leader. He has long around 32 year's business experience in the field of business development. He was the

1. Production Officer (Responsible for Production and Maintenance) at Bangladesh Textile Mills Corporation for the period of 1985-1993.
2. Manager (Responsible for Production and Quality) at Mother Textiles Ltd for the period of 1993-1997.
3. Senior DGM (Responsible for Total Mill Management, its Production and Quality) at Fuad Spinning Mills Ltd for the period of 1997-2005.
4. General Manager (Planning, Procurement and Implementation of Project, Assessment of Existing Projects Production Capacity & Achievements, Innovation of New Products) at Jamuna Group for the period of 2005-present.

1.2.2 Md. Alamgir Akando Mintu

In term of the provision under the sub clause the Boards of Directors has appointed Mr. Md. Alamgir Akando Mintu as Independent Director of the company for the period of three years. He has completed Masters in Management from Dhaka University. As a business leader he has participated in various seminars, conferences in Bangladesh. He has long around 18 year's business experience in the field of business development. He was the

1. Director of Akunda & Trading for the period of 1998-2007.
2. Director of MB Trading for the period of 2007-2013.

2.0 Company Secretary, Chief Financial Officer, Head of Internal Audit
As per corporate governance of BSEC, the company has allocated the responsibilities as follows:

Company Secretary : Md. Shahazul Islam ACA
Chief Financial Officer : Shahin Ahmed
Head of Internal Audit : Md. Atiqur Rahman Bhuiyan ACMA

3.0 Audit Committee
The Audit Committee, as a sub committee of the Board of Director has been constituted with the Independence Director as Chairman and two other Directors. The company Secretary acts as Secretary to the Audit Committee. This committee assists the Board in ensuring that the financial statements reflect true and fair view of the state of affairs of the company. Audit committee is responsible to the Board of Directors and its roles and responsibilities are clearly set forth. The role of the Audit Committee has been started in the annual audit committee report.

4.0 External Statutory Auditors
The BSEC guidelines are being strictly followed in engaging statutory Auditors.

5.0 Subsidiary Company
The company has no subsidiary company.

6.0 Duties of CEO & CFO
The provision of BSEC regulations has been complied.

7.0 Reporting and Compliance of Corporate Governance
Requirement of the above are being complied with and is shown as annexure-I.

Directors' Appointment and Re-Appointment
With regard to the appointment, retirement and re appointment of directors, the company is governed by its Articles of Association, the Companies Act. 1994 and other related legislations. Accordingly, the following Directors of the Board will retire at the annual general meeting:
1. ASM Rakibul Hasan
2. Md. Sanwar Hossain

They are however eligible for re-appointment.

Share holding of Directors
The share holding of directors at the end of 30th June 2017 is shown as Annexure-II of this report.
Directors involved in other companies are shown as Annexure-III.

Board Meeting and Attendance
During the year 10 (ten) Board Meetings were held. The attendance record of the directors is as given below

Name of Directors	Attendance
Mrs. Rahima Hossain	10
Md. Mozaffar Hossain	10
Raisul Hasan	10
ASM Rakibul Hasan	09
Md. Sanwar Hossain	08
Md. Kamrul Hossain	09
Md. Alamgir Akando Mintu	09

Director's remuneration
Director's remuneration is shown in the page no. 53 of the notes to the Financial Statements.

Directors Responsibilities for the Financial Statements
In accordance with the Bangladesh Securities and Exchange Commission Notification No. BSEC/CMRRCD/2006-158/134/Admin/44 dated 07 August 2012 the Directors are pleased to confirm the following:

The financial statements together with notes thereon have been drawn up in conformity with the Companies Act. 1994 and Bangladesh Securities and Exchange Rules 1987. These statements present fairly the companies state of affairs, the result of its operations, cash flow and changes in equity.

i. Proper books and accounts of the company have been maintained.

ii. Appropriate accounting policies have been applied consistently in preparation of the financial statements and the accounting estimates are based on reason able and prudent judgment.

iii. The International Financial Reporting standards, as applicable in Bangladesh, have been followed in the preparation of the financial statements.

iv. The systems of internal control are sound and have been implemented and monitored effectively.

v. The key operating and financial data for the last five years are shown on page 05.

vi. The pattern of shareholding is provided in Annexure-II of the annual report.

Contribution to National Exchequer

During the year the company has contributed Tk. 0.61 crore to the National exchequer as Income tax.

Internal Control

The Board has ultimate responsibilities to establish the effective system of internal control. To ensure internal control regarding risk management, financial control and compliance legislation, the company already has a strong internal audit department to ensure internal control and compliance in place.

Going Concern

While approving the financial statements, the directors have made appropriate enquiries and analyzed the significant financial, operating as well as other indicators for enabling them to understand the ability of the company to continue its operation for a foreseeable period. Directors are convinced and have a reasonable expectation that the company has adequate resource to continue its operation consistently for the foreseeable future. Therefore the company adopted the going concern basis in preparing the financial statements.

External/Statutory Auditors

The company did not engage its external/statutory auditors to perform the following services of the company;

i. Appraisal or valuation services or fairness opinions.

ii. Financial information systems design and implementation.

iii. Book keeping or other services related to the accounting records or financial statement.

iv. Broker-dealer services.

v. Actuarial services.

vi. Internal audit services.

No partner or employees of the external audit firm possess any share of the company.

Dividend

The Board of Directors has recommended 5% Stock dividend to the all shareholders for the year ended June 30, 2017 (subject to the approval in the forthcoming AGM) whose names will appear in the share register of the company and/or depository register of CDBL as on record date i.e. 22th November, 2017.

Corporate Social Responsibilities

As per CSR of the company made cash donations to Mosques, Universities. It always distributes clothes for winter to the workers. The company distributed relief to the flood victims.

Acknowledgment

I take this opportunity, on behalf of the Board of Directors, to express my heartfelt gratitude to all of our valued clients, shareholders and well wishers home and aboard for their wholehearted co-operation and active support in discharging the responsibilities reposed on me and the Board during the year under review.

I also thank Registrar of Joint Stock Companies (RJSC), Bangladesh Securities and Exchange Commission (BSEC), Dhaka Stock Exchange (DSE), Chittagong Stock Exchange (CSE), Government and Private sector Organization and many others for their sincere support and whole hearted co-operation to our company.

I, on behalf of the Board, also put on record my deep appreciation for the services and loyalty of the executives, officers and employees of the company at all levels without which we could not have achieved this result.

Thanks are also due to all directors, all executives, officers, staff and workers of the company for their excellent, sincere, dedicated efforts in achieving company's target during the year under review.

To ensure financial security we always welcome your suggestions and opinion to improve present and future services of the company.

I now appeal to the magnanimity of valued shareholders to kindly accept and approve the Auditors' Report, Annual Audited Accounts 2016-2017 and Directors' Report placed before you.

Thanking you,

On behalf of the Board of Directors,



Mrs. Rahima Hossain
Chairman

AMAR STOCK

CEO & CFO's Declaration to the Board of Directors

The Board of Directors
Mozaffar Hossain Spinning Mills Limited
House # 315, Road # 04, DOHS,
Baridhara, Dhaka-1206

Subject: CEO & CFO's Declaration to the Board of Directors.

Dear Sir,
In compliance with the condition no. 6 imposed by Bangladesh Securities and Exchange Commission's notification no. BSEC/CMRRCD/2006-158/134/Admin/44 dated 07 August 2012 issued under section 2CC of the Securities & Exchange Ordinance 1969, we do hereby certify to the Board of Directors that:

(i) We have reviewed the financial statements for the year ended on June 30, 2017 and that to the best of our knowledge and belief;

   (a) These statements do not contain any materially untrue statements or omit any material fact or contain statements that might be misleading;

   (b) These statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards and applicable laws;

(ii) There are, to the best of knowledge and belief, no transaction entered into by the company during the year which are fraudulent, illegal or violation of the company's code of conduct.

Sincerely yours

(Md. Mozaffar Hossain)
Managing Director

(ShahinAhmed)
Financial Officer (CFO)

Audit Committee Report

Mozaffar Hossain Spinning Mills Limited established an audit committee as a sub-committee of the Board of Directors. The committee supports the Board in fulfilling its oversight responsibilities. The audit committee of Mozaffar Hossain Spinning Mills Limited of the following Board members:

Md. Alamgir Akando Mintu (Independent Director)	: Chairman
Raisul Hasan (Director)	: Member
ASM Rakibul Hasan (Nominee Director)	: Member
Md. Shahazul Islam ACA	: Member

Terms of Reference

The terms of reference of the committee has been agreed upon as follows:

1. To review all internal and external audit report.
2. To recommend the statutory annual audited financial statements to the Board of Directors for approval.
3. To review the finding of the internal and external auditors.
4. To review and approve the Annual "Audit Plant" of the Internal Audit Department.
5. To monitor the implementation of the recommendations of the Internal and External auditors.
6. To review the performance of the external auditors and make recommendations to the Board regarding their appointment and fees.
7. To review the quarterly, half yearly and annual financial statements before submission to the Board, focusing particularly on.
8. To review the company's statement on internal control systems prior to endorsement by the Board.
9. The company secretary shall be the secretary of the audit committee.

Activities

1. The financial statements of the first quarter, half year, third quarter and the full year were reviewed by the committee and subsequently recommended to the Board for consideration and approval.
2. The committee also reviewed the work of the internal audit department and made suggestions for improvement.
3. The committee recognized the observation of the internal audit department regarding internal control and suggestions made toimprove operational systems and procedures and their implementation.

Recommendation

The audit committee recommended to the Board of Directors that:

1. The Financial Statements for the year ended 30 June, 2017 may be approved.
2. ATA Khan & Co. Chartered Accountants be appointed as the auditor of the company for the year ended June 30, 2018 at existing fees including VAT and TAX subject to the approval of the members at the 12th Annual General Meeting of the company.

(Md. Alamgir Akando Mintu)
Chairman of the Audit Committee

MAZUMDAR SIKDER AND ASSOCIATES

Cost & Management Accountants

CERTIFICATE OF COMPLIANCE ON CORPORATE GOVERNANCE OF MOZAFFAR HOSSAIN SPINNING MILLS LIMITED

We have examined the compliance to the BSEC guidelines on Corporate Governance by Mozaffar Hossain Spinning Mills Limited for the year ended 30 June 2017. These guidelines relate to the Notification no. SEC/CMRRCD/2006-158/134/Admin/44 dated 7 August 2012, as amended vide notification dated 21 July 2013 and 18 August 2013 of Bangladesh Securities and Exchange Commission (BSEC) on Corporate Governance.

Such compliance to the codes of Corporate Governance is the responsibility of the company. Our examination for the purpose of issuing this certificate was limited to the procedures including implementation thereof as adopted by the Company for ensuring the compliance on the attached statement of the basis of evidence gathered and representation received.

In our opinion and to the best of our information and according to the explanations provided to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned guidelines is issued by BSEC.

Place-Dhaka.
Date- November 19, 2017

Mazumdar Sikder and Associates
Cost & Management Accountants

105/A (3rd Floor), Kakrail, Dhaka-1000, Phone : 02-8300376, Fax : 02-8300375

Annexure-I

Compliance Report to BSEC's Notification.

Status of compliance with the conditions imposed by the Commission's Notification No BSEC/CMRRCD/2006-158/134/Admin/44 dated 07 August 2012:

Condition No.	Title	Compliance Status		Remarks (If any)
		Complied	Not Complied	
1.	**Board of Directors:**			
1.1	Board's Size: The number of the board members shall not be less than 5(Five) and more than 20 (Twenty)	✓		
1.2	**Independent Directors:**			
1.2(i)	One fifth(1/5) of the total number of directors	✓		
1.2(ii) a)	Does not hold any share or holds less than 1% shares of the total paid-up shares.	✓		
1.2(ii) b)	Not connected with any Sponsor/ Director/ Shareholder who hold 1% or more shares of the total paid-up shares on the basis of family relationship	✓		
1.2.(ii) c)	Does not have any other relationship, whether pecuniary or otherwise, with the company or its subsidiary/associated companies.	✓		
1.2(ii) d)	Not a member, director or officer of any stock exchange.	✓		
1.2 (ii) e)	Not a shareholder, director or officer of any member of stock exchange or an intermediary of the capital market.	✓		
1.2(ii) f)	Not a partner or an executive or was not a partner or an executive during the preceding 3(three) years of any statutory audit firm.	✓		
1.2(ii) g)	Not be an independent director in more than 3 (three) listed companies.	✓		
1.2(ii) h)	Not been convicted by a court of competent jurisdiction as a defaulter in payment of any loan to a bank or a NBFI.	✓		
1.2(ii) i)	Not been convicted for a criminal offence involving moral turpitude.	✓		
1.2(iii)	Nominated by the board of directors and approved by the shareholders in the AGM.	✓		Term of two independent directors has been expired on 27th August 2016, and BOD has appointed them 2nd term .This will be placed before the shareholders for approval in this AGM.
1.2(iv)	Not remain vacant for more than 90 (ninety) days	✓		
1.2(v)	Board shall lay down a code of conduct of all Board members and annual compliance of the code to be Recorded.	✓		
1.2(vi)	Tenure of office of an independent director shall be for a period of 3 (three) years, which may be extended for 1 (one) term only.	✓		

Condition No.	Title	Compliance Status		Remarks (If any)
		Complied	Not Complied	
1.3	**Qualification of Independent Director (ID):**			
1.3(i)	Knowledge of Independent Directors.	✓		
1.3(ii)	Background of Independent Directors.	✓		
1.3(iii)	Special cases for qualifications.			N/A
1.4	Individual Chairman of the Board and CEO.	✓		
1.5	**The Directors' Report to Shareholders:**			
1.5(i)	Industry outlook and possible future developments in the industry.	✓		
1.5(ii)	Segment-wise or product-wise performance.			Company operates in single product segmet.
1.5(iii)	Risks and concerns.	✓		
1.5(iv)	Discussion on Cost of Goods sold, Gross Profit Margin and Net Profit Margin.	✓		
1.5(v)	Discussion on continuity of any Extra-ordinary gain or loss.			N/A
1.5(vi)	Basis for related party transactions.	✓		
1.5(vii)	Utilization of proceeds from public issues, rights issues and/or through any others.			N/A
1.5(viii)	Explanation of the financial results deteriorates after the company goes for IPO, RPO, Rights Offer, and Direct Listing.			N/A
1.5(ix)	Explanation about significant variance occurs between Quarterly Financial performance and Annual Financial Statements.			N/A
1.5(x)	Remuneration to directors including independent directors.	✓		
1.5(xi)	Fairness of Financial Statement.	✓		
1.5(xii)	Maintenance of proper books of accounts.	✓		
1.5(xiii)	Adoption of appropriate accounting policies and estimates.	✓		
1.5(xiv)	Followed IAS, BAS, IFRS and BFRS in preparation of financial statements.	✓		
1.5(xv)	Soundness of internal control system.	✓		
1.5(xvi)	Ability to continue as a going concern.	✓		
1.5(xvii)	Significant deviations from the last year's.			N/A
1.5(xviii)	Key operating and financial data of at least preceding 5 (five) year.	✓		
1.5(xix)	Reasons for not declared dividend.			N/A

Condition No.	Title	Compliance Status		Remarks (If any)
		Complied	Not Complied	
1.5(xx)	Number of board meetings held during the year and attendance.	✓		
1.5(xxi)	**Pattern of shareholding:**			
1.5(xxi)a)	Parent/Subsidiary/Associated Companies and other related parties.	✓		
1.5(xxi)b)	Directors, CEO, CS, CFO, HIA and their spouses and minor children.	✓		
1.5(xxi)c)	Executives.	✓		
1.5(xxi)d)	10% or more voting interest.	✓		
1.5(xxii)	**Appointment/re-appointment of director:**			
1.5(xxii)a)	Resume of the director	✓		
1.5(xxii)b)	Expertise in specific functional areas.	✓		
1.5(xxii)c)	Holding of directorship and membership of committees of the board other than this company.	✓		
2.	**CFO, Head of Internal Audit (HIA) and CS:**			
2.1	Appointment of CFO, HIA and CS and defining their responsibilities.	✓		
2.2	Attendance of CFO and CS at the meeting of the Board of Directors.	✓		
3.	**Audit Committee:**			
3(i)	Constitution of Audit Committee	✓		
3(ii)	Assistance of the Audit Committee to Board of Directors.	✓		
3(iii)	Responsibility of the Audit Committee.	✓		
3.1	**Constitution of the Audit Committee:**			
3.1(i)	At least 3 (three) members.	✓		
3.1(ii)	Appointment of members of the Audit Committee.	✓		
3.1(iii)	Qualification of Audit Committee members.	✓		
3.1(iv)	Term of service of Audit Committee members.	✓		
3.1(v)	Secretary of the Audit Committee.	✓		
3.1(vi)	Quorum of the Audit Committee.	✓		
3.2	**Chairman of the audit committee:**			
3.2(i)	Board of Director shall select the Chairman.	✓		
3.2(ii)	Chairman of the audit committee shall remain present in the AGM.	✓		

Condition No.	Title	Compliance Status		Remarks (If any)
		Complied	Not Complied	
3.3	**Role of Audit Committee:**			
3.3(i)	Oversee the financial reporting process.	✓		
3.3(ii)	Monitor choice of accounting policies and principles.	✓		
3.3(iii)	Monitor Internal Control Risk management process.	✓		
3.3(iv)	Oversee hiring and performance of external auditors.	✓		
3.3(v)	Review the annual financial statements before submission to the board for approval.	✓		
3.3(vi)	Review the quarterly and half yearly financial statements before submission to the board for approval.	✓		
3.3(vii)	Review the adequacy of internal audit function.	✓		
3.3(viii)	Review statement of significant related party transactions.	✓		
3.3(ix)	Review Management Letters/Letter of Internal Control weakness issued by statutory auditors.	✓		
3.3(x)	Disclosure about the uses/applications of funds raised by IPO/RPO/Right issue.	✓		
3.4	**Reporting of the Audit Committee:**			
3.4.1	Reporting to the Board of Directors.	✓		
3.4.1(i)	Activities of Audit Committee.	✓		
3.4.1(ii)a	Conflicts of interests.			N/A
3.4.1(ii)b	Material defect in the internal control system.			N/A
3.4.1(ii)c	Infringement of laws, rules and regulations.			N/A
3.4.1(ii)d	Any other matter.			N/A
3.4.2	Reporting to the Authorities.			N/A
3.5	Reporting to the Shareholders and General Investors.	✓		
4	**Engagement of External/Statutory Auditors:**			
4(i)	Appraisal or valuation services or Fairness opinions.	✓		
4(ii)	Non-engagement in designing and implementing of Financial Information Systems.	✓		
4(iii)	Non engagement in Book-keeping or accounting	✓		
4(iv)	Non-engagement in Broker-Dealer services.	✓		
4(v)	Non-engagement in Actuarial services	✓		
4(vi)	Non engagement in Internal Audit services.	✓		

Condition No.	Title	Compliance Status		Remarks (If any)
		Complied	Not Complied	
4(vii)	Non-engagement in services that the audit committee determines	✓		
4(viii)	Audit firms shall not hold any share of the company they audit.	✓		
4(ix)	Audit/certification services on compliace of corporate governance as required under clause (i) of condition no. 7	✓		
5	**Subsidiary Company:**			
5(i)	Composition of the Board of Directors.			N/A
5(ii)	At least 1 (one) independent director to the subsidiary company.			N/A
5(iii)	Submission of Minutes to the holding company.			N/A
5(iv)	Review of Minutes by the holding company.			N/A
5(v)	Review of Financial Statement by the holding company.			N/A
6	**Duties of Chief Executive Officer and Chief Financial Officer:**			
6(i)a)	Reviewed the materially untrue of the financial statement.	✓		
6(i)b)	Reviewed about compliance of the accounting standard.	✓		
6(ii)	Reviewed about fraudulent, illegal or violation of the company's code of conduct.	✓		
7	**Reporting and Compliance of Corporate Governance:**			
7(i)	Obtain certificate about compliance of conditions of Corporate Governance Guidelines.	✓		
7(ii)	Annexure attached in the directors' report.	✓		

Annexure-II

Sl. No.	Name of Shareholders	Description	Number of share	%
1.	Parent Company SIM Fabrics Limited		29,612,500	32.97
2.	Directors and their spouse Md. Mozaffar Hossain Mrs. Rahima Hossain Raisul Hasan	 MD Chairman Director	 1,811,250 1,946,015 1,998,125	 2.02 2.17 2.22
3.	**Independent Director, Company Secretary, Chief Financial Officer, Head of Internal Audit** Md. Alamgir Akando Mintu Md. Shahazul Islam ACA Shahin Ahmed Md. Atiqur Rahman Bhuiyan ACMA	 Independent Director Company Secretary Chief Financial Office Head of Internal Audit	 Nil Nill Nil Nil	
4.	**Executive (Top 5 salaried employees)** Md. Ayenul Hoque Md. Tafiqul Islam Md. Atiqur Rahman Bhuiyan ACMA Md. Daud Uddin Md. Rafiqul Islam	 Director Operation Deputy General Manager Asst. General Manager Spinning In charge Deputy General Manager	 Nil Nil Nil Nil Nil	
5.	**Shareholders holding 10% or more voting interest**		Nil	
6.	**Individual shareholders holding 10% or more voting**		Nil	

Annexure-III

Name	Designation	Directorship	Directorship
Md. Mozaffar Hossain	MD	SIM Fabrics Limited Authentic Color Limited SIM Apparels Ltd.	SIM Fabrics Limited Authentic Color Limited SIM Apparels Ltd.
Mrs. Rahima Hossain	Chairman	SIM Fabrics Limited Authentic Color Limited SIM Apparels Ltd.	SIM Fabrics Limited Authentic Color Limited SIM Apparels Ltd.
Raisul Hasan	Director	SIM Fabrics Limited Authentic Color Limited SIM Apparels Ltd.	SIM Fabrics Limited Authentic Color Limited SIM Apparels Ltd.
ASM Rakibul Hasan	Nominee Director	SIM Fabrics Limited Authentic Color Limited SIM Apparels Ltd.	SIM Fabrics Limited Authentic Color Limited SIM Apparels Ltd.
Md. Sanwar Hossain	Nominee Director	N/A	N/A
Md. Alamgir Akando Mintu	Independent Director	N/A	N/A
Md. Kamrul Hossain	Independent Director	N/A	N/A

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS
OF
MOZAFFAR HOSSAIN SPINNING MILLS LIMITED

We have audited the accompanying financial statements of **"MOZAFFAR HOSSAIN SPINNING MILLS LIMITED"** which comprise of the statement of financial position as at 30 June 2017 and the statement of Profit or Loss and Other Comprehensive Income for the year then ended, and a summary of significant accounting policies and other explanatory information.

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

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

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

We report that:
(A) to the best of our knowledge and belief, we have obtained all the information and explanations which were necessary for the purpose of our audit;

(B) in our opinion,

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

Dated: Dhaka,
28 October 2017

ATA KHAN & CO.
Chartered Accountants

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

Particulars	Notes	Amount in Taka	
		30.06.2017	30.06.2016
ASSETS			
NON-CURRENT ASSETS		**736,456,966**	**739,205,845**
Property, Plant and Equipment's	**5.00**	649,098,560	671,078,399
Capital Work-In-Progress	**6.00**	87,358,406	68,127,446
INVESTMENT		**5,021,147**	**4,981,778**
Investment	**7.00**	5,021,147	4,981,778
CURRENT ASSETS		**1,135,828,131**	**1,006,291,727**
Inventories	**8.00**	300,687,974	312,681,632
Accounts Receivable	**9.00**	639,652,959	525,093,162
Advances, Deposits & Pre-Payments	**10.00**	168,818,491	147,272,203
Cash and Cash Equivalents	**11.00**	26,668,707	21,244,730
TOTAL ASSETS		**1,877,306,244**	**1,750,479,350**
SHAREHOLDERS' EQUITY & LIABILITIES			
SHAREHOLDERS' EQUITY		**1,589,729,287**	**1,465,913,819**
Share Capital	**12.00**	898,078,125	898,078,125
Revaluation Reserve	**13.00**	127,708,347	127,708,347
Tax Holiday Reserve	**14.00**	72,845,417	72,845,417
Retained Earnings	**15.00**	491,097,398	367,281,930
LONG TERM LIABILITIES		**44,210,785**	**39,622,307**
Long Term Loan Net off Current Maturity	**16.00**	29,500,575	22,969,134
Deferred Tax Liability	**17.00**	14,710,210	16,653,173
CURRENT LIABILITIES		**243,366,172**	**244,943,224**
Accounts Payable	**18.00**	5,620,029	18,550,199
Cash Dividend Payable	**19.00**	495,079	-
Current Portion of Long Term Loan	**20.00**	10,326,427	12,384,334
Refundable Fund of IPO Subscribers	**21.00**	7,755,000	7,800,000
Short Term Bank Loan	**22.00**	61,171,936	77,028,648
Provision for Tax	**23.00**	111,140,411	86,541,883
Accrued Expenses	**24.00**	46,857,290	42,638,160
TOTAL EQUITY & LIABILITIES		**1,877,306,244**	**1,750,479,350**
Net Asset Value Per Share (NAVPS)		**17.70**	**16.32**

The accompanying notes 1 to 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
28th October, 2017

ATA KHAN & CO.
Chartered Accountants

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

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

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

Chief Financial Officer **Company Secretary** **Director** **Managing Director** **Chairman**

Signed as per annexed report of same date.

Place: Dhaka
28th October, 2017

ATA KHAN & CO.
Chartered Accountants

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

Amount in Taka

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

Statement of Changes in Equity
For the year ended June 30, 2017

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 P rofit / (Loss) for the year	-	-	-	154,373,254	154,373,254
Bonus Paid 15% Stock	117,140,625	-	-	(117,140,625)	-
Balance as on 30.06.2016	**898,078,125**	**72,845,417**	**127,708,347**	**367,281,930**	**1,465,913,819**

Chief Financial Officer | **Company Secretary** | **Director** | **Managing Director** | **Chairman**

Signed as per annexed report of same date.

Place: Dhaka
28th October, 2017

ATA KHAN & CO.
Chartered Accountants

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

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

Chief Financial Officer **Company Secretary** **Director** **Managing Director** **Chairman**

Signed as per annexed report of same date.

Place: Dhaka
28th October, 2017

Mozaffar Hossain Spinning Mills Limited

Notes to the Financial Statements
For the year ended June 30, 2017

1.0 Legal Status of the Company

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

Registered office of the company

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

2.0 Nature of Business Activities

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

3.0 Risk Exposure

3.1 Interest Rate Risk

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

Management perception:

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

3.2 Exchange Rate Risk

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

Management Perception:

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

3.3 Industry Risks

(a)Market demand:

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

Management Perception:

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

(b) Competition:

MHSML is operating in a free market economy regime. The company might have to face stiff competition from its competitors:
Management Perception:
Bangladesh is the prime source of cheapest garments in the world, earning comparative advantages for its industries over their global competitors. In addition, the management of MHSML employs their efficiencies; expertise and discretions to minimize the cost of its products.

(c) Rising of Raw Materials costs:

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

Management Perception:

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

3.4 Risks steaming from technological changes:

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

Management perception:

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

3.5 Other risk factors:

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

Management Perception:

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

(b) Possible slowdown in economic growth in Bangladesh:

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

Management Perception:

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

(c) Natural calamities:

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

Management perception:

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

4.0 Basis of preparation and significant accounting policies

4.1 Basis of Measurement of Elements of Financial Position

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

4.2 Statement on Compliance with Local Laws

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

4.3 Statement on Compliance of Bangladesh Accounting Standards

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

4.4 Going Concern

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

4.5 Accrual Basis

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

4.6 Structure, Content and Presentation of Financial Position

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

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

4.7 Reporting Year

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

4.8 Inventories

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

4.9 Revenue

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

4.10 Property, Plant and Equipment

Initial Recognition and measurement

Property, plant and equipment are capitalized at cost of acquisition and subsequently stated at cost or valuation less accumulated depreciation in compliance with the requirements of BAS 16: Property, Plant and Equipment. The cost of acquisition of an asset comprises its purchase price and any directly attributable cost of bringing the assets to its working condition for its intended use inclusive of inward freight, duties, non-refundable taxes and un-allocated expenditures etc. The land and land developments with an effect as on June 30, 2011 have been re-valued 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 equipment's is recognized in the carrying amount of an item if it is probable that the future economic benefits embodied within the part will flow to the company and its cost can be measured reliably. The costs of the day-to-day servicing of property, plant and equipment are recognized in the statement of comprehensive income as "Repair & Maintenance" when it is incurred.

Depreciation on Fixed Assets

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

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

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

The fair value of the property, plant and equipment on 30.06.2017 is not materially differing with the carrying amount.

CAPITAL WORK-IN-PROCESS

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

4.11 Revaluation Reserve

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

4.12 Cash and Cash Equivalent and Statement of Cash Flows:

Cash and cash equivalents comprise cash in-hand and in current account that are readily convertible to a known amount of cash, and that are not subject to significant risk of change in value.
The Statement of Cash Flows is prepared using the Direct Method as stipulated in Bangladesh Accounting Standards (BAS) No. 7 "Statement of Cash Flows"

4.13 Earnings per Share

The company calculates Earnings per Share (EPS) in accordance with the requirement of BAS – 33: "Earning per Share", which has been shown on the face of the Statement of Profit or Loss and other Comprehensive Income.
Basic earnings:
This represents earnings for the Year ended June 30, 2017 attributable to the ordinary shareholders.

Basic earnings per share:

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

Diluted Earnings Per Share:

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

4.14 Foreign Currency Transactions

Foreign currency transactions are recorded, on initial recognition in the functional currency at the spot exchange rate ruling at the transaction date.
At the end of each reporting year, in compliance with the provision of BAS 21: The Effects of Changes in Foreign Exchange Rates are determined as under:

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

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

4.15 Impairment of Assets

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

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

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

4.16 Borrowing Cost

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

4.17 Authorization date for issuing Financial Statements

The financial statements were authorized for issue by Board of Directors on 28th October, 2017

4.18 Reporting Currency

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

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

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

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

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

4.20 Accruals & Deferrals

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

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

4.21 Advances, Deposits and Prepayments

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

4.22 Financial Instruments

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

Initial recognition

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

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

4.23 Segment Reporting

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

4.24 Related Party Disclosures

The information as required by BAS 24: "Related party Disclosure" has been disclosed separately in notes to the financial statements. (Note-33)

4.25 Corporate Tax

(a) Current Tax

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

(b) Deferred Tax

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

4.26 Workers Profit Participation Fund

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

4.27 Contingent Assets and Liabilities

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

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

The company has no contingent assets or liabilities which require disclosure under BAS: 37. Contingent assets and contingent liabilities are not recognized in the financial statements except the balance amount of IPO subscription money shown in (Note: 21.00) yet to be refundable.

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

The company opened a L/C for Tk.25,085,459 with the Islami Bank Bangladesh Bank in favor of SIM Fabrics Ltd. against sale of Yarn. The above mentioned L/C amount as bill receivable as kept as collateral. Entire amount of loan liabilities subject to set off against the Bill Receivable amount realize within 120 days. The company might have a liability to the extent to which the said bill becomes unrealized. No provision has been made against the liability created as it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation, or a sufficiently reliable estimate of the amount of the obligation cannot be made.

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

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

4.28 Comparative Information and Rearrangement Thereof

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

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

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

			Amount in Taka	
			30.06.2017	30.06.2016
5.00	**Property, Plant and Equipment's**			
	Cost:			
	Opening balance at cost		839,718,020	762,181,791
	Add : Addition during the year		28,705,804	77,536,229
			868,423,824	**839,718,020**
	Add : Disposed / Sold during the year		-	-
	Total	**Tk.**	**868,423,824**	**839,718,020**
	Depreciation:			
	Opening balance		298,954,261	250,800,328
	Charged during the year		50,685,643	48,153,933
			349,639,904	**298,954,261**
	Total (a)		**518,783,920**	**540,763,759**
	Revaluation:			
	Opening balance		130,314,640	130,314,640
	Add : Addition during the year		-	-
	Total (b)		**130,314,640**	**130,314,640**
	Written Down Value (WDV) (a+b)		**649,098,560**	**671,078,399**
	Please refer to Annexure-'A' for further details			
6.00	**Capital Work-In-Progress**			
	Break-up of this are as follows:			
	Opening Balance		68,127,446	64,377,146
	Addition during the year		19,230,960	16,221,490
	Total		**87,358,406**	**80,598,636**
	Acquisition of the Year		-	(12,471,190)
	Closing Balance	**Tk.**	**87,358,406**	**68,127,446**

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

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

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

8.00	**Inventories**				
	Break-up of this item is as follows:				
			Qty. (kg.)		
	Finished Goods:				
	Yarn		282,750	45,240,000	52,463,028
	Work-in-process		278,692	28,132,300	35,932,982
	Raw Materials:			**213,315,627**	**212,737,963**
	Virgin Cotton		934,067	123,427,551	113,056,103
	Waste Cotton		947,238	89,888,076	99,681,860

Packing Materials		737,973	717,573
Store Materials		13,262,074	10,830,086
	Tk.	300,687,974	312,681,632

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

9.00 Accounts Receivable

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

I) Accounts Receivable considered good in respect of which the company is fully secured (Annexure B)	-	-
II) Accounts Receivable considered good in respect of which the company holds no security other than the debtor's personal security	-	-
III) Accounts Receivable considered doubtful or bad	-	-
IV) Accounts Receivable due by any director or other officer of the company	-	-
V) Accounts Receivable due by Common management (Annexure B)	639,652,959	525,093,162
VI) The maximum amount of receivable due by any director or other officer of the company	-	-
	639,652,959	**525,093,162**
Aging of accounts receivable:		
Dues within three months	130,699,500	138,594,970
Dues above three months but within six months	374,950,740	386,498,192
Dues above six months	134,002,719	-
	639,652,959	**525,093,162**

10.00 Advances, Deposits & Pre-Payments

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

10.01 Advance against Purchase

Dues within three months	40,721,677	49,773,238
Dues above three months but within six months	28,576,616	13,272,863
Dues above six months	2,143,246	3,318,216
	71,441,539	**66,364,317**

11.00	**Cash and Cash Equivalents**		**15,208,609**	**6,492,812**
	Cash in hand		15,208,609	6,492,812
	Cash at Banks:		**11,460,098**	**14,751,918**
	IBBL	Mouchak CD-327918	8,639	4,851,639
	IBBL	Mouchak CD-438315	-	3,476
	IBBL	Mouchak Mudaraba Deposit Normal	1,044,549	37,695
	IBBL	Mouchak Mudaraba Deposit Special	1,369,825	56,005
	DBBL	Gausia # 176-120-1733	457,459	287,759
	DBBL	Bashundhara # 147-110-5894	10,838	231,915
	EBL	Principal (for ipo refundable fund)	8,052,836	7,897,824

EBL	Bashundhara	(BFETN for cash dividend)		500,520	-
NRB Bank	Gulshan	# 00174		-	5,000
IBBL	Gausia	CD-987		-	3,246
IBBL	Mouchak	MDA UR-49		15,432	1,377,359
			Tk.	**26,668,707**	**21,244,730**

12.00 Share Capital:

This represents the followings:

Authorised capital:				
300,000,000 ordinary Shares of tk 10/= each			3,000,000,000	3,000,000,000
Issued subscribed and paid up capital:				
89,807,812.5 ordinary shares of taka 10/= each			898,078,125	898,078,125
		Tk.	**898,078,125**	**898,078,125**

12.01 Share Holding Position:

Shareholding position is as follows:

a) Sponsors	5,957,359.4	**6.63%**	59,573,593.75	59,573,594
b) SIM Fabrics Limited	29,612,500.0	**32.97%**	296,125,000.00	296,125,000
c) Other Shareholders	54,237,953.1	**60.39%**	542,379,531.25	542,379,531
	9,807,812.5	**100.00%**	898,078,125.00	898,078,125

12.02 Classification of shareholders by range of number of shares held

Shareholding range	As at 30.06.2017		As at 30.06.2016	
	No. of Shareholders	No. of shares	No. of shareholders	No. of shares
1 to 500	992	196,252	1287	292,447
501 to 5,000	3139	4,733,946	3794	4,948,601
5,001 to 10,000	407	3,176,672	419	3,167,477
10,001 to 20,000	228	3,391,62 8	282	4,115,307
20,001 to 30,000	86	2,190,053	142	3,579,993
30,001 to 40,000	409	1,772,800	72	2,524,250
40,001 to 50,000	39	1,809,821	46	2,107,847
50,001 to 1,00,000	63	4,652,124	74	4,866,091
1,00,001 to 10,00,000	45	12,644,996	58	16,566,799
10,00,001 to Above	10	55,239,521	10	47,639,001
Total	**5058**	**89,807,812.50**	**6184**	**89,807,812.50**

13.00 Revaluation Reserve

Opening Balance	127,708,347	130,314,640
Add: Related Deferred Tax on Revaluation 2%	-	(2,606,293)
Balance	**127,708,347**	**127,708,347**

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

14.00 Tax Holiday Reserve

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

15.00 Retained Earnings

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

16.00 Long Term Loan

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

1. Purpose of Investment - To purchase/import of Rotor Machine, Chiller for the project.

2. Period of Investment - 05 (five) year
3. Rate of return -13.80% per annum or the rate to be determined by the bank from time to time.
4. Collateral:

A. 156.10 decimal project land along with 88,200 sft. Project building vide FSV 81.22 million.
B. 194.75 decimal project land alongwith 96,345 sft. Factory building vide FSV 47.49 million by SFL.
C. 183.16 decimal project land alongwith 65,411 sft. Factory building vide FSV 139.50 million by SFL.
D. Personal Guarantee of all Directors of the Project Companies & Mortgages of their individual properties.

17.00 Deferred Tax

As at 30 June 2017	Carrying amount	Tax base	Taxable/ deductible temporary difference
Property, plant & equipments except land at cost	232,162,609	151,469,826	80,692,783
Revaluation surplus-PPE	130,314,640		130,314,640
Total taxable temporary difference	**362,477,249**	**151,469,826**	**211,007,423**
Tax on business income			**15%**
Tax on capital gain			**2%**
Closing deferred tax liabilities/(assets)-at cost			12,103,917
Closing deferred tax liabilities/(assets)-at revaluation			2,606,293
Total closing deferred tax liabilities/(assets)			**14,710,210**
Opening deferred tax liabilities/(assets)-at cost			14,046,880
Opening deferred tax liabilities/(assets)-at revaluation			2,606,293
Total opening deferred tax liabilities/(assets)			**16,653,173**
Deferred tax expense/(income)-at cost			(1,942,963)
Deferred tax expense/(income)-at revaluation			-
Total deferred tax expense/(income)			**(1,942,963)**

As at 30 June 2016	Carrying amount	Tax base	Taxable/ deductible temporary difference
Property, plant & equipment's 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**

18.00 Accounts Payable

Trade Creditors (Annexure-C)	1,861,349	6,048,055
Bills Payable (Annexure-C)	3,758,680	12,502,144
	5,620,029	**18,550,199**

19.00 Cash Dividend Payable

Cash Dividend Declared 5%	27,118,977	-
Less: Tax Deducted at Source	(3,920,276)	-
	23,198,701	**-**
Less: Disbursed during the year	(22,703,622)	-
Balance Payable	**495,079**	**-**

20.00 Current portion of long term loan

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

21.00 Refundable fund of IPO subscribers

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

This represents the amount payable to IPO subscribers against which refund warrant already been issued but not presented to the bank by the subscribers during the year.

22.00 Short term bank loan

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

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

1. Purpose of Investment - To purchase/import raw materials for the project.
2. Period of Investment - 01 (one) year on revolving basis.
3.Rate of return - 13.80% per annum or the rate to be determined by the bank from time to time.
4. Collateral:

A. 156.10 decimal project land along with 88,200 sft. Project building vide FSV 81.22 million.
B. 194.75 decimal project land alongwith 96,345 sft. Factory building vide FSV 47.49 million by SFL.
C. 183.16 decimal project land alongwith 65,411 sft. Factory building vide FSV 139.50 million by SFL.
D. Personal Guarantee of all Directors of the Project Companies & Mortgages of their individual properties.

				Amount in Taka	
				JUNE 2017	JUNE 2016
23.00	**Provision for Income tax**				
	Opening Balance			86,541,883	60,073,750
	Add: during the year (Note-23.01)			28,598,528	28,468,133
	Total			**115,140,411**	**88,541,883**
	Less: Tax Paid			4,000,000	2,000,000
	Closing Balance			**111,140,411**	**86,541,883**
23.01	**Current Tax**				
	Profit Before Tax			177,590,010	182,867,165
	Less: Other Income			(269,059)	(4,521,716)
	Add: Accounting Depreciation			50,685,643	48,153,933
	Less: Tax Depreciation			(37,732,560)	(40,010,301)
	Taxable Income for the year			**190,274,034**	**186,489,081**
	Rate of Tax			15%	15%
	Tax on business			28,541,105	27,973,362
	Add: 10 % Tax on Capital Gain			-	415,400
	Add: 25 % Tax on Other Income			57,423	79,371
	Total Provision for the year			**28,598,528**	**28,468,133**
24.00	**Accrued Expenses**				
	Audit fees			125,000	125,000
	Salaries & Allowances			4,154,936	3,330,173
	Gas Bill			14,035,460	12,337,111
	TDS, VAT & Others			4,069,211	238,365
	Store materials			-	1,732,619
	WPPF Payable			19,669,992	19,669,992
	Accrued Interest			4,802,691	5,204,900
				46,857,290	**42,638,160**
25.00	**Turnover**				
		Qty. (kg.)	Rate		
	Yarn 20's	4,620,340	195.41	902,857,388	723,623,550
	Yarn 16's	1,012,755	190.89	193,327,363	273,213,000
	Yarn 12's	15,300	180.00	2,754,000	43,134,040
	Yarn 10's	299,850	162.01	48,578,180	18,722,005
	Yarn 6's	700	65.00	45,500	2,377,375
		5,948,945		**1,147,562,431**	**1,061,069,970**
26.00	**Cost of Goods Sold**				
	Opening Work-in-Process			35,932,982	42,431,441
	Raw materials consumed (Note-26.01)			701,783,846	640,179,818
	Accessories & Stores Consumed (Note-26.02)			20,706,555	12,865,927
	Packing Materials Consumed (Note-26.03)			7,728,748	8,005,418
	Factory overhead (Note-26.04)			159,029,886	134,562,686
	Closing Work-in-Process			(28,132,300)	(35,932,982)
	Cost of Production			**897,049,717**	**802,112,308**
	Opening stock of Finished Goods			52,463,028	65,247,191
	Cost of Goods Available for Sale			**949,512,745**	**867,359,499**
	Closing stock of Finished Goods			(45,240,000)	(52,463,028)
	Wastage Sales			(982,855)	(5,256,752)
	Cost of Goods Sold			**903,289,890**	**809,639,719**

26.01	**Raw Materials Consumption**		
	Opening Raw Materials	212,737,963	208,924,347
	Purchase during the year	702,361,510	643,993,434
	Available for use	**915,099,473**	**852,917,781**
	Closing Raw Materials	(213,315,627)	(212,737,963)
		701,783,846	**640,179,818**
26.02	**Accessories & Stores Consumption**		
	Opening Accessories & Stores	10,830,086	9,262,324
	Purchase during the year	23,138,543	14,433,689
	Available for use	**33,968,629**	**23,696,013**
	Closing Accessories & Stores	(13,262,074)	(10,830,086)
		20,706,555	**12,865,927**
26.03	**Packing Materials Consumption**		
	Opening Packing Materials	717,573	271,464
	Purchase during the year	7,749,148	8,451,527
	Available for use	**8,466,721**	**8,722,991**
	Closing Packing Materials	(737,973)	(717,573)
		7,728,748	**8,005,418**
26.04	**Factory Overhead**		
	Gas Bill	63,550,042	41,625,897
	Salary & Wages	43,208,594	42,024,552
	Repair & Maintenance	379,550	1,341,095
	Factory Insurance	982,546	960,132
	Sundry Carrying Charges	362,750	315,980
	Sundry daily labor charges	41,306	438,474
	Medical & other Expenses	341,625	12,115
	Depreciation	50,163,473	47,844,441
	Tk.	**159,029,886**	**134,562,686**
27.00	**Other Operating Income**		
	Interest on Bank Account	229,690	317,483
	Share Investment Income (Fareast Stock & Bond Ltd.)	-	4,154,000
	Profit from Associate	39,369	50,233
	Tk.	**269,059**	**4,521,716**
28.00	**Administrative Expenses**		
	Salary and Allowances	3,607,607	3,168,572
	Bonus	1,135,126	1,000,410
	Audit Fees	125,000	125,000
	Managing Director Remuneration	1,200,000	1,200,000
	Director's Remuneration	3,000,000	2,977,500
	Board Meeting Fees	200,000	176,000
	Entertainment	184,073	214,597
	Traveling and Conveyance	119,649	84,497
	House & Office rent	780,000	780,000
	Telephone (mobile)	139,100	83,150
	Fuel, newspaper & other Expenses	3,814,170	3,181,589
	Depreciation	522,170	309,492
	Tk.	**14,826,895**	**13,300,807**

Payment/ Perquisites to Directors and

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

	Particulars			
	Managing Director Remuneration		1,200,000	1,200,000
	Director's Remuneration		3,000,000	2,977,500
	Board Meeting Fees		200,000	176,000
	During the year 10 (ten) Board meeting was held .			
29.00	**Marketing, Selling & Distribution Expenses**			
	Salaries and Allowances		314,400	314,400
	Advertisement		240,500	818,562
	Business Development		380,000	400,000
	Export Expenses		-	250,000
	Sample & other Expenses		500,000	860,366
		Tk.	**1,434,900**	**2,643,328**
30.00	**Financial Expenses**			
	Bank Charges and Commission		697,516	1,828,544
	Interest on HPSM investment		4,558,633	6,866,403
	Interest in BAI Murabah		15,021,143	12,016,854
	Interest on MDB Loan		12,672,124	18,937,243
	Interest on Murabaha TR		17,740,379	16,186,733
	Interest on MPI		-	1,304,890
		Tk.	**50,689,795**	**57,140,667**
31.00	**Basic Earnings Per Share**			
	Net Profit for the year		150,934,445	154,373,254
	No. of Shares		89,807,812.5	89,807,812.50
	Earnings Per Share for the Year		**1.68**	**1.72**

32.00 General:

32.01 Claims not Acknowledged

There is no claim against the Company not acknowledged as debt as on 30.06.2017

32.02 Credit Facilities not Availed

There is no credit facilities extended to the Company but not availed of as on 30.06.2017, under any contract, other than trade credit available in the ordinary course of business.

32.03 Commission, Brokerage or Discount Against Sales

No commission, brokerage or discount was incurred or paid by the Company against sales during the year ended 30.06.2017.

32.04 Directors Responsibility Statements

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

32.05 Employees Details:

During the year there were 460 permanent employees employed for the full year. All employees received salary Taka 5,000 per month and above.

32.06 Rounding Off

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

32.07 Rearrangement of Last Year's Figures

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

32.08 Events after the Reporting Period

Subsequent to the Statement of Financial Position date, the Board of Directors in their meeting held on 28th October 2017 recommended 5% Stock dividend to the all Shareholders for the year ended 30th June 2017. The proposed dividend is subject to shareholders' approval in the forthcoming Annual General Meeting.

Comparative information has been disclosed as required by BAS 01:'Interim Financial

32.09 Disclosed as per requirement of schedule XI, part II para 8

Value of Raw material, packing materials and Capital goods

Particular	Local Purchase	Import	Total Purchase	Consumption
Raw Material	422,533,852	279,827,658	702,361,510	701,783,846
Packing Materials	7,749,148	-	7,749,148	7,524,096
Spare Parts	23,138,543	-	23,138,543	20,706,555

Value of Export

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

32.10 Details of capacity has given below

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

33.00 Related Party Disclosure

a) Transaction with Key Management Personnel of the entity:

No.	Particulars	Value in Tk.
(a)	Managerial Remuneration paid or payable during the year to the directors, including Managing directors or manager	4,200,000
(b)	Any other perquisite or benefits in cash or in kind stating, approximate money value applicable.	200,000
(c)	Other allowances and commission including guarantee commission	Nil
(d)	Pensions etc.	Nil
	(i) Pensions	Nil
	(ii) Gratuities	Nil
	(iii)Payments from a provident funds, in excess of own subscription and interest thereon	Nil
(e)	Share Based payments	Nil

b) Transaction with Related Entity:

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

c) Transaction with Related Entity:

Sl.	Name of Customer	Relationship	Balance as at 01.07.2016	Addition during the year	Realized during the year	Balance as at 30.06.2017
(a)	SIM Fabrics Limited (land transferred against shares)	Common Management	250,000,000	-	-	250,000,000
	Total		**250,000,000**	-	-	**250,000,000**

AMAR STOCK

Mozaffar Hossain Spinning Mills Limited
Annexure of Property, Plant & Equipment
As at June 30, 2017

Annexure A
Amount in Taka

Cost:

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

Revaluation:

Particulars	COST			Rate of Dep.	DEPRECIATION			Written down value as at 30.06.2017
	As at July 01, 2016	Addition During the year	As at 30.06.2017		As at July 01, 2016	Addition During the year	As at 30.06.2017	
Land & Land Dev.	130,314,640	-	130,314,640	-	-	-	-	130,314,640
Balance as on 30.06.2017	**130,314,640**	-	**130,314,640**	-	-	-	-	**130,314,640**
Balance as on 30.06.2016	**130,314,640**	-	**130,314,640**	-	-	-	-	**130,314,640**
Balance as on 30.06.2017	**970,032,660**	**28,705,804**	**998,738,464**		**298,954,261**	**50,685,643**	**349,639,904**	**649,098,560**
Balance as on 30.06.2016	**892,496,431**	**77,536,229**	**970,032,660**		**250,800,328**	**48,153,933**	**298,954,261**	**671,078,399**

Depreciation Charged To -	
Administrative Cost	522,170
Manufacturing Cost	50,163,473
Total	**50,685,643**

STOCK

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

Annexure No. - B

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

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

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

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

Accounts Receivable due by Common management:

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

Amount in Taka

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

Mozaffar Hossain Spinning Mills Limited
Schedule of Trade Creditors
For the year ended June 30, 2017

Annexure No.-C

Trade Creditors: **Amount in Taka**

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

Bills Payable: **Amount in Taka**

Name of Supplier/Service Provider	Balance as at 01.07.2016	Payment during the Year	Bill during the Year	Balance as at 30.06.2017
Bills Payable Staff	86,095	1,754,706	1,668,611	-
3N Printers	213,682	310,000	106,720	10,402
Abdullah Techo Trade	24,000	24,000	-	-
Ali Refrigeration	30,800	30,800	-	-
Alpha Capital Management	1,010	-	-	1,010
Arthosuchak.com	7,000	27,000	38,000	18,000
Amreen Refrigeration	-	194,900	194,900	-
Axis Engnineering	31,360	31,360	-	-
Authentic Color Ltd	59,552	59,552	-	-

Automation Eng. Works	162,792	79,573	79,606	162,825
Badal Enterprise	134,762	134,762	-	-
Bangla Trac Limited	259,224	-	-	259,224
Bangla Trac Limited Store	150,164	2,636	2,636	150,164
Bangla Trac Limited Service	16,000	-	-	16,000
BBS Cables	368,977	368,977	-	-
Bengal Roots	84,512	84,512	-	-
Bestair Engineering	54,250	-	-	54,250
Best Tecknology	-	-	20,000	20,000
Bhuiya Trading	201,403	201,403	-	-
Beximco Online	13,800	44,850	41,400	10,350
Bismillah Paper Products	195,058	100,000	-	95,058
Bushra Corporation	8,000	-	-	8,000
Bank Bima Arthonity	-	20,000	20,000	-
Bangladesh Association of Public Listed Co.	30,000	30,000	30,000	30,000
Bangladesh Textile Mills Association	-	-	30,000	30,000
Bangladesh Chartered Accountancy Hostel	7,500	7,500	-	-
Bangla Courier Service	-	1,200	1,200	-
Bashundhara Courier Service	-	1,200	1,200	-
Cargo Control Group	196,352	151,510	-	44,842
Chemtex B.D	149,800	200,000	168,900	118,700
Confidence Associates Ltd	32,811	132,000	190,000	90,811
Capital Market Courier Service	-	1,200	1,200	-
Central Depository Bangladesh	226,861	226,861	106,000	106,000
Chandmoni Construction	-	-	61,600	61,600
Chandpur Trading	-	200,000	219,091	19,091
Coolteck Bangladesh	33,000	-	-	33,000
Delzan Enterprise	12,415	12,415	-	-
Chittagong Stock Exchange	721,862	721,862	-	-
Dhaka Stock Exchange	721,862	721,862	-	-
Dhaka wood House	6,436	6,436	-	-
Electro Mech	-		115,500	115,500
Enviro Enginiering	121,200	70,000	-	51,200
Express Insurance Ltd.	6,684	121,784	139,199	24,099
Fahim Transport Agency	21,100	21,100	-	-
Galaxy Corporation	21,750	250,000	259,000	30,750
Gazi International	-	62,550	265,300	202,750
Globex Agency	-	4,000,000	4,000,000	-
Insaf Trading	16,000	16,000	-	-
Islamia Commercial Insurance	87,191	55,060	10,199	42,330
Industrial Electronics Solution	70,000	47,000	30,000	53,000
Junayet Metalic	8,750	-	-	8,750
J.S Courier Service	600	1,200	600	-
Kabir Hossain	5,000	-	-	5,000
Mahin Enterprise & Packaging	111,592	2,160,000	2,643,408	595,000
Meghna Metal	37,840	92,000	85,480	31,320

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

Mozaffar Hossain Spinning Mills Limited
House # 315, Road # 04, DOHS, Baridhara, Dhaka-1206

PROXY FORM

I/we_____ being a member(s) of **Mozaffar Hossain Spinning Mills Limited** do hereby appoint Mr/Mrs_____ of _____ as my / our Proxy to attend and vote on behalf of me / us at the **12th Annual General Meeting** of the Company to be held on **Tuesday, the 26th December, 2017** at **10.30 A.M** at the DOHS Baridhara Convention Center, Baridhara DOHS Parishad, DOHS Baridhara, Dhaka Cantonment, Dhaka-1206 and any adjournment thereof.

As witness my/our hand this _____ day of _____ 2017

Folio No.	**BO A/C No.**																

Signature of the Proxy with Date | **No. of Share(s)** | Revenue Stamp for Tk. 20.00 (Twenty) only | **Signature of the Member with Date**

N.B.: This Form of Proxy, duly signed (as recorded with the company), stamped and completed must be submitted to the Registered Office or Share Department (the Company's Registered Office: House # 315, Road # 04, DOHS, Baridhara, Dhaka-1206) of the Company at least 48 (Forty Eight) hours before the Meeting.

Mozaffar Hossain Spinning Mills Limited
House # 315, Road # 04, DOHS, Baridhara, Dhaka-1206

Attendance Slip

I do hereby submit the Attendance Slip in connection with the **12th Annual General Meeting** of **Mozaffar Hossain Spinning Mills Limited** held today **Tuesday, the 26th December, 2017** at **10.30 A.M** at the DOHS Baridhara Convention Center, Baridhara DOHS Parishad, DOHS Baridhara, Dhaka Cantonment, Dhaka-1206.

Full Name of the Member :.....

Folio No.	**BO A/C No.**																

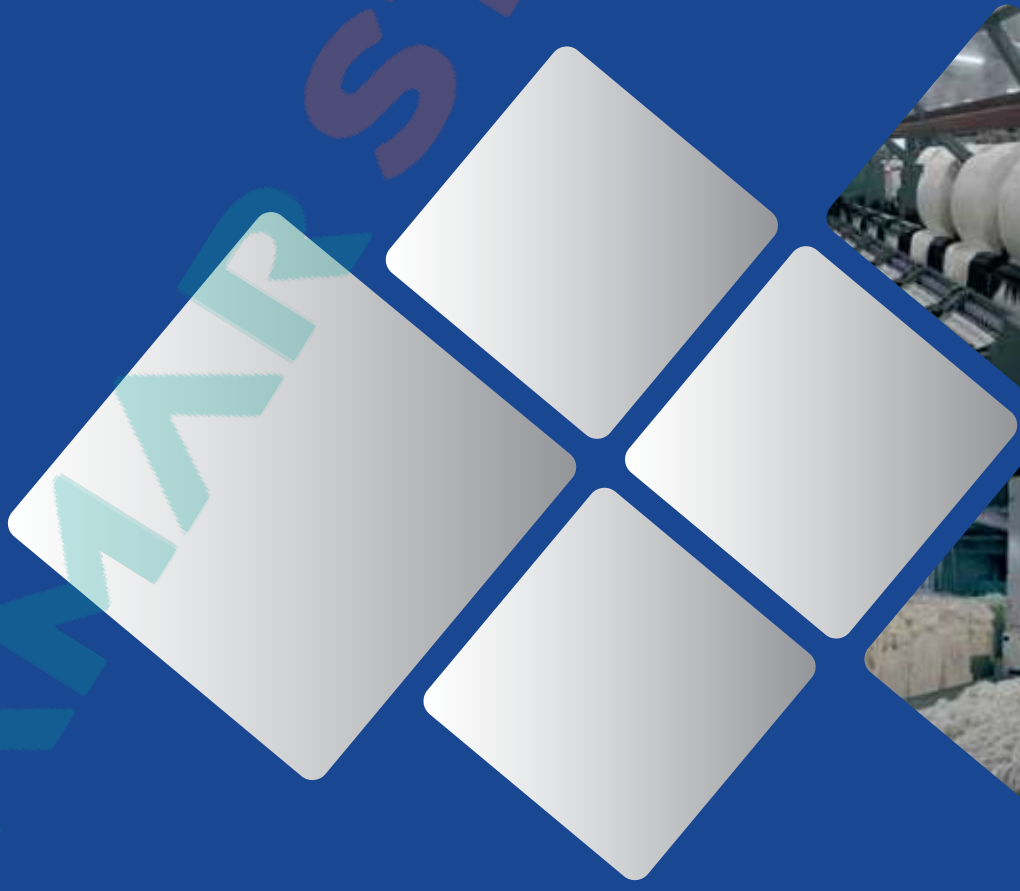
No. of Share(s)	.....

Dated :.....

Full Name of the Attorney/ Proxy_____

Signature of the Proxy | **Signature of the Member**

N.B.: Shareholders are requested to handover the Attendance Slip at the entrance of the Meeting Hall.



MOZAFFAR HOSSAIN SPINNING MILLS LTD.

Head Office : House # 315, Road # 04, Baridhara DOHS, Dhaka-1206, Bangladesh
Phone: 88-02-8415961-3, Fax: 88-02-8415964, E-mail: info@simgroup-bd.com

Factory: Thakurbari Teac, Masumabad, Bhulta, Rupgonj, Narayangonj
Website: www.simgroup-bd.com

Product
Galaxy Co
Phone : 719