

## Safko Spinning Mills Limited

### Statement of Financial Position

As at December 31, 2018

Un-audited

	Note	Amount in Taka	
		Dec. 31, 2018	Jun. 30, 2018
<b>Assets:</b>			
<b>Non-Current Assets</b>			
Property, Plant & Equipment		1,052,386,835	1,029,389,858
Capital Work in Progress		949,998,248	729,861,108
		102,388,587	299,528,750
<b>Current assets</b>			
Inventories		286,530,370	286,215,571
Trade Debtors		56,627,550	52,450,020
Advance, Deposit & Prepayments		124,596,158	154,526,643
Investment in FDR		9,372,683	9,372,683
Cash & cash equivalents		7,044,383	10,267,255
<b>Total Current Assets</b>		<b>484,171,144</b>	<b>512,832,172</b>
<b>Total Assets</b>		<b>1,536,557,979</b>	<b>1,542,222,030</b>
<b>Equity &amp; Liabilities:</b>			
<b>Shareholders Equity</b>			
Share Capital		299,817,150	291,084,620
General Reserve		3,029,184	3,029,184
Revaluation Reserve		282,522,388	285,889,205
Retained: Earnings/(Deficit)		(52,497,951)	(50,162,623)
<b>Total Shareholders Equity</b>		<b>532,870,771</b>	<b>529,840,386</b>
<b>Non Current Liability :</b>			
Term Loan		517,275,153	375,416,296
Deferred Tax Liability		80,969,080	77,384,957
<b>Total Non Current Liability</b>		<b>598,244,233</b>	<b>452,801,254</b>
<b>Current Liabilities :</b>			
Short term Bank Loan		289,359,773	364,063,325
Current Portion of term loan		65,838,000	54,381,845
Bill Accepted liability		26,373,500	119,121,104
Liabilities for Expenses & other Finance		10,412,678	10,691,135
Provision for Tax		13,459,024	11,322,981
<b>Total Current Liabilities</b>		<b>405,442,976</b>	<b>559,580,390</b>
<b>Total Equity &amp; Liabilities</b>		<b>1,536,557,980</b>	<b>1,542,222,030</b>
<b>Net Assets Value Per Share of Tk. 10</b>	<b>2.00</b>	<b>17.77</b>	<b>18.20</b>

The board of directors were approved the financial statements on 30 January 2019 and signed on its behalf:

 Chief Financial Officer	 Company Secretary	
 Director	 Managing Director	 Chairman

**Safko Spinning Mills Limited**  
**Statement of profit or Loss and other comprehensive Income**  
For the half yearly ended December 31, 2018  
Un- audited

	Note	Amount in BDT		Amount in BDT	
		July 18 to Dec. 18	July 17 to Dec. 17	Oct.018 to Dec. 18	Oct.018 to Dec. 17
Sales Revenue		356,007,250	265,529,020	182,956,950	118,592,766
Cost of Sales		(292,827,672)	(220,001,056)	(149,649,123)	(98,369,593)
<b>Gross Profit/ (Loss)</b>		<b>63,179,578</b>	<b>45,527,964</b>	<b>33,307,827</b>	<b>20,223,173</b>
Other income		1,884,300	-	-	-
Administrative & Marketing Exp.		(6,288,250)	(6,065,013)	(2,999,870)	(3,208,306)
<b>Operating Profit</b>		<b>58,775,628</b>	<b>39,462,951</b>	<b>30,307,957</b>	<b>17,014,867</b>
Financial Expenses		(49,587,548)	(30,972,749)	(25,150,603)	(14,563,551)
<b>Net Profit before tax and WPPF</b>		<b>9,188,080</b>	<b>8,490,202</b>	<b>5,157,354</b>	<b>2,451,316</b>
Provision for WPPF		(437,528)	(404,295)	(245,588)	(116,729)
<b>Net Profit before tax</b>		<b>8,750,552</b>	<b>8,085,907</b>	<b>4,911,766</b>	<b>2,334,587</b>
Income Tax		(2,136,044)	(1,212,886)	(1,097,742)	(331,268)
Deferred Tax		(3,584,123)	1,180,521	(3,546,339)	1,441,799
<b>Profit after Tax</b>		<b>3,030,385</b>	<b>8,053,542</b>	<b>267,685</b>	<b>3,445,118</b>
Other comprehensive Income				-	
<b>Total comprehensive Income for the year</b>		<b>3,030,385</b>	<b>8,053,542</b>	<b>267,685</b>	<b>3,445,118</b>
<b>Earning per share (Basic) of Tk. 10</b>	<b>3.00</b>	<b>0.10</b>	<b>0.28</b>	<b>0.01</b>	<b>0.12</b>

  
Chief Financial Officer

  
Company Secretary

  
Director

  
Managing Director

  
Chairman

Date: 30 January 2019

**Safko Spinning Mills Limited**  
Statement of Cash Flow  
For the half yearly ended December 31, 2018  
Un- audited

	Amount in Taka		
	For the period 01 July 2018 to 31 Dec 2018	For the period 01 July 2017 to 31 Dec 2017	
<b>Cash flows from operating activities :</b>			
Collection from customers and other income	353,714,020	265,100,205	
Payment to Suppliers, employees and other expenses	(282,245,200)	(195,698,676)	
Income tax paid	(1,000,000)	-	
<b>Net cash flows/(used) from operating activities*</b>	<b>70,468,820</b>	<b>69,401,529</b>	
<b>Cash flow from investing activities :</b>			
Purchase of property, plant and equipment	(31,152,756)	(8,255,904)	
Investment in FDR	-	(1,320,000)	
Sister concern loan			
Capital Work in Progress	(10,615,244)	-	
<b>Net Cash used in investing activities</b>	<b>(41,768,000)</b>	<b>(9,575,904)</b>	
<b>Cash flows from financing activities :</b>			
Financial Expenses Paid	(49,587,548)	(23,449,546)	
Term Loan Receipt (Net)	60,567,408	-	
Short term bank loan received/(paid)	(74,703,552)	(29,817,000)	
Sister concern Loan	31,800,000	(12,712,022)	
<b>Net cash flows from financing activities</b>	<b>(31,923,692)</b>	<b>(65,978,568)</b>	
Net increase/(Decrease) in cash & cash equivalents	(3,222,872)	(6,152,943)	
Cash & cash equivalents at the beginning of the year	10,267,255	16,608,603	
<b>Cash &amp; cash equivalents at the end of the year</b>	<b>7,044,383</b>	<b>10,455,660</b>	
<b>Net operating Cash Flow per Share</b>	<b>4.00</b>	<b>2.35</b>	<b>2.55</b>

  
Chief Financial Officer

  
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Director

  
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Chairman

Date: 30 January 2019

**Safko Spinning Mills Limited**  
**Statement of Changes in Equity ( Un-audited)**  
**For the half yearly ended December 31, 2018**  
**Un- audited**

Particulars	Share Capital	General Reserve	Revaluation Reserve	Retained earnings	Total
<b>Balance as on July 01, 2018</b>	<b>291,084,620</b>	<b>3,029,184</b>	<b>285,889,205</b>	<b>(50,162,623)</b>	<b>529,840,386</b>
Profit for the period				3,030,385	3,030,385
Adjustment for Depreciation of Revalued Assets			(3,366,817)	3,366,817	-
3% Bonus Share of Tk 10	8,732,530			(8,732,530)	-
<b>Balance as on December 31, 2018</b>	<b>299,817,150</b>	<b>3,029,184</b>	<b>282,522,388</b>	<b>(52,497,951)</b>	<b>532,870,771</b>
<b>Balance as on July 01, 2017</b>	<b>279,889,060</b>	<b>3,029,184</b>	<b>292,977,241</b>	<b>(58,251,825)</b>	<b>517,643,660</b>
Profit for the period				8,053,542	8,053,542
Adjustment for Depreciation of Revalued Assets			(3,544,018)	3,544,018	-
4% Bonus Share of Tk 10	11,195,560			(11,195,560)	-
<b>Balance as on December 31, 2017</b>	<b>291,084,620</b>	<b>3,029,184</b>	<b>289,433,223</b>	<b>(57,849,825)</b>	<b>525,697,202</b>

  
 Chief Financial Officer  
  
 Director

  
 Company Secretary  
  
 Managing Director

  
 Chairman

Date: 30 January 2019

## Safko Spinning Mills Limited

### Condensed notes

For the period from July 01, 2018 TO December 31, 2018

#### 1.00 Statement of compliance

##### 1.01 Compliance with Local Laws

The financial statements have been prepared in compliance with requirements of the Companies Act 1994, the Securities and Exchange Rules 1987 and other relevant rules and regulations.

##### 1.02 Compliance with Bangladesh Accounting Standards (BAS)

The financial statement have been prepared in compliance with requirements of BFRS/BASs adopted by the Institute of Chartered Accountants of Bangladesh (ICAB) and applicable in Bangladesh.

#### 2.00 Calculation of NAV per share

	Amount in BDT	
	As at 31.12.2018	As at 30.06.2018
Total assets - total liabilities	532,870,771	529,840,386
No. of share at the year end	29,981,715	29,108,462
	17.77	18.20

#### 3.00 Calculation of EPS

	Amount in BDT	
	For the Q2 ended 31.12.2018	For the Q2 ended 31.12.2017
Earning attributable to ordinary shareholders	3,030,385	8,053,541.50
Weighted average no. of share at the year end	29,981,715	29,981,715
	0.10	0.28

Due to the effect of increased finance cost by Tk. 1.9 crore, the profit for the year has been fallen.

#### 4.00 Calculation of NOCF per share

	Amount in BDT	
	For the Q2 ended 31.12.2018	For the Q2 ended 31.12.2017
Net operating cash flows	70,468,820	69,401,529
No. of share at the year end	29,981,715	29,108,462
	2.35	2.55

#### 5.00 Reconciliation between Net profit to Net operating cash flow

Profit/(loss) before tax	8,750,552
Finance cost	49,587,548
Operating profit	<u>58,338,100</u>
<b>Adjustment:</b>	
Depreciation	19,318,811
<b>Changes in Working capital:</b>	
(Increase)/Decrease of inventory	(314,799)
(Increase)/Decrease of Trade debt	(4,177,530)
(Increase)/Decrease of Advance, deposit & Prepayment except AIT & Advan	(1,417,305)
Increase/(Decrease) of Liability for expenses & other finance	<u>(278,457)</u>
	<u>71,468,820</u>
Tax paid	<u>(1,000,000)</u>
	<u><u>70,468,820</u></u>

#### 6.00 Year wise break-up of issued, subscribed and paid up capital

Date of Allotment	No.of share	Face Value	Amount taka	Basis of allotment
20th June, 1994 (during in Corporation)	1,750	100	175,000	Cash banking channel
1994 to 1999 (The Sponsor Director has subscribed)	798,250	100	79,825,000	Cash banking channel
18 April 1999 (IPO)	800,000	100	80,000,000	Cash banking channel
26-May-11	256,000	100	25,600,000	16% bonus
<b>Sub Total</b>	<b>1,856,000</b>	<b>100</b>	<b>185,600,000</b>	
	18,560,000	10	185,600,000	The share has been split into Tk 10/- each from Tk 100/- each
20-May-12	1,856,000	10	18,560,000	10% Bonus
22-Jun-13	2,041,600	10	20,416,000	10% Bonus
12-Apr-14	2,245,760	10	22,457,600	10% Bonus
13-Jun-15	2,470,336	10	24,703,360	10% Bonus share approved on 21st AGM based on the Financial Statements 31 December, 2014.
26-Nov-16	815,210	10	8,152,100	3% Bonus share approved on 22nd AGM based on the Financial Statements June 30, 2015-16.
02-Dec-17	1,119,556	10	11,195,560	4% Bonus share approved on 23rd AGM based on the Financial Statements June 30, 2016-17.
05-Dec-18	873,253	10	8,732,530	3% Bonus share approved on 24th AGM based on the Financial Statements June 30, 2017-18.
<b>Total Paid-up Capital</b>	<b>29,981,715</b>	<b>10</b>	<b>299,817,150</b>	

## 7.00 Related party disclosure

The following loan & advances is interest free.

Name of party	Nature of relationship	Nature of transaction	Transaction during the period	Balance	
				30.12.2018	30.06.2018
Shaiham Multifiber Ltd.	Sister concern	Loan & Advance	(31,800,000)	65,712,800	97,512,800
			-	<b>65,712,800</b>	<b>97,512,800</b>