

Safko Spinning Mills Limited

Statement of Financial Position

As at December 31, 2019

Un-audited

Particulars	Amounts in Taka	
	December 31, 2019	June 30, 2019
ASSETS		
Non-current Assets	1,488,134,297	1,100,094,933
Property, Plant and Equipment	1,412,888,176	965,266,370
Intangible Assets	113,400	126,000
Capital Work-in-progress	75,132,721	134,702,563
Current Assets	665,207,743	555,812,168
Inventories	436,487,245	330,781,878
Trade Debtors	44,205,435	38,439,508
Advances, Deposits and Prepayments	130,965,300	166,881,690
Investment in FDR	10,789,983	10,628,772
Cash and Cash Equivalents	42,759,780	9,080,320
Total Assets	2,153,342,040	1,655,907,101
EQUITY AND LIABILITIES		
Shareholders' Equity	851,276,133	516,480,711
Share Capital	299,817,160	299,817,160
General Reserve	3,029,184	3,029,184
Revaluation Reserve	671,196,649	280,577,069
Retained Earnings/(Deficit)	(122,766,860)	(66,942,702)
Non-current Liabilities	955,866,871	753,610,117
Term Loan	873,842,819	677,879,767
Deferred Tax Liabilities	82,024,052	75,730,350
Current Liabilities	346,199,036	385,816,273
Short-term Bank Loan	164,071,293	274,310,099
Current Portion of Term-loan	46,237,092	82,261,581
Short-term Loan from Directors	7,935,000	2,825,000
Liabilities for Expenses and Others	89,172,060	13,113,162
Provision for Tax	38,783,590	13,306,431
Total Equity and Liabilities	2,153,342,040	1,655,907,101
Net Assets Value per Share (NAV)	28.39	17.23



Chief Financial Officer



Company secretary



Director



Managing Director



Chairman

Dated: Dhaka
January 30, 2020

Safko Spinning Mills Limited

Statement of Profit or Loss and Other Comprehensive Income
For the 2nd Quarter ended 01 July 2019 to December 31, 2019
Un-audited

Particulars	Amounts in Taka			
	July 01, 2019 to December 31, 2019	July 01, 2018 to December 31, 2018	October 01, 2019 to December 31, 2019	October 01, 2018 to December 31, 2018
Sales Revenue	267,611,003	356,007,250	132,464,102	182,956,950
Cost of Sales	(220,644,116)	(292,827,672)	(106,401,191)	(149,649,123)
Gross Profit	46,966,887	63,179,578	26,062,911	33,307,827
Others Income	179,170	1,884,300	75,644	-
Administrative and Marketing Expenses	(10,181,990)	(6,288,250)	(4,431,311)	(2,999,870)
Operating Profit	36,964,067	58,775,628	21,707,244	30,307,957
Financial Expenses	(61,291,278)	(49,587,548)	(30,011,864)	(25,150,603)
Profit before Tax and Cotribution to WPPF	(24,327,211)	9,188,080	(8,304,620)	5,157,354
Contribution to WPPF	-	(437,528)	-	(245,588)
Profit before Tax	(24,327,211)	8,750,552	(8,304,620)	4,911,766
Income Tax Current period	(964,045)	(2,136,044)	(477,143)	(1,097,742)
Deferred Tax	(9,373,840)	(3,584,123)	(2,237,745)	(3,546,339)
Income tax Previous Years	(25,038,314)	-	-	-
Net Profit after Tax	(59,703,410)	3,030,385	(11,019,508)	267,685
Other Comprehensive Income/(Loss)	-	-	-	-
Total Comprehensive Income for the Year	(59,703,410)	3,030,385	(11,019,508)	267,685
Earnings per Share (EPS)	(1.99)	0.10	(0.37)	0.01


Chief Financial Officer


Company secretary


Director


Managing Director


Chairman

Dated: Dhaka
January 30, 2020

Safko Spinning Mills Limited

Statement of Changes in Equity

For the 2nd Quarter ended 01 July 2019 to December 31, 2019

Un-audited

Amounts in Taka

Particulars	Share Capital	General Reserve	Revaluation Reserve	Retained Earnings	Total
Balance as on July 01, 2019	299,817,160	3,029,184	280,577,069	(66,942,702)	516,480,711
Profit for the Period	-	-	-	(59,703,410)	(59,703,410)
Addition	-	-	394,498,832	-	394,498,832
Adjustment for Realized Depreciation of Revalued Assets	-	-	(3,879,252)	3,879,252	-
Balance as on December 31, 2019	299,817,160	3,029,184	671,196,649	(122,766,860)	851,276,133

Particulars	Share Capital	General Reserve	Revaluation Reserve	Retained Earnings	Total
Balance as on July 01, 2018	291,084,620	3,029,184	285,889,205	(50,162,623)	529,840,386
Profit for the Period	-	-	-	3,030,385	3,030,385
Addition	-	-	-	-	-
Adjustment for Realized Depreciation of Revalued Assets	-	-	(3,366,817)	3,366,817	-
3% Bonus Share of TK 10	8,732,530	-	-	(8,732,530)	-
Balance as on December 31, 2018	299,817,150	3,029,184	282,522,388	(52,497,951)	532,870,771


Chief Financial Officer


Director


Company secretary


Managing Director


Chairman

Dated: Dhaka
January 30, 2020

Safko Spinning Mills Limited

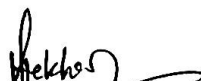
Statement of Cash Flows

For the 2nd quarter ended 01 July 2019 December 31, 2019

Particulars	Amounts in Taka	
	July 01, 2019 to December 31, 2019	July 01, 2018 to December 31, 2018
Cash Flows from Operating Activities		
Collection from Customers and Other Income	262,024,246	353,714,020
Payment to Suppliers, Employees and Other Expenses	(259,834,108)	(282,245,200)
Income tax Paid	(525,200)	(1,000,000)
Net Cash Flows from Operating Activities	1,664,938	70,468,820
Cash Flows from Investing Activities		
Purchase of Property, Plant and Equipment	-	(31,152,756)
Investment in FDR	(161,211)	-
Capital Work-in-progress	(21,251,696)	(10,615,244)
Net Cash Used in Investing Activities	(21,412,907)	(41,768,000)
Cash Flows from Financing Activities		
Financial Expenses Paid	(61,291,278)	(49,587,548)
Loan Refund from Sister Concern	59,908,950	
Term Loan Receipt/Paid (Net)	159,938,563	60,567,408
Short-term Bank Loan Received/Paid (Net)	(110,238,806)	(74,703,552)
Loan Received from Directors	5,110,000	31,800,000
Net Cash Flows from Financing Activities	53,427,430	(31,923,692)
Net Increase/(Decrease) in Cash and Cash Equivalents	33,679,461	(3,222,872)
Cash and Cash Equivalents at the Beginning of the	9,080,320	10,267,255
Cash and Cash Equivalents at the end of the period	42,759,780	7,044,383
Net Operating Cash Flows per Share	0.06	2.35




Chief Financial Officer



Company secretary



Director



Managing Director



Chairman

Dated: Dhaka
January 30, 2020

Safko Spinning Mills Limited

Condensed notes

For the period from July 01, 2019 to December 31, 2019

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 International Accounting Standards (IAS)

The financial statement have been prepared in compliance with requirements of IFRS/IASs 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 31.12.2019	As at 30.06.2019
Total assets - total liabilities	851,276,133	516,480,711
No. of share at the year end	29,981,716	29,981,716
	28.39	17.23

NAV has increased significantly as we have revalues our Land and buildings during the period.

3.00 Calculation of EPS

	Amount in BDT	
	For the Q2 ended 31.12.2019	For the Q2 ended 31.12.2018
Earning attributable to ordinary shareholders	(59,703,410)	3,030,385.00
Weighted average no. of share at the year end	29,981,716	29,981,715
	(1.99)	0.10

EPS has been reduced significantly due to decreased sales price, increased Financial expenses and inclusion of previous years Income Tax which has been finalized after assessment from the Tax Authorities.

4.00 Calculation of NOCF per share

	Amount in BDT	
	For the Q2 ended 31.12.2019	For the Q2 ended 31.12.2018
Net operating cash flows	1,664,938	70,468,820
No. of share at the year end	29,981,716	29,981,715
	0.06	2.35

NOCF has been reduced due to decreased sales price, increased administrative and marketing expenses.

5.00 Reconciliation between Net profit to Net operating cash flow

	For the Q2 ended 31.12.2019	For the Q2 ended 31.12.2018
Profit/(loss) before WPPF & tax	(24,327,211)	3,838,786
Finance cost	61,291,278	24,436,945
Operating profit	36,964,067	28,275,731
Adjustment:		
Depreciation	24,631,026	9,542,291
Changes in Working capital:		
(Increase)/Decrease of inventory	(105,705,367)	(2,214,439)
(Increase)/Decrease of Trade debt	(5,765,927)	553,620
(Increase)/Decrease of Advance, deposit & Prepayment except AIT & Advance for fixed asset	(23,992,560)	-
Increase/(Decrease) of Liability for expenses & other finance	76,058,898	191,939
	2,190,138	36,349,142
Tax paid	(525,200)	(500,000)
	1,664,938	35,849,143

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
Sub Total	1,856,000	100	185,600,000	
	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 22nd AGM based on the Financial Statements June 30, 2016-17.
02-Dec-18	873,254	10	8,732,540	3% Bonus
Total Paid-up Capital	29,981,716	10	299,817,160	

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	
				As at 31.12.2019	As at 30.06.2019
Shaiham Multifiber Textiles Ltd.	Sister concern	Arms length Transaction	59,908,950	-	59,908,950
			59,908,950	-	59,908,950

Shaiham Multifiber textile Ltd. has imported raw cotton in different periods of time. The board of directors of both companies came to a decision to adjust the outstanding balances through transfer of raw cotton from Saiham Multifibre Textiles Ltd. at arms length transaction basis. During the period market average rate was 76tk per lbs and the inter company transfer price was average 75.5tk per lbs.