Annual Report 2018



MOZAFFAR HOSSAIN SPINNING MILLS LTD.

Table of contents

01 Transmittal Letter
02 Notice of the 13th Annual General Meeting
03 Corporate Directory
04 Corporate Management
05 Five Years' Financial Summery
06 Company Profile
07 Album of MHSML
09 Factory Highlights

10 Photographs of 12th AGM, 2017
12 The Board of Directors
15 Message from the Chairman
16 Management Team
18 Directors' Report
22 CEO & CFO's Declaration to the Board of Directors
23 Audit Committee Report
24 BAPLC Certificate

25 Corporate Governance Compliance Report
39 Auditors' Report to the Shareholders
40 Statement of Financial Position
41 Statement of Profit or Loss & Other Comprehensive Income
42 Statement of Changes in Equity
43 Statement of Cash Flows
44 Notes to the Financial Statements
65 Proxy Form & Attendance Slip

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, 2018.

Dear sir (s),
Enclosed pleased find a copy of Annual Report together with the Audited Financial Statements including Statement 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, 2018 along with notes to thereon of Mozaffar Hossain Spinning Mills Limited for your kind information and records.

Thank you.

Sincerely yours,

(Haris Alam)
Company Secretary



AMAR STOCK



Mozaffar Hossain Spinning Mills Limited

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

Notice of the 13th Annual General Meeting

Notice is hereby given that the 13th Annual General Meeting (AGM) of the shareholders of Mozaffar Hossain Spinning Mills Limited will be held on Saturday, December 22, 2018 at 10.30 a.m. at the DOHS Baridhara Convention Centre, 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, 2018 along with report of the Auditors and Directors.
02. To approve the dividend for the year ended June 30, 2018 as recommended by the Board of Directors.
03. To approve retirement of Directors and appointment of Directors as per article of Associations of the Company
04. To appoint statutory Auditors of the Company and Professionals for compliance of corporate governance code and fix their remuneration for the year ended June 30, 2019.
05. To transact any other business with the permission of the Chair.

By order of the Board

(Haris Alam)
Company Secretary

Dated: December 06, 2018.

Notes:

01. The Record Date is November 22, 2018.
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 13th 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 2018 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 ১৩তম 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. 942.98 Million
✓ Date of Last AGM	26.12.2017

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
Haris Alam

Chief Financial Officer
Shahin Ahmed

Audit Committee

Md. Alamgir Akando Mintu	: Chairman
Raisul Hasan	: Director
ASM Rakibul Hasan	: Nominee Director
Haris Alam	: Secretary

Head of Internal Audit
Md. Atiqur Rahman Bhuiyan FCMA

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
Cost & Management Accountants
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

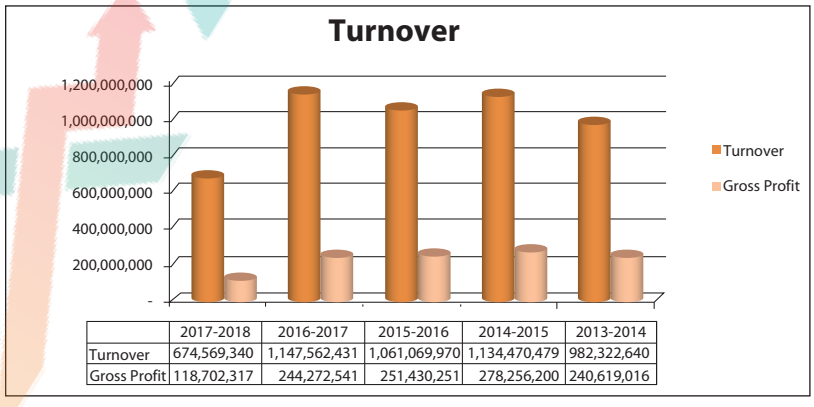


Amountin Taka

Operational Result	30-Jun-18	30-Jun-17	30-Jun-16	30-Jun-15	30-Jun-14
Turnover	674,569,340	1,147,562,431	1,061,069,970	1,134,470,479	982,322,640
Gross Profit	118,702,317	244,272,541	251,430,251	278,256,200	240,619,016
Profit from Operation	97,622,040	228,279,805	240,007,832	266,990,350	234,933,119
Net Profit before tax	57,111,940	177,590,010	182,867,165	206,375,099	156,860,163
Net Profit after Tax	48,478,988	150,934,445	154,373,254	175,369,270	132,898,391
Net Cash Flow From Operation	190,559,992	138,584,545	207,401,863	195,321,643	111,497,477

Financial Position	30-Jun-18	30-Jun-17	30-Jun-16	30-Jun-15	30-Jun-14
Fixed Assets	1,027,995,960	736,456,966	739,205,845	706,073,249	634,782,553
Current Assets	1,059,205,792	1,135,828,131	1,006,291,727	927,335,956	817,109,165
Shareholder's Equity	1,638,208,275	1,589,729,287	1,465,913,819	1,311,540,565	1,138,777,588
Long Term Liability	99,393,842	44,210,785	39,622,307	65,048,795	14,639,268

Key Financial Ratio	30-Jun-18	30-Jun-17	30-Jun-16	30-Jun-15	30-Jun-14
Current Ratio	2.99	4.66	4.11	3.54	2.74
Quick Ratio	2.16	3.43	2.84	2.30	1.71
Debt to Equity Ratio	011	0.04	0.03	0.05	0.01
Net Income Ratio (%)	7.19	13.15	14.55	15.45	13.53
Return on Equity (%)	5.14	9.49	10.53	13.37	11.67
Earning Per Share	0.51	1.68	1.72	1.95	1.70





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. . In January 2014 Mozaffar Hossain Spinning Mills Limited listed its share with both Dhaka and Chittagong Stock Exchange

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, Rupgonj, and 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



Managing director Md. Mozaffar Hossain & Directors Raisul Hasan hand over to Prime Minister Welfare fund blanket to Honorable Prime Minister of Peoples Republic of Bangladesh Government " Sheikh Hasina"



Managing director Md. Mozaffar Hossain receiving CIP card from Honorable Commerce minister, Peoples Republic of Bangladesh Government Mr; Tofail Ahmed .

Album of MHSML

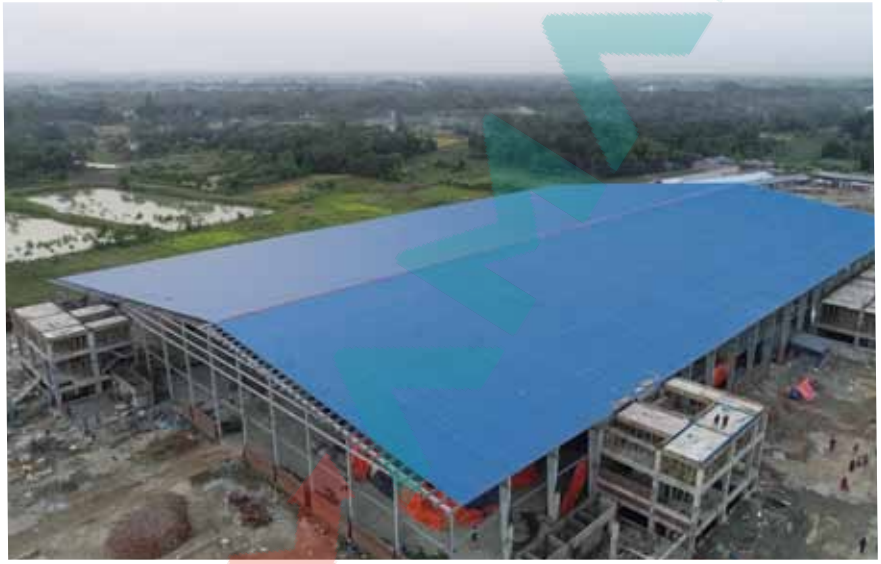




Factory Highlights



New Ring Spinning Shed with arrived machineries.



New Ring Spinning Shed - Birds eye view.

Photographs of 12th AGM, 2017











Photographs of 12th AGM, 2017











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, SIM Apparels 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
Director

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.



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
Nominee Director

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. 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 33 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.



Md. Alamgir Akando Mintu
Independent Director

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 19 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.

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 13th 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 2018. 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 other's, 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 2018. 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 Joint 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

AMARSTOCK

Management Team

Sl.	Name	Designation	Department
1.	Md. Mozaffar Hossain	Managing Director	
2	Md. Enamul Hoque	Chief Operating Officer	Operation
3.	Haris Alam	Company Secretary	Board Secretariat
4.	Shahin Ahmed	Chief Financial Officer	Accounts & Finance
5.	Md. Atiqur Rahman Bhuiyan, FCMA	Head of Internal Audit	Audit
6.	Md. Tafiqul Islam	Deputy General Manager	Planning & Commercial
7.	Md. Sahal Hossain	Manager	Procurement
8.	Md. Mehedi Hasan	Manager	Audit
9.	Muhammad Ilyas	In-Charge	Share Division
10.	Subrata Sen	Accounts Officer	Accounts & Finance
Owner's Representative			
Mr. Md. Ayenul Hoque		Director (Operation)	Operation

Pattern of Shareholding and No. of Shareholding as on 30 June 2018

Share Holding Range	Number of Share Holders	No. of Share	Percentage of Share Holding
1 to 500	1,184	213,363	0.23%
501 to 5,000	3,369	5,011,129	5.31%
5,001 to 10,000	451	3,183,003	3.38%
10,001 to 20,000	309	4,354,313	4.62%
20,001 to 30,000	98	2,415,053	2.56%
30,001 to 40,000	51	1,721,221	1.83%
40,001 to 50,000	25	1,119,248	1.19%
50,001 to 100,000	56	3,812,636	4.04%
100,001 to 1,000,000	56	15,647,721	16.59%
1,000,001 to Above	9	56,820,515	60.26%
Total	**5608**	**94,298,202**	**100.00%**

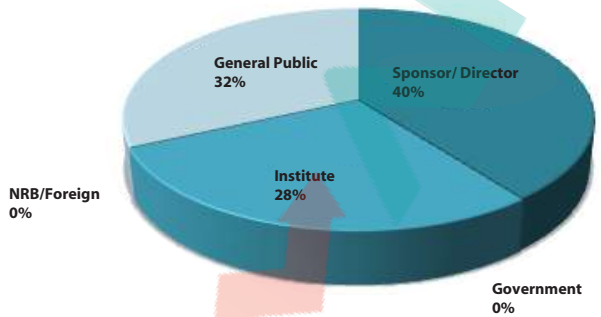
Top 10 (Ten) Shareholders as on 30 June 2018

Sl No	Name Shareholders	No. of Shares Held	% of Holding
1	SIM FABRICS LTD.	31093125	32.97%
2	ICB	12332681	13.07%
3	INVESTMENT CORP. OF BANGLADESH	2936328	3.11%
4	RAISUL HASAN	2098031	2.22%
5	RAHIMA HOSSAIN	2043315	2.17%
6	MD. MOZAFFAR HOSSAIN	1901812	2.02%
7	MOHAMMAD ABDUL HAI	1769834	1.88%
8	MOSTAFIZUR RAHMAN	1542889	1.64%
9	Fareast Stocks & Bonds Ltd	1102500	1.17%
10	MOHAMMAD ABDUL HAI	904683	0.96%
Total		**57725198**	**61.21%**

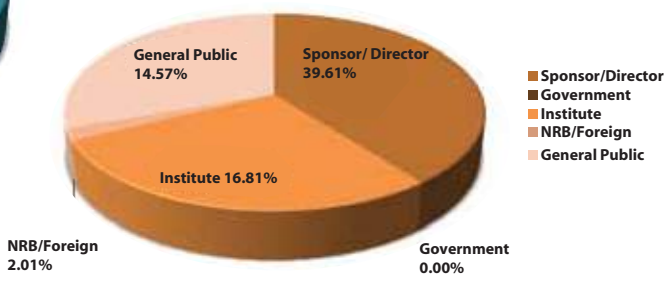
Shareholding Composition as on 30 June

Sl No	Shareholders Group	2018		2017	
		No. of Share	Percentage (%)	No. of Share	Percentage (%)
1	Sponsor/Director	37,348,349	39.61%	35,569,858	39.61%
2	Government			-	-
3	Institute	26,934,737	28.56%	25,133,086	27.98%
4	NRB/Foreign	113,157	00.12%	1,759,032	01.95%
5	General Public	29,901,959	31.71%	27,345,836	30.46%
Total		**94,298,202**	**100.00%**	**89,807,812**	**100.00%**

Shareholding Composition 2018



Shareholding Composition 2017



Directors' Report

Dear Shareholders,

Assalamualaikum,

On behalf of the Board of Directors and on my own behalf I welcome you all to 13th 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 2017-2018, 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 942,982,020 (Ninety Four Crore Twenty Nine Lac Eighty Two Thousand 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 67.46 crore. Due to construction and installation of 36000 Spindle Ring Spinning project daily production hampered in existing rotor unit seriously, and possible revenue comes less than previous year, also 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	2018	2017
Net Profit after Tax	48,478,988	150,934,445
Profit available for appreciation	494,672,491	491,097,398
Recommended for appropriations (Stock dividend @ 05%)	47,149,101	44,903,895
Un- appropriated profit carried forward	447,523,390	446,193,503

(i) 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.

(ii) Segment-wise or product wise performance

Company operates in single product segment.

(iii) 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.a

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.

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

Profit from Operation	2018		2017	
Cost of Goods Sold	555,867,024	82.40%	903,289,890	78.71%
Gross margin	118,702,317	17.60%	244,272,541	21.29%
Net margin for the year	48,478,988	07.87%	150,934,445	13.15%

(v) Discussion on continuity of extraordinary gain or loss

Extraordinary gains or losses refer to infrequent and unusual gain or loss and which is not part of the Company's ordinary/day to day operations. As for the Company, there was no such gain or loss during the year under reporting.

(vi) Related party transactions

The company has transactions with its mother company which have been disclosed in related party transaction in page no. 61 of the annual report.

(Vii) Significant variance of financial statements

There is no significant variance in the financial statements during the year ended on 30th June 2018

Directors Responsibilities for the Financial Statements

In accordance with the Bangladesh Securities and Exchange Commission Notification No. BSEC/CMRRCD/2006-158/207/Admin/80 dated 03 June, 2018, the Directors are pleased to confirm the following:

xi) 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.

xii) Proper books and accounts of the company have been maintained.

xiii) 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.

xiv) Bangladesh Accounting Standards (BASs) and Bangladesh Financial Reporting Standard (BFRSs) have been followed in the preparation of the Financial Statements.

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

xix) The key operating and financial data for the last five years are shown on page 6.

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

xvi) Minority Shareholders have been protected from abusing actions by, or in the interest of, controlling shareholders acting either directly or indirectly and have effective means of redress.

xxii) No bonus shares or stock dividend has been or shall be declared as interim dividend.

Director's remuneration

x) Director's remuneration is shown in the page no. 60 of the notes to the Financial Statements.

xxiii) 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.

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

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.

Deviation from last year Result

Expansion project of 36,000 Spindle ring spinning mills are under construction. due to up -gradation of power supply work and short supply of Gas 50% of rotor machine were shutdown for a long time. Hence, production and revenue has been decreased during the year 20017-2018.

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.

xx) Dividend

The Board of Directors has recommended 5% Stock dividend to the all shareholders for the year ended June 30, 2018 (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, 2018.

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.

Professionals for Compliance of Corporate Governance Code

The board has appointed M/s. Mazumdar Sikder and Associates 105/A 3rd Floor, Kakrail, Dhaka-1000 as professional for Report on Compliance Governance Guidelines for the year 2018-19.

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 and firms (RJSC), Bangladesh Securities and Exchange Commission (BSEC), Dhaka Stock Exchange Limited (DSE), Chittagong Stock Exchange Limited (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 2017-2018 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

Annexure- A
[As per condition No. 1(5)(xxvi)]

Mozaffar Hossain Spinning Mills Limited
Declaration by CEO and CFO

Date: 27.10.2018

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

Subject: Declaration on Financial Statement for the year ended on 30 June 2018

Dear Sirs,
Pursuant to the condition No. 1(5)(xxvi) imposed vide the Commission's Notification No. BSEC/CMRRCD/2006-158/2017/Admin/80 Dated 03 June 2018 under section 2CC of the Securities and Exchange Ordinance, 1969, we do hereby declare that:

01. The Financial Statements of Mozaffar Hossain Spinning Mills Limited for the year ended on 30 June 2018 have been prepared in compliance with International Accounting Standards (IAS) or International Financial Reporting Standards (IFRS), as applicable in the Bangladesh and any departure there from has been adequately disclosed;
02. The estimates and judgments related to the financial statements were made on a prudent and reasonable basis, in order for the financial statements to reveal a true and fair view;
03. The form and substance of transactions and the Company's state of affairs have been reasonably and fairly presented in its financial statements;
04. To ensure above, the Company has taken proper and adequate care in installing a system of internal control and mainte nance of accounting records;
05. Our internal auditors have conducted periodic audits to provide reasonable assurance that the established policies and procedures of the Company were consistently followed; and
06. The management's use of the going concern basis of accounting in preparing the financial statements is appropriate and there exists no material uncertainty related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern.

In this regard, we also certify that: --

(i) We have reviewed the financial statements for the year ended on 30 June 2018 and that to the best of our knowledge and belief:

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

(b) these statements collectively present 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 transactions entered into by the Company during the year which are fraudulent, illegal or in violation of the code of conduct for the company's Board of Directors or its members.

Sincerely yours

(Md. Mozaffar Hossain)
Managing Director

(Shahin Ahmed)
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
A.S.M Rakibul Hasan (Nominee Director)	:	Member
Haris Alam	:	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 to improve 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, 2018 may be approved.
2. ATA Khan & Co. Chartered Accountants be appointed as the auditor of the company for the year ended June 30, 2019 at existing fees including VAT and TAX subject to the approval of the members at the 13th Annual General Meeting of the company.

On behalf of the Audit Committee

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

AMAR STOCK

BANGLADESH ASSOCIATION OF PUBLICLY LISTED COMPANIES

Ref. No: CM-2018/262

BAPLC

Date of issue :November 26, 2018

Renewed Certificate

This is to certify that

MOZAFFAR HOSSAIN SPINNING MILLS LIMITED

is an Ordinary Member of Bangladesh Association of Publicly Listed Companies *and is entitled to all the rights and privileges appertaining thereto.*

This certificate remains current until 31st December **2018.**

Secretary-General

EXAMSTOCK

MAZUMDAR SIKDER AND ASSOCIATES

Cost & Management Accountants

Report to the Shareholders of Mozaffar Hossain Spinning Mills Limited on compliance on the Corporate Governance Code

We have examined the compliance status to the Corporate Governance Code by **Mozaffar Hossain Spinning Mills Limited** for the year ended on June 30, 2018. This Code relates to the Notification No. BSEC/CMRRCD/2006-158/207/Admin/80, Dated: 3 June 2018 of the Bangladesh Securities and Exchange Commission.

Such compliance with the Corporate Governance Code is the responsibility of the Company. Our examination was limited to the procedures and implementation thereof as adopted by the Management in ensuring compliance to the conditions of the Corporate Governance Code.

This is scrutiny and verification and an independent audit on compliance of the conditions of the Corporate Governance Code as well as the provisions of relevant Bangladesh Secretarial Standards (BSS) as adopted by Institute of Chartered Secretaries of Bangladesh (ICSB) in so far as those standards are not inconsistent with any condition of this Corporate Governance Code.

We state that we have obtained all the information and explanations, which we have required, and after due scrutiny and verification thereof, we report that, in our opinion:

(a) The Company has complied with the conditions of the Corporate Governance Code as stipulated in the above mentioned Corporate Governance Code issued by the Commission except Condition no 1.5 (xxv) and 6.

(b) The Company has complied with the provisions of the relevant Bangladesh Secretarial Standards (BSS) as adopted by the Institute of Chartered Secretaries of Bangladesh (ICSB) as required by this Code;

(c) Proper books and records have been kept by the company as required under the Companies Act, 1994, the securities laws and other relevant laws ; and

(d) The governance of the company is satisfactory.

For Mazumdar Sikder and Associates

Place -Dhaka.
Date- November 27, 2018

Md. Salauddin Sikder FCMA
Cost & Management Accountants

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

MOZAFFAR HOSSSAIN SPINNING MILL LTD.

Status of Compliance with the Corporate Governance Guideline (CGC)

Status of Compliance with the conditions imposed by the Commission`s Notification No. BSEC/CMRRCD/2006-158/207/Admin/80 dated 03 June 2018, issued under section 2CC of the Securities and Exchange Ordinance, 1969:

Condition No.	Title	Compliance Status (Put √ in the appropriate column)		Remarks (if any)
		Complied	Non-complied	
1 1.1	**Board of Directors** **Size of the Board of Directors**			
	The total number of the board members of the company shall not be less than 5 (five) and more than 20 (twenty)	√		
1.2	**Independent Directors**			
1.2(a)	At least on fifth (1/5) of the total number of directors in the company's board shall be independent directors.	√		
1.2 (b)	For the purpose of this clause 'independent director' means a director-			
1.2 (b) (i)	Who either does not hold any share in the company or holds less than one percent (1%) shares of the total paid-up shares of the company;	√		
1.2 (b)(ii)	who is not a sponsor of the company or is not connected with the company's any sponsor or director or nominated director or shareholder of the company or any of its associates, sister concerns, subsidiaries and parents or holding entities who holds one percent (1%) or more shares of the total paid-up shares of the company on the basis of family relationship and his or her family members shall not hold above mentioned shares in the company;	√		
1.2 (b)(iii)	who has not been an executive of the company in immediately preceding 2 (two) financial years;	√		
1.2 (b) (iv)	who does not have any other relationship, whether pecuniary or otherwise, with the company or its subsidiary or associated companies;	√		
1.2 (b)(v)	who is not a member or TREC (Trading Right Entitlement Certificate) holder, director or officer of any stock exchange;	√		
1.2 (b)(vi)	who is not a shareholder, director excepting independent director or officer of any member or TREC holder of stock exchange or an intermediary of the capital market;	√		
1.2 (b)(vii)	who is not a partner or an executive or was not a partner or an executive during the preceding 3 (three) years of the concerned company's statutory audit firm or audit firm engaged in internal audit services or audit firm conducting special audit or professional certifying compliance of this Code;	√		
1.2 (b)(viii)	who is not independent director in more than 5 (five) listed companies;	√		
1.2 (b)(ix)	who has not been convicted by a court of competent jurisdiction as a defaulter in payment of any loan or any advance to a bank or a Non-Bank Financial Institution (NBFI);	√		

1.2 (b)(x)	who has not been convicted for a criminal offence involving moral turpitude;	√		
1.2 (c)	Independent director shall be appointed by the Board of Directors and approved by the shareholders in the Annual General Meeting (AGM);	√		
1.2 (d)	The post of independent director cannot remain vacant for more than 90 (ninety) days;	√		
1.2 (e)	The 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;	√		
1.3	**Qualification of Independent Director(ID)**			
1.3 (a)	Independent Director shall be a knowledgeable individual with integrity who is able to ensure compliance with financial laws, regulatory requirements and corporate laws and can make meaningful contribution to business;	√		
1.3 (b)	Independent Director shall have following qualifications	√		
1.3 (b)(i)	Business leader who is or was a promoter or director of an unlisted company having minimum paid up capital of Tk. 100.00 million or any listed company or a member of any national or international chamber of commerce or business association; or	√		
1.3(b)(ii)	Corporate leader who is or was a top level executive not lower than Chief Executive Officer or Managing Director or Deputy Managing Director or Chief Financial Officer or Head of Finance or Accounts or Company Secretary or Head of Internal Audit and Compliance or Head of Legal Service or a candidate with equivalent position of an unlisted company having minimum paid up capital of Tk. 100.00 million or of a listed company;	-		
1.3(b)(iii)	Former official of government or statutory or autonomous or regulatory body in the position not below 5th Grade of the national pay scale, who has at least educational background of bachelor degree in economics or commerce or business or law;	-		
1.3 (b)(iv)	University Teacher who has educational background in Economics or Commerce or Business Studies or Law;	-		
1.3 (b)(v)	Professional who is or was an advocate practicing at least in the High Court Division of Bangladesh Supreme Court or a Chartered Accountant or Cost and Management Accountant or Chartered Financial Analyst or Chartered Certified Accountant or Certified Public Accountant or Chartered Management Accountant or Chartered Secretary or equivalent qualification;	-		
1.3 (c)	The independent director shall have at least 10 (ten) years of experiences in any field mentioned in clause (b);	√		
1.3 (d)	In special cases the above qualifications may be relaxed subject to prior approval of the Commission;			No such issue arose

1.4	**Duality of Chairperson of the Board of Directors and Managing Director or Chief Executive Officer**			
1.4 (a)	The positions of the Chairperson of the Board and the Managing Director and/ or Chief Executive Officer (CEO) of the company shall be filled by different individuals;	√		
1.4 (b)	The Managing Director (MD) and/ or Chief Executive Officer (CEO) of a listed company shall not hold the same position in another listed company;	√		
1.4 (c)	The Chairperson of the Board shall be elected from among the non-executive directors of the company;	√		
1.4 (d)	The Board shall clearly define respective roles and responsibilities of the chairperson and the Managing Director and/ or Chief Executive Officer;	√		
1.4 (e)	In the absence of the chairperson of the Board, the remaining members may elect one of themselves from non-executive directors as Chairperson for that particular Board's meeting; the reason of absence of the regular Chairperson shall be duly recorded in the minutes.	√		
1.5	**The Directors' Report to Shareholders**			
	The Board of the company shall include the following additional statements or disclosures in the Directors' Report prepared under section 184 of the companies Act, 1994 (Act No. XVIII of 1994):-			
1.5 (i)	An industry outlook and possible future developments in the industry;	√		
1.5 (ii)	The Segment-wise or product-wise performance;	√		
1.5 (iii)	Risks and concerns including internal and external risk factors, threat to sustainability and negative impact on environment, if any;	√		
1.5 (iv)	A discussion on Cost of Goods sold, Gross Profit Margin and Net Profit Margin;	√		
1.5 (v)	A discussion on continuity of any Extra-Ordinary gain or loss;	√		
1.5 (vi)	A detailed discussion on related party transactions along with a statement showing amount, nature of related party, nature of transactions and basis of transactions of all related party transactions;	√		
1.5 (vii)	A statement of utilization of proceeds raised through public issues, rights issues and/or any other instruments;			N/A
1.5 (viii)	An explanation if the financial results deteriorate after the company goes for Initial Public Offering (IPO), Repeat Public Offering (RPO), Rights Offer, Direct Listing, etc.;			N/A
1.5 (ix)	An explanation on any significant variance that occurs between Quarterly Financial performance and Annual Financial statements;			No such matter to explain
1.5 (x)	A statement of remuneration paid to the directors including independent directors	√		
1.5 (xi)	The financial statements prepared by the management of the issuer company present fairly its state of affairs, the result of its operations, cash flows and changes in equity;	√		
1.5 (xii)	Proper books of account of the issuer company have been maintained;	√		

1.5 (xiii)	Appropriate accounting policies have been consistently applied in preparation of the financial statements and that the accounting estimates are based on reasonable and prudent judgment;	√		
1.5 (xiv)	International Accounting Standards (IAS) or International Financial Reporting Standards (IFRS), as applicable in Bangladesh, have been followed in preparation of the financial statements and any departure there-from has been adequately disclosed;	√		Bas and BFRS have been followed
1.5 (xv)	The system of internal control is sound in design and has been effectively implemented and monitored;	√		
1.5 (xvi)	Minority shareholders have been protected from abusive actions by, or in the interest of, controlling shareholders acting either directly or indirectly and have effective means of redress;	√		
1.5 (xvii)	There are no significant doubts upon the issuer company's ability to continue as a going concern. If the issuer company is not considered to be a going concern, the fact along with reasons thereof should be disclosed;	√		
1.5 (xviii)	An explanation that significant deviations from the last year's operating results of the issuer company shall be highlighted and the reasons thereof shall be explained;			No such matter to explain
1.5 (xix)	Key operating and financial data of at least preceding 5 (five) years shall be summarized;	√		
1.5 (xx)	An explanation on the reasons if the issuer company has not declared dividend (cash or stock) for the year;			The Board declared dividend
1.5 (xxi)	Board statement to the effect that no bonus share or stock dividend has been or shall be declared as interim dividend;	√		
1.5 (xxii)	The total number of Board meetings held during the year and attendance by each director shall be disclosed;	√		
1.5 (xxiii)	**A report on the pattern of shareholding disclosing the aggregate number of shares (along with name-wise details where stated below) held by:-**			
1.5 (xxiii)(a)	Parent/Subsidiary/Associated Companies and other related parties (name wise details);	√		
1.5 (xxiii)(b)	Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer, Head of Internal Audit and their spouses and minor children (name wise details);	√		
1.5 (xxiii)(c)	Executives;	√		
1.5 (xxiii)(d)	Shareholders holding ten percent (10%) or more voting interest in the company (name wise details);	√		
1.5 (xxiv)	In case of the appointment/re-appointment of a director the company shall disclose the following information to the shareholders:			
1.5 (xxiv)(a)	A brief resume of the director;	√		
1.5 (xxiv)(b)	Nature of his/her expertise in specific functional areas;	√		

1.5 (xxiv)(c)	Names of companies in which the person also holds the directorship and the membership of committees of the board;	√		
1.5 (xxv)	**A Management's Discussion and Analysis signed by CEO or MD presenting detailed analysis of the company's position and operations along with a brief discussion of changes in the financial statements, among others, focusing on:**			will be complied
1.5 (xxv)(a)	Accounting policies and estimation for preparation of financial statements;			
1.5 (xxv)(b)	Changes in accounting policies and estimation, if any, clearly describing the effect on financial performance and financial position as well as cash flows in absolute figure for such changes;			
1.5 (xxv)(c)	Comparative analysis (including effects of inflation) of financial performance or results and financial position as well as cash flows for current financial year with immediate preceding five years explaining reasons thereof;			
1.5 (xxv)(d)	Compare such financial performance or results and financial position as well as cash flows with the peer industry scenario;			
1.5 (xxv)(e)	The financial and economic scenario of the country and the globe;			
1.5 (xxv)(f)	Risks and concerns issues related to the financial statements, explaining such risk and concerns mitigation plan of the company;			
1.5 (xxv)(g)	Future plan or projection or forecast for company's operation, performance and financial position, with justification thereof, i.e., actual position shall be explained to the shareholders in the next AGM;			
1.5 (xxvi)	Declaration or certification by the CEO and the CFO to the Board as required under condition No. 3(3) shall be disclosed as per Annexure-A;	√		
1.5 (xxvii)	The report as well as certificate regarding compliance of conditions of this Code as required under condition No. 9 shall be disclosed as per Annexure-B and Annexure-C.	√		
1.6	**Meetings of the Board of Directors**			
	The company shall conduct its Board meetings and record the minutes of the meetings as well as keep required books and records in line with the provisions of the relevant Bangladesh Secretarial Standards (BSS) as adopted by the Institute of Chartered Secretaries of Bangladesh (ICSB).	√		
1.7	**Code of Conduct for the Chairperson, other Board members and Chief ExecutiveOfficer**			

1.7 (a)	The Board shall lay down a code of conduct, based on the recommendation of the Nomination and Remuneration Committee (NRC) at condition No. 6, for the Chairperson of the Board, other board members and Chief Executive Officer of the company;	√		
1.7 (b)	The code of conduct as determined by the NRC shall be posted on the website of the company including, among others, prudent conduct and behavior; confidentiality; conflict of interest; compliance with laws, rules and regulations; prohibition of insider trading; relationship with environment, employees, customers and suppliers; and independency.			Will be complied within stipulated time
2	**Governance of Board of Directors of Subsidiary Company**			
2 (a)	Provisions relating to the composition of the Board of the holding company shall be made applicable to the composition of the Board of the subsidiary company;			N/A
2 (b)	At least 1 (one) independent director on the Board of the holding company shall be a director on the Board of the subsidiary company;			N/A
2 (c)	The minutes of the Board meeting of the subsidiary company shall be placed for review at the following Board meeting of the holding company;			N/A
2 (d)	The minutes of the respective Board meeting of the holding company shall state that they have reviewed the affairs of the subsidiary company also;			N/A
2 (e)	The Audit Committee of the holding company shall also review the financialStatements, in particular the investments made by the subsidiary company.			N/A
3	**Managing Director (MD) or Chief Executive Officer (CEO), Chief Financial Officer (CFO), Head of Internal Audit and Compliance (HIAC) and Company Secretary (CS).-**			
3.1	**Appointment**			
3.1 (a)	The Board shall appoint a Managing Director (MD) or Chief Executive Officer (CEO), a Company Secretary (CS), a Chief Financial Officer (CFO) and a Head of Internal Audit and Compliance (HIAC);	√		
3.1 (b)	The positions of the Managing Director (MD) or Chief Executive Officer (CEO), Company Secretary (CS), Chief Financial Officer (CFO) and Head of Internal Audit and Compliance (HIAC) shall be filled by different individuals;	√		
3.1 (c)	The MD or CEO, CS, CFO and HIAC of a listed company shall not hold any executive position in any other company at the same time;	√		
3.1 (d)	The Board shall clearly define respective roles, responsibilities and duties of the CFO, the HIAC and the CS;	√		
3.1 (e)	The MD or CEO, CS, CFO and HIAC shall not be removed from their positionwithout approval of the Board as well as immediate dissemination to the Commission and stock exchange(s).	√		

3.2	**Requirement to attend the Board Meetings**			
	The MD or CEO, CS, CFO and HIAC of the companies shall attend the meetings of the Board of Directors provided that the CS, CFO and /or the HIAC shall not attend such part of a meeting of the Board of Directors which involves consideration of an agenda item relating of their personal matters.	√		
3.3	**Duties of Managing Director (MD) or Chief Executive Officer (CEO) and Chief Financial Officer (CFO)**			
3.3 (a)	The MD or CEO and CFO have reviewed financial statements for the year to the best of their knowledge and belief;	√		
3.3 (a)(i)	These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;	√		
3.3 (a)(ii)	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;	√		
3.3 (b)	This is also certified that no transactions entered into by the company during the year which are fraudulent, illegal or in violation of the code of conduct for the company's Board or its members;	√		
3.3 (c)	The certification of the MD or CEO and CFO shall be disclosed in the Annual Report.	√		
4	**Board of Directors' Committee**			
	For ensuring good governance in the company, the Board shall have at least following subcommittees:			
4 (i)	Audit Committee;	√		
4 (ii)	Nomination and Remuneration Committee;	√		
5	**Audit Committee**			
5.1	**Responsibility to the Board of Directors**			
5.1 (a)	The company shall have an Audit Committee as a sub-committee of the Board of Directors;	√		
5.1 (b)	The Audit Committee shall assist the Board of Directors in ensuring that the financial statements reflect true and fair view of the state of affairs of the company and in ensuring a good monitoring system within the business;	√		
5.1 (c)	The Audit Committee shall be responsible to the Board of Directors. The duties of the Audit Committee shall be clearly set forth in writing.	√		
5.2	**Constitution of Audit Committee**			
5.2 (a)	The Audit Committee shall be composed of at least 3 (three) members;	√		
5.2 (b)	The Board of Directors shall appoint members of the Audit Committee who shall be directors of the company and shall include at least 1 (one) independent director;	√		

5.2 (c)	All members of the audit committee should be "financially literate" and at least 1 (one) member shall have accounting or related financial management background and 10 (ten) years of such experience;	√		
5.2 (d)	When the term of service of the Committee members expires or there is any circumstance causing any Committee member to be unable to hold office until expiration of the term of service, thus making the number of the Committee members to be lower than the prescribed number of 3 (three) persons, the Board of Directors shall appoint the new Committee member(s) to fill up the vacancy(ies) immediately or not later than 1 (one) month from the date of vacancy(ies) in the Committee to ensure continuity of the performance of work of the Audit Committee;	√		
5.2 (e)	The company secretary shall act as the secretary of the Committee;	√		
5.2 (f)	The quorum of the Audit Committee meeting shall not constitute without at least 1 (one) independent director.	√		
5.3	**Chairman of the Audit Committee**			
5.3 (a)	The Board of Directors shall select 1 (one) member of the Audit Committee to be Chairman of the Audit Committee, who shall be an independent director;	√		
5.3 (b)	In the absence of the chairperson of the Audit Committee , the remaining members may elect on of themselves as chairparson for that particular meeting, in that case there shall be no problem of constituting a quorum as required under condition No. 5 (4) (b) and the reason of absence of the regular Chairparson shall be duly recorded in the minutes.			No such incident arose
5.3 (c)	Chairman of the audit committee shall remain present in the Annual General Meeting (AGM).	√		
5.4	**Meeting of the Audit Committee**			
5.4 (a)	The Audit Committee shall conduct at least its four meetings in a financial year;	√		
5.4 (b)	The quorum of the meeting of the Audit Committee shall be constituted in presence of either two members or two third of the members of the Audit Committee, whichever is higher, where presence of an independent director is a must.	√		
5.5	**Role of Audit Committee shall include the following:**			
5.5 (a)	Oversee the financial reporting process;	√		
5.5 (b)	Monitor choice of accounting policies and principles;	√		
5.5 (c)	Monitor Internal Audit and Compliance process to ensure that it is adequately resourced, including approval of the Internal Audit and Compliance Plan and review of the Internal Audit and Compliance Report;	√ √		
5.5 (d)	Oversee hiring and performance of external auditors;			
5.5 (e)	Hold meeting with the external or statutory auditors for review of the annual financial statements before submission to the Board for approval or adoption;	√		
5.5 (f)	Review along with the management, the annual financial statements before submission to the board for approval;	√		
5.5 (g)	Review along with the management, the quarterly and half yearly financial statements before submission to the board for approval;	√		

5.5 (h)	Review the adequacy of internal audit function;	√		
5.5 (i)	Review the Management's Discussion and Analysis before disclosing in the Annual Report;	√		
5.5 (j)	Review statement of significant related party transactions submitted by the management;	√		
5.5 (k)	Review Management Letters/ Letter of Internal Control weakness issued by statutory auditors;	√		
5.5 (l)	Oversee the determination of audit fees based on scope and magnitude, level of expertise deployed and time required for effective audit and evaluate the performance of external auditors;	√		
5.5 (m)	Oversee whether the proceeds raised through Initial Public Offering (IPO) or Repeat Public Offering (RPO) or Rights Share Offer have been utilized as per the purposes stated in relevant offer document or prospectus approved by the Commission:	√		
5.6	**Reporting of the Audit Committee**			
5.6 (a)	**Reporting to the Board of Directors**			
5.6 (a)(i)	The Audit Committee shall report on its activities to the Board of Directors.	√		
5.6 (a)(ii)	The Audit committee shall immediately report to the Board of Directors on the following findings, if any;			
5.6 (a)(ii)(a)	Report on conflicts of interests;			No such incident arose
5.6 (a) (ii)(b)	Suspected or presumed fraud or irregularity or material defect in the internal control system;			No such incident arose
5.6 (a) (ii)(c)	Suspected infringement of laws, including securities related laws, rules and regulations; and			No such incident arose
5.6 (a) (ii)(d)	Any other matter which shall be disclosed to the Board of Directors immediately			No such incident arose
5.6 (b)	**Reporting to the Authorities**			
	If the Audit Committee has reported to the Board of Directors about anything which has material impact on the financial condition and results of operation and has discussed with the Board of Directors and the management that any rectification is necessary and if the Audit Committee finds that such rectification has been unreasonably ignored, the Audit Committee shall report such finding to the Commission, upon reporting of such matters to the Board of Directors for three times or completion of a period of 6 (six) months from the date of first reporting to the Board of Directors, whichever is earlier.			No such incident arose

5.7	**Reporting to the Shareholders and General Investors**			
	Report on activities carried out by Audit Committee, including any report made to the Board of Directors under condition 5(6)(a)(ii) above during the year shall be signed by the Chairman of the Audit Committee and disclosed in the annual report of the issuer company.			
6	**Nomination and Remuneration Committee (NRC)**			willbe complied within stipulated time.
6.1	**Responsibility to the Board of Directors**			
6.1 (a)	The company shall have a Nomination and Remuneration Committee (NRC) as a subcommittee of the Board;			
6.1(b)	The NRC shall assist the Board in formulation of the nomination criteria or policy for determining qualifications, positive attributes, experiences and independence of directors and top level executive as well as a policy for formal process of considering remuneration of directors, top level executive;			
6.1(c)	The Terms of Reference (ToR) of the NRC shall be clearly set forth in writing covering the areas stated at the condition No. 6(5)(b).			
6.2	**Constitution of the NRC**			
6.2 (a)	The Committee shall comprise of at least three members including an independent director;			
6.2 (b)	All members of the Committee shall be non-executive directors;			
6.2 (c) 6.2 (d)	Members of the Committee shall be nominated and appointed by the Board; The Board shall have authority to remove and appoint any member of the Committee;			
6.2 (e)	In case of death, resignation, disqualification, or removal of any member of the Committee, the board shall fill the vacancy within 180 (one hundred eighty) days of occurring such vacancy in the Committee;			
6.2 (f)	The Chairperson of the Committee may appoint or co-opt any external expert and/or member(s) of staff to the Committee as advisor who shall be non-voting member, if the Chairperson feels that advice or suggestion from such external expert and/or member(s) of staff shall be required or valuable for the Committee;			
6.2 (g)	The company secretary shall act as the secretary of the Committee;			
6.2 (h)	The quorum of the NRC meeting shall not constitute without attendance of at least an independent director;			
6.2 (i)	No member of the NRC shall receive any remuneration for any advisory role or otherwise, other than Director's fees or honorarium from the company;			
6.3	**Chairperson of the NRC**			
6.3 (a)	The Board shall select 1 (one) member of the NRC to be Chairperson of theCommittee, who shall be an independent director;			

6.3 (b)	In the absence of the Chairperson of the NRC, the remaining members may elect one of themselves as Chairperson for that particular meeting, the reason of absence of the regular Chairperson shall be duly recorded in the minutes;			
6.3 (c)	The Chairperson of the NRC shall attend the annual general meeting (AGM) to answer the queries of the shareholders.			
6.4	**Meeting of the NRC**			
6.4 (a)	The NRC shall conduct at least one meeting in a financial year;			
6.4 (b)	The Chairperson of the NRC may convene any emergency meeting upon request by any member of the NRC;			
6.4 (c)	The quorum of the meeting of the NRC shall be constituted in presence of either two members or two third of the members of the Committee, whichever is higher, where presence of an independent director is must as required under condition No. 6(2)(h);			
6.4 (d)	The proceedings of each meeting of the NRC shall duly be recorded in the minutes and such minutes shall be confirmed in the next meeting of the NRC.			
6.5	**Role of the NRC**			
6.5 (a)	NRC shall be independent and accountable to the Board and shareholders;			
6.5 (b)	NRC shall oversee, among others, the following matters:			
6.5 (b)(i)	Formulating the criteria for determining qualifications, positive attributes andindependence of a director and recommend a policy to the Board, considering the following:			
6.5 (b)(i)(a)	The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate suitable directors to run the company successfully;			
6.5 (b)(i)(b)	The relationship of remuneration to performance is clear and meets appropriate performance benchmarks;			
6.5 (b)(i)(c)	Remuneration to directors, top level executive involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals;			
6.5 (b)(ii)	Devising a policy on Board's diversity taking into consideration age, gender, experience, ethnicity, educational background and nationality;			
6.5 (b)(iii)	Identifying persons who are qualified to become directors and who may be appointed in top level executive position in accordance with the criteria laid down, and recommend their appointment and removal to the Board;			
6.5 (b)(iv)	Formulating the criteria for evaluation of performance of independent directors and the Board;			
6.5 (b)(v)	Identifying the company's needs for employees at different levels;			
6.5 (b)(vi)	Developing, recommending and reviewing annually the company's human resources and training policies;			
6.5 (c)	The company shall disclose the nomination and remuneration policy and the evaluation criteria and activities of NRC during the year at a glance in its annual report.			
7	**External/Statutory Auditors.**			

7.1	The issuer company shall not engage its external or statutory auditors to perform the following services of the company, namely:-			
7.1 (i)	Appraisal or valuation services or fairness opinions;	√		
7.1 (ii)	Financial information systems design and implementation	√		
7.1 (iii)	Book-keeping or other services related to the accounting records or financial statements;	√		
7.1 (iv)	Broker-dealer services;	√		
7.1 (v)	Actuarial services;	√		
7.1 (vi)	Internal audit services or special audit services;	√		
7.1 (vii)	any service that the Audit Committee determines;	√		
7.1 (viii)	Audit/certification services on compliance of corporate governance as required under clause (i) of condition No. 9 (1);	√		
7.1 (ix)	Any other service that creates conflict of interest;	√		
7.2	No partner or employees of the external audit firms shall possess any share of the company they audit at least during the tenure of their audit assignment of that company; his or her family members also shall not hold any shares in the said company	√		
7.3	Representative of external or statutory auditors shall remain present in the Shareholders' Meeting (Annual General Meeting or Extraordinary General Meeting) to answer the queries of the shareholders.	√		
8	**Maintaining a website by the Company**			
8.1	The company shall have an official website linked with the website of the stock exchange;	√		
8.2	The company shall keep the website functional from the date of listing;	√		
8.3	The company shall make available the detailed disclosures on its website as required under the listing regulations of the concerned stock exchange(s).	√		
9	**Reporting and Compliance of Corporate Governance**			
9.1	The company shall obtain a certificate from a practicing Professional Accountant or Secretary (Chartered Accountant or Cost and Management Accountant or Chartered Secretary) other than its statutory auditors or audit firm on yearly basis regarding compliance of conditions of Corporate Governance Code of the Commission and shall such certificate shall be disclosed in the Annual Report.	√		
9.2	The professional who will provide the certificate on compliance of this Corporate Governance Code shall be appointed by the shareholders in the annual general meeting;			Will appoint in the next AGM
9.3	The directors of the company shall state, in accordance with the **Annexure** attached, in the directors' report whether the company has complied with these conditions.	√		

Annexure-II

	Particular of Sharehold	Description	Number of share	%
1	**Parsent/ subsidiary/ associates/ related company.**			
	SIM Fabrics Limited		31,093,125	32.97
2.	**Director, Company Secretary, Chief Financial Officer, Head of Independent Internal Audit**			
	Md. Mozaffar Hossain	MD	1,901,812	2.02
	Mrs. Rahima Hossain	Chairman	2,043,315	2.17
	Raisul Hasan	Director	2,087,531	2.22
	Md. Alamgir Akando Mintu	Independent Director	Nil	
	Haris Alam	Company Secretary	Nil	
	Shahin Ahmed	Chief Financial Office	Nil	
	Md. Atiqur Rahman Bhuiyan ACMA	Head of Internal Audit	Nil	
3.	**Executive (Top 5 salaried employees)**			
	Md. Ayenul Hoque	Director Operation	Nil	
	Md. Tafiqul Islam	Deputy General Manager	Nil	
	Md. Atiqur Rahman Bhuiyan ACMA	Asst. General Manager	Nil	
	Md. Daud Uddin	Spinning In charge	Nil	
	Md. Rafiqul Islam	Deputy General Manager	Nil	
4.	**Shareholders holding 10% or more voting interest**		Nil	

Director involved in other company.

Annexure-III

Name	**Designation**	**Directorship**
Md. Mozaffar Hossain	MD	SIM Fabrics Limited
		Authentic Color Limited
		SIM Apparels Ltd.
Mrs. Rahima Hossain	Chairman	SIM Fabrics Limited
		Authentic Color Limited
		SIM Apparels Ltd.
Raisul Hasan	Director	SIM Fabrics Limited
		Authentic Color Limited
		SIM Apparels Ltd.
ASM Rakibul Hasan	Nominee Director	SIM Fabrics Limited
		Authentic Color Limited
		SIM Apparels Ltd.
Md. Sanwar Hossain	Nominee Director	N/A
Md. Alamgir Akando Mintu	Independent Director	N/A
Md. Kamrul Hossain	Independent Director	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 2018 along with statement of Profit or Loss and Other Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's Responsibilities for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, Companies Act 1994, The Securities and Exchange rules 1987, and other applicable rules & Regulation. This responsibility includes designing. Implementing and maintaining internal control relevant to the preparation and fair presentation of financial statement that are free from material misstatement, whether due to fraud or error selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstance.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International 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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion

Opinion:

In our opinion, the financial statements give a true and fair view of the financial position of Mozaffar Hossain Spinning Mills Limited as of 30 June 2018 and of its financial performance for the year then ended in accordance with International Financial Reporting Standards, the Securities and Exchange rules 1987 and companies Act 1994 and other applicable rules and regulation.

Emphasis of Matters

We draw attention to notes no-4.4 enclosed in the financial statements.

We also report that:

a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit made due verification thereof;

b) in our opinion proper books of account as required by law have been kept by the Company so far as it appeared from our examination of those books;

c) the company's Statement of Financial position, Statement of Profit or Loss and other comprehensive Income and Statement of Cash flows deal with by the report are in agreement with the books of accounts;

d) the expenditure incurred and payments made were for the purpose of the company's business for the year.

Dated: Dhaka,
27 October 2018

ATA KHAN & CO.
Chartered Accountants

Mozaffar Hossain Spinning Mills Limited
Statement of Financial Position
As at June 30, 2018

Particulars	Notes	Amount in Taka	
		30.06.2018	30.06.2017
ASSETS			
NON-CURRENT ASSETS		**1,027,995,960**	**736,456,966**
Property, Plant and Equipment's	5.00	598,991,247	649,098,560
Capital Work-In-Progress	6.00	429,004,713	87,358,406
INVESTMENT		**5,063,647**	**5,021,147**
Investment	7.00	5,063,647	5,021,147
CURRENT ASSETS		**1,059,205,792**	**1,135,828,131**
Inventories	8.00	292,102,132	300,687,974
Accounts Receivable	9.00	621,553,495	639,652,959
Advances, Deposits & Pre-Payments	10.00	134,255,558	168,818,491
Cash and Cash Equivalents	11.00	11,294,607	26,668,707
TOTAL ASSETS		**2,092,265,399**	**1,877,306,244**
SHAREHOLDERS' EQUITY & LIABILITIES			
SHAREHOLDERS' EQUITY		**1,638,208,275**	**1,589,729,287**
Share Capital	12.00	942,982,020	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	494,672,491	491,097,398
LONG TERM LIABILITIES		**99,393,842**	**44,210,785**
Long Term Borrowings - Net off Current Maturity	16.00	87,949,625	29,500,575
Deferred Tax Liability	17.00	11,444,217	14,710,210
CURRENT LIABILITIES		**354,663,282**	**243,366,172**
Accounts Payable	18.00	6,087,595	5,620,029
Cash Dividend Payable	19.00	472,738	495,079
Long Term Borrowings- Current Maturity	20.00	13,635,157	10,326,427
Refundable Fund of IPO Subscribers	21.00	7,755,000	7,755,000
Short Term Borrowings	22.00	179,942,376	61,171,936
Provision for Tax	23.00	98,761,522	111,140,411
Accrued Expenses	24.00	48,008,894	46,857,290
TOTAL EQUITY & LIABILITIES		**2,092,265,399**	**1,877,306,244**
Net Asset Value Per Share (NAVPS)		**17.37**	**17.70**

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

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

SIGNED IN TERMS OF OUR ANNEXED REPORT OF EVEN DATE

Place: Dhaka
27 October, 2018

ATA KHAN & CO.
Chartered Accountants

Mozaffar Hossain Spinning Mills Limited
Statement of Profit or Loss & Other Comprehensive income
For the year ended June 30, 2018

Particulars	Notes	Amount in Taka	
		30.06.2018	30.06.2017
Turnover	25.00	674,569,340	1,147,562,431
Less: Cost of goods sold	26.00	555,867,024	903,289,890
Gross Profit		**118,702,317**	**244,272,541**
Other Income	27.00	661,594	269,059
Operating Expenses:		**21,741,871**	**16,261,795**
Administrative Expenses	28.00	20,008,478	14,826,895
Marketing and Distribution Expenses	29.00	1,733,393	1,434,900
Profit from Operation		**97,622,040**	**228,279,805**
Less: Financial expenses	30.00	40,510,100	50,689,795
Profit Before Tax		**57,111,940**	**177,590,010**
Income tax expenses:		**8,632,952**	**26,655,565**
Current tax		11,898,945	28,598,528
Deferred Tax Expenses/(Income)		(3,265,993)	(1,942,963)
Net Profit after Tax Transferred to Equity		**48,478,988**	**150,934,445**
Earnings Per Share (EPS)/ Restated EPS	**TK**	**0.51**	**1.60**
Number of Shares used to compute EPS	**No's**	**94,298,202**	**94,298,202**

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

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

SIGNED IN TERMS OF OUR ANNEXED REPORT OF EVEN DATE

Place: Dhaka
27 October, 2018

ATA KHAN & CO.
Chartered Accountants

AMARSTOCK

Mozaffar Hossain Spinning Mills Limited
Statement of Changes in Equity
For the year ended June 30, 2018

Amount in Taka

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

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 01.07.2016	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 the 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**

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

Place: Dhaka
27 October, 2018

Mozaffar Hossain Spinning Mills Limited
Statement of Cash Flows
For the year ended June 30, 2018

Particulars	Amount in Taka	
	July 2017 to June 2018	July 2016 to June 2017
A. Cash flows from operating activities :		
Collection from Turnover and other Income	693,287,898	1,033,271,693
Payment of tax	(4,448,937)	(6,152,156)
Payment to suppliers, employees & Others	(498,278,969)	(888,534,992)
Net cash flows from/(used) in operating activities	**190,559,992**	**138,584,545**
B. Cash flow from investing activities:		
Acquisition of Property, Plant & Equipment	(2,328,524)	(28,705,804)
Capital Work-In-Progress	(341,646,307)	(19,230,960)
Net cash flows from/ (used) in Investing Activities	**(343,974,831)**	**(47,936,764)**
C. Cash flow from financing activities:		
Received/(Repaid) short term loan	118,770,440	(15,856,712)
Refundable fund of IPO subscriber	-	(45,000)
Cash Dividend paid	(22,341)	(22,703,622)
Financial Expenses	(42,465,140)	(51,092,004)
Received/(Repaid) long term loan	61,757,780	4,473,534
Net cash flows from/(used) in financing activities	**138,040,739**	**(85,223,804)**
D. Net Cash Increase/ (Decrease) (A+B+C)	**(15,374,100)**	**5,423,977**
E. Opening cash and cash equivalents at the beginning of the year	26,668,707	21,244,730
F. Closing cash and cash equivalents at the end of the year (D+E)	**11,294,607**	**26,668,707**
Net Operating Cash Flow Per Share (Restated)	**2.02**	**1.54**
Number of Shares used to compute NOCFPS	**94,298,202**	**89,807,812**

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

Place: Dhaka
27 October, 2018

Mozaffar Hossain Spinning Mills Limited
Notes to the Financial Statements
For the year ended 30 June, 2018

1.0 Legal Status of the Company

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

Registered office of the company

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

2.0 Nature of Business Activities

Mozaffar Hossain Spinning Mills Limited runs the business of 100% export oriented Woven fabrics cotton yarn. Products of the company are sold in domestic and International markets.

3.0 Risk Exposure

3.1 Interest Rate Risk

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

Management perception:

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

3.2 Exchange Rate Risk

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

Management Perception:

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

3.3 Industry Risks

(a) Market demand:

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

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.

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

(c) Rising of Raw Materials costs:
The cost of yarn and other chemicals are rising gradually and drastically round the year. It may hamper the profitability of the company to a greater extent.

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

3.4 Risks steaming from technological changes:

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

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

3.5 Other risk factors:

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

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

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

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 nd are consistent with that of the previous year.

4.2 Statement on Compliance with Local Laws

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

4.3 Statement on Compliance of Bangladesh Accounting Standards

The financial statements have been prepared in accordance with the applicable 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.

Expansion project of 36,000 Spindle Ring Spinning Mills are under construction. Due to power up-gration and short supply of Gas, 50% of rotor machine are shut down from May 2018, as a result daily yarn production and revenue will be less than regular expectation for the time being.

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, 2018.
ii) Statement of Profit or Loss and other Comprehensive Income for the year ended June 30, 2018.
iii) Statement of Changes in Equity for the year ended June 30, 2018.
iv) Statement of Cash Flows for the year ended June 30, 2018.
v) Notes comprising a summary of significant accounting policies and other explanatory information to the financial Statements for the year ended June 30, 2018.

4.7 Reporting Year

The Financial year of the company under audit cover for a year of 12 months effective from 01 July 2017 to June 30, 2018.

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 period 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 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 30.06.2018 is not materially differing with the carrying amount.

CAPITAL WORK-IN-PROCESS

As per decision of the Board, the company has undertaken an expression program to construct a 36,000 Spindle Ring Spinning project. The cost of supplies, development work of land and building construction and others has been incorporated in the Capital Work-In-Process.

4.11 Revaluation Reserve

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

4.12 Cash and Cash Equivalent and Statement of Cash Flows:

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

The Statement of Cash Flows is prepared using the **Direct Method** as stipulated in Bangladesh Accounting Standards (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 Comprehensive Income.

Basic earnings:

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

Basic earnings per share:

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

Diluted Earnings Per Share:

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

4.14 Foreign Currency Transactions

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

At the end of each reporting year, in compliance with the provision of 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 are translated using the exchange rate at the date when the fair value is determined.

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

4.15 Impairment of Assets

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

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

An impairment loss is recognized immediately in statement of Comprehensive Income, unless the asset is carried at 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 under audit and for this reason no provision has been made for impairment of assets.

4.16 Borrowing Cost

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

4.17 Authorization date for issuing Financial Statements

The financial statements were authorized for issue by Board of Directors on **October 27, 2018**

4.18 Functional and Presentation Currency

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

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

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

4.22 Financial Instruments

Non-derivative financial instruments comprise accounts and other receivables, cash and cash equivalents, borrow ings 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: Current Tax is the amount of income taxes payable (recoverable) in respect of the taxable profit (tax loss) for the year.

Current tax is recognized in statement of comprehensive income except to the extent that it relates to business combination or item recognized directly in equity.

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

(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.

Tax assessment for the year 2010-2011, 2011-2012, 2012-2013, 2013-2014 is under appeal to Hon'ble High Court Division of the Supreme Court of Bangladesh for Tax holiday facility.

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

4.28 Comparative Information

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

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

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

AMAR STOCK

			Amount in Taka	
			30.06.2018	30.06.2017
5.00	**Property, Plant and Equipment's**			
	Cost:			
	Opening balance at cost		868,423,824	839,718,020
	Add : Addition during the year		2,328,524	28,705,804
			870,752,348	**868,423,824**
	Add : Disposed / Sold during the year		-	-
	Total	**Tk.**	**870,752,348**	**868,423,824**
	Depreciation:			
	Opening balance		349,639,904	298,954,261
	Charged during the year		52,435,837	50,685,643
			402,075,741	**349,639,904**
	Total (a)		**468,676,607**	**518,783,920**
	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)		**598,991,247**	**649,098,560**
	Please refer to Annexure-'A' for further details			
6.00	**Capital Work-In-Progress**			
	Break-up of this are as follows:			
	Opening Balance		87,358,406	68,127,446
	Addition during the year		341,646,307	19,230,960
	Total		**429,004,713**	**87,358,406**
	Acquisition of the year		-	-
	Closing Balance	**Tk.**	**429,004,713**	**87,358,406**

Expansion project (36,000 Spindle Ring Spinning mills) of Mozaffar Hossain Spinning Mills Limited are ongoing. Total Project Value USD 13.50 Million. Capital work in progress represents the cost incurred for acquisition and/or for construction of items of property, plant and equipment that are not ready for use. CWIP is measured at cost.

7.00	**Investment**			
	This represents the followings			
	Suntech Energy Limited		5,021,147	4,981,778
			5,021,147	4,981,778
	Add: Profit from the Associates		42,500	39,369
	Total	**Tk.**	**5,063,647**	**5,021,147**

The Company has invested in suntech Energy Ltd. Tk. 49,20,000 in Compliance with BAS 28 " investment in Associates"

8.00	**Inventories**				
	Break-up of this item is as follows:			**Qty. (kg.)**	
	Finished Goods:				
	Yarn	335,250		55,316,250	45,240,000
	Work-in-process	222,609		32,278,233	28,132,300
	Raw Materials:			**185,982,447**	**213,315,627**
	Virgin Cotton	962,793		126,366,335	23,427,551
	Waste Cotton	968,919		59,616,112	89,888,076
	Packing Materials			594,061	737,973
	Store Materials			17,931,141	13,262,074
			Tk.	**292,102,132**	**300,687,974**

	Amount in Taka	
	30.06.2018	30.06.2017

The above Inventories are as per physical counting made and valued by a Inventory team comprised of management 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)	621,553,495	639,652,959
VI)	The maximum amount of receivable due by any director or other officer of the company	-	-
		621,553,495	**639,652,959**
	Aging of accounts receivable:		
	Dues within three months	82,500,000	130,699,500
	Dues above three months but within six months	165,589,400	374,950,740
	Dues above six months	373,464,095	134,002,719
		621,553,495	**639,652,959**

10.00 Advances, Deposits & Pre-Payments

	Advance against Purchase (Note-10.01)	99,621,778	71,441,539
	Advance against Factory Expenses	5,208,553	5,361,618
	Advance against L/c for Cotton & Spares Import	25,922,396	68,498,435
	Advanced for Ring Spinning Project	2,320,000	2,560,000
	Bank Guarantee	1,009,739	-
	Prepaid Insurance	173,092	1,128,002
	Tax deducted at sources	-	19,828,897
Tk.		**134,255,558**	**168,818,491**

10.01 Advance against Purchase

	Dues within three months	54,791,978	40,721,677
	Dues above three months but within six months	29,886,533	28,576,616
	Dues above six months	14,943,267	2,143,246
		99,621,778	**71,441,539**

11.00 Cash and Cash Equivalents		**955,293**	**15,208,609**
	Cash in hand	955,293	15,208,609
	Cash at Banks:	**10,339,314**	**11,460,098**
	IBBL Mouchak #20501450100327918	9,832	8,639
	IBBL Mouchak #20501452500004916	1	1,044,549
	IBBL Mouchak #20501452600004917	1	1,369,825
	DBBL Bhulta # 761200001733	1,013,294	457,459
	DBBL Bashundhara # 1471100005894	560,730	10,838
	EBL Principal (for ipo refundable fund)	8,253,702	8,052,836
	EBL Bashundhara #1151060090420	496,869	500,520
	MCB Bashundhara #11471112302611	4,885	-
	IBBL Mouchak MDA UR-49	-	15,432
Tk.		**11,294,607**	**26,668,707**

		Amount in Taka	
		30.06.2018	30.06.2017
12.00	**Issued Share Capital**		
	A. Authorized Capital:		
	300,000,000 ordinary Shares of Tk 10/- each	**3,000,000,000**	**3,000,000,000**
	B. Issued, Subscribed and Paid-up Capital:		
	9,42,98,202 ordinary shares of taka 10/- each	942,982,020	898,078,125
	Tk.	**942,982,020**	**898,078,125**

The movement of Ordinary Shares during the Year ended June 30, 2018 is as follows:

	Number of Shares	Amount in Taka
Balance as on July 01, 2017	9,807,813	98,078,125
Bonus Shares issued during the year	4,490,390	44,903,895
Balance as on June 30, 2018	**94,298,202**	**942,982,020**

C.Composition of Shareholding of Ordinary Shares:

i) Sponsors	6,255,224	**6.63%**	62,552,240	59,573,594
ii) SIM Fabrics Limited	31,093,125	**32.97%**	310,931,250	296,125,000
iii) General Public & Others	56,949,853	**60.39%**	569,498,530	542,379,531
	94,298,202	**100.00%**	**942,982,020**	**898,078,125**

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

Shareholding range	As at 30.06.2018		As at 30.06.2017	
	No. of shareholders	No. of shares	No. of shareholders	No. of shares
1 to 500	1,184	213,363	992	196,252
501 to 5,000	3,369	5,011,129	3,139	4,733,946
5,001 to 10,000	451	3,183,003	407	3,176,672
10,001 to 20,000	309	4,354,313	228	3,391,628
20,001 to 30,000	98	2,415,053	86	2,190,053
30,001 to 40,000	51	1,721,221	49	1,772,800
40,001 to 50,000	25	1,119,248	39	1,809,821
50,001 to 1,00,000	56	3,812,636	63	4,652,124
1,00,001 to 10,00000	56	15,647,721	45	12,644,996
10,00,001 to Above	9	56,820,515	10	55,239,521
Total	**5,608**	**94,298,202**	**5,058**	**89,807,813**

13.00	**Revaluation Reserve**		
	Opening Balance	30,314,640	130,314,640
	Add: Related Deferred Tax on Revaluation 2%	(2,606,293)	(2,606,293)
		27,708,347	**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 as against net book value of Tk. 2,370,360 resulting in a revaluation surplus of Taka 130,314,640 which was accounted for and transferred to revaluation reserve.

14.00	**Tax Holiday Reserve**		
	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 Period	-	-
	Tax Holiday Reserve (30%)	-	-
	Reserve for Investment (10%)	-	-
	Total (A+B) **Tk.**	**72,845,417**	**72,845,417**

			Amount in Taka	
			30.06.2018	30.06.2017
15.00	**Retained Earnings**			
	Details are as follows:			
	Opening Balance		491,097,398	367,281,930
	Add: Net Profit / (Loss) for the year		48,478,988	50,934,445
	Total		**539,576,386**	**518,216,375**
	Bonus Paid (5% Cash Dividend for 2015-2016)		-	(27,118,977)
	Bonus Paid (5% Stock Dividend for 2016-2017)		(44,903,895)	-
	Retained Earnings	**Tk.**	**494,672,491**	**491,097,398**
16.00	**Long Term Borrowings - Net off Current Maturity**			
	IBBL HPSM-20501454300078403		6,447,020	9,013,219
	IBBL HPSM-20501454300080112		2,642,088	6,139,186
	IBBL HPSM-20501454300083317		2,959,560	3,978,529
	IBBL HPSM-20501454300083500		2,329,371	2,892,745
	IBBL HPSM-20501454300089001		15,381,743	17,803,323
	IBBL HPSM-20501454300095301		71,825,000	-
	Total		**101,584,782**	**39,827,002**
	Less: Current portion of Long term loan		(13,635,157)	(10,326,427)
			87,949,625	**29,500,575**

1. Purpose of Investment - To purchase/import of New Ring Spinning Machine, Utilities and Factory Shed building for the project.
2. Period of Investment - 07 (seven) years excluding 12 month gestations period.
3. Rate of return -12.30% per annum or the rate to be determined by the bank from time to time.
4. Collateral:
   - A. 156.10 decimal project land along with 88,200 sft. Project building vide FSV 81.36 million.
   - B. 397.00 decimal project land along with 1,89,4825 sft. Project building vide FSV 251.20 million.
   - C. 505.04 decimal project land along with 2,49,904 sft. Factory building vide FSV 598.51 million by SFL.
   - D. Personal Guarantee of all Directors of the Project Companies & Mortgages of their individual properties.

17.00 Deferred Tax

Particulars	Carrying amount at the balance sheet date	Tax base	(Taxable)/ deductible temporary difference
As at 30 June 2018			
Property, plant & equipment's except land at cost	182,055,296	123,135,806	58,919,490
Revaluation surplus-PPE	130,314,640	-	130,314,640
Total taxable temporary difference	**312,369,936**	**123,135,806**	**189,234,130**
Tax on business income			**15%**
Tax on capital gain			**2%**
Closing deferred tax liabilities/(assets)-at cost			8,837,924
Closing deferred tax liabilities/(assets)-at revaluation			2,606,293
Total closing deferred tax liabilities/(assets)			**11,444,217**
As at 30 June 2017			
Property, plant & equipment's 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%**

		Amount in Taka	
		30.06.2018	30.06.2017
	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**
	Addition/(charge) during the year		
	Deferred tax liabilities opening balance	14,710,210	16,653,173
	Deferred tax (expenses)/income	(3,265,993)	(1,942,963)
	Deferred tax (asset)/liabilities end of the year	**11,444,217**	**14,710,210**
18.00	**Accounts Payable**		
	Trade Creditors (Annexure-C)	1,019,564	1,861,349
	Bills Payable (Annexure-C)	5,068,031	3,758,680
		6,087,595	**5,620,029**
19.00	**Cash Dividend Payable**		
	Opening Balance	495,079	-
	Cash Dividend Declared 5%	-	27,118,977
	Less: Tax Deducted at Sources	-	(3,920,276)
		495,079	**23,198,701**
	Less: Disburse during the year	(22,341)	(22,703,622)
	Balance Payable	**472,738**	**495,079**
20.00	**Long Term Borrowings- Current Maturity**		
	A. Islami Bank Bangladesh Limited	13,635,157	10,326,427
		13,635,157	**10,326,427**

This consists of as follows and is payable within next twelve months from the Balance Sheet date.

21.00	**Refundable fund of IPO subscribers**		
	Refund warrant to IPO subscribers	7,755,000	7,755,000
		7,755,000	**7,755,000**

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 Borrowings**		
	Islami Bank Bangladesh Limited Mouchak Br.		
	Loan against purchase (MTR)	115,600,000	26,500,000
	L/C Liability for Import Merchandise (MURA)	58,775,040	32,400,000
	Loan against Bill Purchases (MDB)	3,879,460	-
	Car Loan Hajj Finance Co. Ltd.	1,687,876	2,271,936
	Total short term loan	**179,942,376**	**61,171,936**

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

1. Purpose of Investment - To purchase/import raw materials for the project.
2. Period of Investment - 01 (one) year on revolving basis.
3. Rate of return -12.30% per annum or the rate to be determined by the bank from time to time.

4. Collateral:

A. 156.10 decimal project land along with 88,200 sft. Project building vide FSV 81.36 million.
B. 397.00 decimal project land along with 1,89,4825 sft. Project building vide FSV 251.20 million.
C. 505.04 decimal project land along with 2,49,904 sft. Factory building vide FSV 598.51 million by SFL.
D. Personal Guarantee of all Directors of the Project Companies & Mortgages of their individual properties.

		Amount in Taka	
		30.06.2018	30.06.2017
23.00	**Provision for Income tax**		
	Opening Balance	111,140,411	86,541,883
	Provision for the period (Note- 23.01)	11,898,945	28,598,528
	Total	**123,039,356**	**115,140,411**
	AIT & Treasury deposits during the period	(4,448,937)	(4,000,000)
	AIT Adjustment (2014 to 2017)	(19,828,897)	-
	Closing Balance	**98,761,522**	**111,140,411**
3.01	**Current Tax**		
	Profit Before Tax	57,111,940	177,590,010
	Less: Other Income	(661,594)	(269,059)
	Add: Accounting Depreciation	52,435,837	50,685,643
	Less: Tax Depreciation	(30,662,544)	(37,732,560)
	Taxable Income for the period	**78,223,639**	**190,274,034**
	Rate of Tax	**15%**	**15%**
	Tax on business	11,733,546	28,541,105
	Add: 25 % Tax on Other Income	165,399	57,423
	Total Provision for the year	**11,898,945**	**28,598,528**
24.00	**Accrued Expenses**		
	This is unsecured, falling due within one year and consists of as follows:		
	Audit fees	125,000	125,000
	Salaries & Allowances	3,780,000	4,154,936
	Gas Bill	17,665,975	14,035,460
	TDS, VAT & Others	3,920,276	4,069,211
	WPPF Payable	19,669,992	19,669,992
	Accrued Interest	2,847,651	4,802,691
	Tk.	**48,008,894**	**46,857,290**

25.00 Turnover

	Qty. (kg.)	Avg. Rate		
Yarn 20's	2,972,515	174.50	518,694,000	902,857,388
Yarn 16's	655,735	170.07	111,520,340	193,327,363
Yarn 12's	-	-	-	2,754,000
Yarn 10's	295,700	150.00	44,355,000	48,578,180
Yarn 06's			-	45,500
	3,923,950		**674,569,340**	**1,147,562,431**

(a) Expansion project of 36,000 Spindle Ring Spinning Mills are under construction.
(b) Due to power upgration on new ring spinning project 50% of rotor machine are shut down from May 2018.

26.00	**Cost of Goods Sold**		
	Opening Work-in-Process	28,132,300	35,932,982
	Raw materials consumed (Note-26.01)	395,243,191	701,783,846
	Accessories & Stores Consumed (Note-26.02)	18,142,759	20,706,555
	Packing Materials Consumed (Note-26.03)	6,097,152	7,728,748
	Factory overhead (Note-26.04)	51,733,370	159,029,886
	Closing Work-in-Process	(32,278,233)	(28,132,300)
	Cost of Production	**567,070,540**	**897,049,717**
	Opening stock of Finished Goods	45,240,000	52,463,028
	Cost of Goods Available for Sale	**612,310,540**	**949,512,745**
	Closing stock of Finished Goods	55,316,250)	(45,240,000)
	Wastage Sales	(1,127,266)	(982,855)
	Cost of Goods Sold	**555,867,024**	**903,289,890**

			Amount in Taka	
			30.06.2018	30.06.2017
26.01	**Raw Materials Consumption**			
	Opening Raw Materials		213,315,627	212,737,963
	Purchase during the year		367,910,011	702,361,510
	Available for use		**581,225,638**	**915,099,473**
	Closing Raw Materials		(185,982,447)	(213,315,627)
			395,243,191	**701,783,846**
26.02	**Accessories & Stores Consumption**			
	Opening Accessories & Stores		13,262,074	10,830,086
	Purchase during the year		22,811,826	23,138,543
	Available for use		**36,073,900**	**33,968,629**
	Closing Accessories & Stores		(17,931,141)	(13,262,074)
			18,142,759	**20,706,555**
26.03	**Packing Materials Consumption**			
	Opening Packing Materials		737,973	717,573
	Purchase during the year		5,953,240	7,749,148
	Available for use		**6,691,213**	**8,466,721**
	Closing Packing Materials		(594,061)	(737,973)
			6,097,152	**7,728,748**
26.04	**Factory Overhead**			
	Gas Bill		59,883,405	63,550,042
	Salary & Wages		37,302,065	43,208,594
	Repair & Maintenance		579,547	379,550
	Factory Insurance		1,076,052	982,546
	Sundry Carrying Charges		286,759	362,750
	Sundry daily labor charges		374,180	41,306
	Medical & other Expenses		527,000	341,625
	Depreciation		51,704,362	50,163,473
		Tk.	**151,733,370**	**159,029,886**

(a) Repairs & maintenance includes maintenance of office, premises, vehicles, building, equipment and other infrastructures. Also included therein stores and spares that has been consumed during the year.
(b) Other expenses does not included any item exceeding 1% of total revenue.

27.00	**Other Operating Income**			
	Interest on Bank Account		227,253	229,690
	Profit from Associate		42,500	39,369
	Exchange Rate Fluctuation Gain/(Loss)		391,841	-
		Tk.	**661,594**	**269,059**
28.00	**Administrative Expenses**			
	Salary and Allowances		6,617,565	3,607,607
	Festival Bonus		1,418,268	1,135,126
	Audit Fee		125,000	125,000
	Managing Director Remuneration		1,200,000	1,200,000
	Director's Remuneration		3,000,000	3,000,000
	Board Meeting Fees		136,000	200,000
	Entertainment		728,143	184,073
	Traveling and Conveyance		281,026	119,649
	House & Office rent		780,000	780,000
	Telephone (mobile)		126,000	139,100

		Amount in Taka	
		30.06.2018	30.06.2017
Company Secretarial, Regulatory Fee and AGM Expense		1,803,100	1,480,500
Subscription and Donations		375,000	375,000
Fuel, newspaper & other Expenses		2,686,901	1,958,670
Depreciation		731,475	522,170
	Tk.	**20,008,478**	**14,826,895**

Payment/ Perquisites to Directors and officers

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

Particulars			
Managing Director Remuneration		1,200,000	1,200,000
Director's Remuneration		3,000,000	3,000,000
Board Meeting Fees		136,000	200,000

29.00 Marketing, Selling & Distribution Expenses

Salaries and Allowances		670,623	314,400
Advertisement		169,270	240,500
Business Development		345,000	380,000
Sample Expenses		548,500	500,000
	Tk.	**1,733,393**	**1,434,900**

30.00 Financial Expenses

Bank Charges and Commission		252,565	697,516
Interest on HPSM investment		4,363,780	4,558,633
Interest on BAI Murabaha		14,818,021	15,021,143
Interest on MDB Loan		4,860,184	12,672,124
Interest on MPI Loan		761,977	-
Interest on Murabaha TR		15,453,573	17,740,379
	Tk.	**40,510,100**	**50,689,795**

31.00 Basic Earnings Per Share

Net Profit for the year		**48,478,988**	**150,934,445**
No. of Shares		94,298,202	89,807,812
No. of Shares (Re-stated 5% Stock)		94,298,202	94,298,202
Earnings Per Share		**0.51**	**1.68**
Earnings Per Share (Re-Stated)		**-**	**1.60**

32.00 General:

32.01 Claims not acknowledged

There is no claim against the Company not acknowledged as debt as on 30.06.2018

32.02 Credit Facilities not availed

There is no credit facilities extended to the Company but nor availed of as on 30.06.2018, under any contract, other than trade credit available in the ordinary course of business.

32.03 Commission, Brokerage or Discount against Sales

No commission, brokerage or discount was incurred or paid by the Company against sales during the period ended 30.06.2018.

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) .

Amount in Taka	
30.06.2018	30.06.2017

32.05 Employees Details:

During the period there were 402 permanent employees employed for the full year out of which 205 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 Events after the Reporting Period

Subsequent to the Statement of Financial Position date, the Board of Directors in their meeting held on 27th October 2018 recommended 5% Stock dividend to the all shareholders for the year ended 30th June 2018. The proposed dividend is subject to the shareholders' approval in the forthcoming Annual General Meeting.

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

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

Value of Raw material, packing materials and Capital goods

Particular	Opening	Purchases	Consumption	Closing
Raw Material	213,315,627	367,910,011	(395,243,191)	185,982,447
Packing Materials	737,973	5,953,240	(6,097,152)	594,061
Spare Parts	13,262,074	22,811,826	(18,142,759)	17,931,141

Value of Export

Particular	In Foreign Currency USD @ 81.00 BDT	In BDT
Export	$ 8,328,016.54	674,569,340

32.09 Details of capacity has given below

Particular	License Capacity	Installed Capacity	Actual Production
Annual Production (kg)	6,600,000	6,600,000	3,950,200

Note: Expansion project of 36,000 Spindle Ring Spinning Mills are under construction. Due to power up-gradation and short supply of Gas, 50% of rotor machine are shut down from May 2018, such a result daily yarn production are less than regular production.

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 period 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.	136,000
(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

Amount in Taka	
30.06.2018	30.06.2017

b) Transaction with Related Entity:

Sl.	Name of Customer	Relationship	Balance as at 01.07.2017	Addition during the Year	Realized during the Year	Balance as at 30.06.2018
(a)	SIM Fabrics Limited yarn sale	Common Management	639,652,959	644,994,934	663,094,398	621,553,495
	Total		**639,652,959**	**644,994,934**	**663,094,398**	**621,553,495**

c) Transaction with Related Entity:

Sl.	Name of Customer	Relationship	Balance as at 01.07.2017	Addition during the Year	Realized during the Year	Balance as at 30.06.2018
(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, 2018

Annexure A
Amount in Taka

Cost:

Particulars	COST			Rate of Dep.	DEPRECIATION			Written down valueas at 30.06.2018
	As at July 01,2017	Addition durin the year	As at 30.06.2018		As at July 01,2017	Charged during the year	As at 30.06.2018	
Land & Land Dev.	286,621,311	-	286,621,311	-	-	-	-	286,621,311
Factory Building	119,545,355	-	119,545,355	5%	33,768,747	5,977,268	39,746,015	79,799,340
Plant & Machinery	454,942,417	2,328,524	457,270,941	10%	314,101,073	45,727,094	359,828,167	97,442,774
Vehicle	5,586,326	-	5,586,326	10%	853,666	558,633	1,412,299	4,174,027
Furniture & Fixture	1,728,415	-	1,728,415	10%	916,418	172,842	1,089,260	639,155
Balance as on 30.06.2018	**868,423,824**	**2,328,524**	**870,752,348**		**349,639,904**	**52,435,837**	**402,075,741**	**468,676,607**
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**

Revaluation:

Particulars	COST			Rate of Dep.	DEPRECIATION			Written down valueas at 30.06.2018
	As at July 01,2017	Addition durin the year	As at 30.06.2018		As at July 01,2017	Charged during the year	As at 30.06.2018	
Land & Land Dev.	130,314,640	-	130,314,640	-	-	-	-	130,314,640
Balance as on 30.06.2018	**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 30.06.2018	**998,738,464**	**2,328,524**	**1,001,066,988**		**349,639,904**	**52,435,837**	**402,075,741**	**598,991,247**
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**

Depreciation Charged To-	
Administrative Cost	731,475
Manufacturing Cost	51,704,362
Total	**52,435,837**

ALMAS STOCK

Mozaffar Hossain Spinning Mills Limited
Annexure of Accounts Receivable
For the year ended June 30, 2018

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:

Amount in Taka

Name of Customer	Balance as at 01.07.2017	Addition during the year	Realized during the year	Balance as at 30.06.2018
Globex Agency	-	28,408,006	28,408,006	-
New Tex Dyeing		1,166,400	1,166,400	-
Total	-	29,574,406	29,574,406	-

Accounts Receivable due by Common management:

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

Amount in Taka

Name of Customer	Balance as at 01.07.2017	Addition during the year	Realized during the year	Balance as at 30.06.18
SIM Fabrics Limited	639,652,959	644,994,934	663,094,398	621,553,495
Sub-total	**639,652,959**	**644,994,934**	**663,094,398**	**621,553,495**
Total	**639,652,959**	**674,569,340**	**692,668,804**	**621,553,495**

Mozaffar Hossain Spinning Mills Limited
Schedule of Trade Creditors
For the year ended June 30, 2018

Annexure No. - C

Trade Creditors: **Amount in Taka**

Name of Supplier	Balance as at 01.07.2017	Payment during the Year	Bill during the year	Balance as at 30.06.2018
AB Enterprise	1,861,349	368,751,796	367,910,011	1,019,564
Sub Total (A)	**1,861,349**	**368,751,796**	**367,910,011**	**1,019,564**

Bills Payable: **Amount in Taka**

Name of Supplier/Service Provider	Balance as at 01.07.2017	Payment during the Year	Bill during the year	Balance as at 30.06.2018
3N Printers	10,402	100,000	89,598	-
Alpha Capital Management	1,010	40,000	38,990	-
Amreen Refrigeration & Engineering	-	-	14,600	14,600
Aurthosuchak.Com	18,000	48,000	30,000	-
Automation Eng. Works	162,825	162,825	-	-
Bangladesh Association of Public Listed Co.	30,000	30,000	30,000	30,000
Bangladesh Textile Mills Association	30,000	60,000	30,000	-
Bangla Trac Limited	425,388	1,152,980	1,351,796	624,204
Bestair Engineering	54,250	535,450	493,200	12,000
Best Tecknology	20,000	-	-	20,000
Beximco Online	10,350	41,400	34,500	3,450
Bismillah Paper Products	95,058	50,000	-	45,058
Building Design & Technology		1,000,000	1,276,000	276,000
Bushra Corporation	8,000	8,000	-	-
Buy To Give	-	-	31,508	31,508
Cargo Control Group	44,842	44,842		-
Central Depository Bangladesh	106,000	-	-	106,000
Chandmoni Construction	61,600	61,600	-	-
Chandpur Trading	19,091	19,091	-	-
Chemtex B.D	118,700	170,000	252,000	200,700
Chittagong Stock Exchange Ltd			582,890	582,890
Confidence Associates Ltd	90,811	155,811	65,000	-
Coolteck Bangladesh	33,000	-	-	33,000
Dhaka Stock Exchange LTd		-	582,890	582,890
Electro Mech	115,500	115,500	-	-
Enviro Enginiering	51,200	20,000	-	31,200
Express Insurance Ltd.	24,099	83,959	59,860	-
Galaxy Corporation	30,750	230,000	239,000	39,750
Gazi International	202,750	304,050	101,300	-
Industrial Electronics Solution	53,000	69,000	16,000	-
Islami Commercial Insurance	42,330	1,166	1,166	42,330
Junayet Metalic	8,750	8,750	-	-
Kabir Hossain	5,000	5,000	-	-

Name of Supplier/Service Provider	Balance as at 01.07.2017	Payment during the Year	Bill during the year	Balance as at 30.06.2018
Mahin Enterprise & Packaging	595,000	2,200,000	2,125,412	520,412
Mazumder Sikder & Associates		-	30,000	30,000
Meghna Metal	31,320	10,000	2,000	23,320
MH rubber & plastic Machineries Ltd		15,500	32,100	16,600
Minarva Engineering Works	124,086	550,000	713,870	287,956
Mita Engineers Ltd.	190,223	195,580	5,357	-
Monir Steel House	-	16,239,000	17,127,295	888,295
New Asia Ltd.	7,001	157,821	150,820	-
Orient Plastic & Packing Ind. Ltd	-	450,000	555,000	105,000
Raida Drinking Water	8,570	13,276	4,706	-
Raju Engineering & Service Centre	47,000	-	-	47,000
Reyan Machineries	144,000	649,550	505,550	-
Rofiqul Associates	300,000	300,000	-	-
Rotation Engineering Ltd	-	34,000	34,000	-
Safatex Associates Ltd.	3,000	9,000	6,000	-
Sayeed Enterprise	2,297	2,297	-	-
ShareBazar news .com	23,000	23,000	-	-
ShareBiz Kortcha	25,000	25,000	-	-
Simul Traders	180,987	500,000	437,000	117,987
S.R Shipping Agency	103,738	-	-	103,738
Step Transmission	59,252	115,000	193,905	138,157
Tecnological Machine & Spares Ltd.	22,000	-	-	22,000
Touch Paper Products	-	1,850,000	1,941,986	91,986
United Trade Centre	19,500	59,500	40,000	-
Sub Total (B)	**3,758,680**	**27,915,948**	**29,225,299**	**5,068,031**
Total (A+B)	**5,620,029**	**396,667,744**	**397,135,310**	**6,087,595**

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 **13th Annual General Meeting** of the Company to be held on **Saturday, the 22th December, 2018 at 10.30 AM** at the DOHS Baridhara Convention Centre Baridhara DOHS Parishad, DOHS Baridhara, Dhaka Cantonment, Dhaka-1206 and any adjournment thereof.

As witness my/our hand this _____ day of _____ 2018.

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, and 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 **13th Annual General Meeting of Mozaffar Hossain Spinning Mills Limited** held today **Saturday, the 22th December, 2018 at 10.30 AM** at the DOHS Baridhara Convetion Centre, 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.

WWW.PSTOCK

AMAR STOCK

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

Production
Galaxy Corporation
Phone : 7192877