

# Safko Spinning Mills Limited

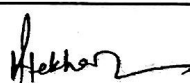
## Statement of Financial Position

As at March 31, 2020

Un-audited

Particulars	Amounts in Taka	
	March 31, 2020	June 30, 2019
<b>ASSETS</b>		
<b>Non-current Assets</b>	<b>1,472,867,989</b>	<b>1,100,094,933</b>
Property, Plant and Equipment	1,397,628,168	965,266,370
Intangible Assets	107,100	126,000
Capital Work-in-progress	75,132,721	134,702,563
<b>Current Assets</b>	<b>619,825,366</b>	<b>555,812,168</b>
Inventories	395,983,861	330,781,878
Trade Debtors	44,205,435	38,439,508
Advances, Deposits and Prepayments	130,965,300	166,881,690
Investment in FDR	10,862,433	10,628,772
Cash and Cash Equivalents	37,808,338	9,080,320
<b>Total Assets</b>	<b>2,092,693,356</b>	<b>1,655,907,101</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Shareholders' Equity</b>	<b>795,685,878</b>	<b>516,480,711</b>
Share Capital	299,817,160	299,817,160
General Reserve	3,029,184	3,029,184
Revaluation Reserve	668,916,636	280,577,069
Retained Earnings/(Deficit)	(176,077,101)	(66,942,702)
<b>Non-current Liabilities</b>	<b>987,116,257</b>	<b>753,610,117</b>
Term Loan	898,319,927	677,879,767
Deferred Tax Liabilities	88,796,331	75,730,350
<b>Current Liabilities</b>	<b>309,891,220</b>	<b>385,816,273</b>
Short-term Bank Loan	169,879,479	274,310,099
Current Portion of Term-loan	47,528,904	82,261,581
Short-term Loan from Directors	12,505,000	2,825,000
Liabilities for Expenses and Others	41,514,173	13,113,162
Provision for Tax	38,463,664	13,306,431
<b>Total Equity and Liabilities</b>	<b>2,092,693,355</b>	<b>1,655,907,101</b>
<b>Net Assets Value per Share (NAV)</b>	<b>26.54</b>	<b>17.23</b>

  
Chief Financial Officer

  
Company secretary

  
Director

  
Managing Director

  
Chairman

Dated: Dhaka  
June 30, 2020

## SAFKO SPINNING MILLS LTD.

Statement of Profit or Loss an Other Comprehensive Income  
For the 3rd quarter ended 31st March 2020  
Un-audited

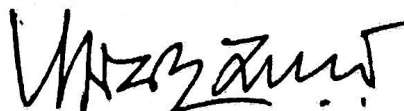
Particulars	Amount In Tk			
	July 2019 to March 2020	July 2018 to March 2019	Jan. 2020 to March. 2020	Jan. 2019 to March 2019
Net sales	321,087,926	559,805,700	53,476,923	203,798,450
Cost of goods sold	(285,207,166)	(460,458,600)	(64,563,050)	(167,630,928)
<b>Gross profit</b>	<b>35,880,760</b>	<b>99,347,100</b>	<b>(11,086,127)</b>	<b>36,167,522</b>
Other Income	262,447	1,884,300	83,277	-
Less : Administrative & Marketing expenses	(13,466,671)	(9,413,908)	(3,284,681)	(3,125,658)
<b>Operating Profit</b>	<b>22,676,537</b>	<b>91,817,492</b>	<b>(14,287,530)</b>	<b>33,041,864</b>
Financial expenses	(95,629,207)	(79,449,355)	(34,337,929)	(29,861,807)
Net profit before tax and contribution to WPPF	(72,952,670)	12,368,137	(48,625,459)	3,180,057
Provision for WPPF	-	(588,959)	-	(151,431)
<b>Net profit before tax</b>	<b>(72,952,670)</b>	<b>11,779,178</b>	<b>(48,625,459)</b>	<b>3,028,626</b>
<b>Income Tax Expense</b>				
Income Tax Current period	(1,156,562)	(3,358,834)	(192,517)	(1,222,791)
Deferred Tax	(16,146,118)	(5,079,344)	(6,772,278)	(1,495,221)
Income tax Previous Years	(25,038,314)	-	-	-
<b>Net Profit after Tax</b>	<b>(115,293,664)</b>	<b>3,341,000</b>	<b>(55,590,255)</b>	<b>310,614</b>
Other omprehensive Income	-	-	-	-
<b>Total comprehensive Income for the period</b>	<b>(115,293,664)</b>	<b>3,341,000</b>	<b>(55,590,255)</b>	<b>310,614</b>

EPS of Tk. 10 in 3rd Q. ended  
March 31, 2020

(3.85)                      0.11                      (1.85)                      0.01



Chairman



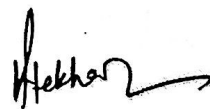
Managing Director



Director



Chief Financial Officer



Company Secretary

Dated: Dhaka  
June 30, 2020

# Safko Spinning Mills Limited

## Statement of Cash Flows

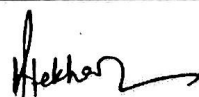
For the 3rd Quarter ended 01 July 2019 to 31 March 2020

Un-audited

Particulars	Amounts in Taka	
	July 01, 2019 to March 31, 2020	July 01, 2018 to March 31, 2019
<b>Cash Flows from Operating Activities</b>		
Collection from Customers and Other Income	315,584,446	545,829,861
Payment to Suppliers, Employees and Other Expenses	(296,362,473)	(359,615,719)
Income tax Paid	(1,045,203)	(1,000,000)
<b>Net Cash Flows from Operating Activities</b>	<b>18,176,770</b>	<b>185,214,142</b>
<b>Cash Flows from Investing Activities</b>		
Purchase of Property, Plant and Equipment	(23,200,000)	(69,405,466)
Investment in FDR	(233,661)	(1,431,548)
Capital Work-in-progress	(21,251,696)	-
<b>Net Cash Used in Investing Activities</b>	<b>(44,685,357)</b>	<b>(70,837,014)</b>
<b>Cash Flows from Financing Activities</b>		
Financial Expenses Paid	(95,629,207)	(79,449,355)
Loan Repaid from Sister Concern	59,908,950	(31,800,000)
Term Loan Receipt/Paid (Net)	185,707,482	147,178,682
Short-term Bank Loan Received/Paid (Net)	(104,430,620)	(154,371,707)
Loan Received from Directors	9,680,000	-
<b>Net Cash Flows from Financing Activities</b>	<b>55,236,605</b>	<b>(118,442,380)</b>
Net Increase/(Decrease) in Cash and Cash Equivalents	28,728,018	(4,065,253)
Cash and Cash Equivalents at the Beginning of the Year	9,080,320	10,267,255
<b>Cash and Cash Equivalents at the end of the period</b>	<b>37,808,338</b>	<b>6,202,002</b>
<b>Net Operating Cash Flows per Share</b>	<b>0.61</b>	<b>6.18</b>



Chief Financial Officer




Company secretary



Director



Managing Director



Chairman

Dated: Dhaka

June 30, 2020

**Safko Spinning Mills Limited**  
Statement of Changes in Equity (Un-audited)  
For the 3rd Quarter ended 01 July 2019 to 31 March 2020  
Un-audited

Particulars	Amount in Tk.				
	Share Capital	General Reserve	Revaluation Reserve	Retained earnings	Total
<b>Balance as on July 01, 2019</b>	299,817,160	3,029,184	280,577,069	(66,942,702)	516,480,711
Transfer from Statement of Comprehensive Income				(115,293,664)	(115,293,664)
Addition during the period			394,498,832		
Adjustment for Realized Depreciation of Revalued Assets			(6,159,265)	6,159,265	-
<b>Balance as on March 31, 2020</b>	<u>299,817,160</u>	<u>3,029,184</u>	<u>668,916,636</u>	<u>(176,077,101)</u>	<u>401,187,046</u>

**For the 3rd quarter ended 01 July 2018 to 31 March 2019**

Particulars	Share Capital	General Reserve	Revaluation Reserve	Retained earnings	Total
<b>Balance as on July 01, 2018</b>	291,084,620	3,029,184	285,889,205	(50,162,623)	529,840,386
Transfer from Statement of Comprehensive Income				3,341,000	3,341,000
Adjustment for Depreciation of Revalued Assets			(5,050,226)	5,050,226	
4% Bonus Share of Tk 10	8,732,530			(8,732,530)	-
<b>Balance as on March 31, 2019</b>	<u>299,817,150</u>	<u>3,029,184</u>	<u>280,838,979</u>	<u>(50,503,928)</u>	<u>533,181,386</u>

  
**Chairman**  
Dated: Dhaka  
June 30, 2020

  
**Managing Director**

  
**Director**

  
**Chief Financial Officer**

  
**Company Secretary**

## Safko Spinning Mills Limited

### Condensed notes

For the period from July 01, 2019 to March 31, 2020

#### 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 31.03.2020	As at 30.06.2019
Total assets - total liabilities	795,685,879	516,480,711
No. of share at the year end	29,981,716	29,981,716
	26.54	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 Q3 ended 31.03.2020	For the Q3 ended 31.03.2019
Earning attributable to ordinary shareholders	(115,293,664)	3,341,000.00
Weighted average no. of share at the year end	29,981,716 (3.85)	29,981,715 0.11

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 Q3 ended 31.03.2020	For the Q3 ended 31.03.2019
Net operating cash flows	18,176,770	185,214,142
No. of share at the year end	29,981,716 0.61	29,981,715 6.18

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 Q3 ended 31.03.2020	For the Q3 ended 31.03.2019
Profit/(loss) before WPPF & tax	(72,952,670)	-
Finance cost	95,629,207	-
Operating profit	<b>22,676,537</b>	-
<b>Adjustment:</b>		
Depreciation	42,977,472	-
<b>Changes in Working capital:</b>		
(Increase)/Decrease of inventory	(65,201,983)	-
(Increase)/Decrease of Trade debt	(5,765,927)	-
(Increase)/Decrease of Advance, deposit & Prepayment except AIT & Advance for fixed asset	(785,000)	-
Increase/(Decrease) of Liability for expenses & other finance	28,401,011	-
	<b>22,302,110</b>	-
Tax paid	(1,045,203)	-
	<b>21,256,907</b>	-

### 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
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/-
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
26-Nov-16	815,210	10	8,152,100	3% Bonus share approved on 22nd
2-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.
2-Dec-18	873,254	10	8,732,540	3% Bonus
<b>Total Paid-up Capital</b>	<b>29,981,716</b>	<b>10</b>	<b>299,817,160</b>	

**Safko Spinning Mills Limited**

Property, Plant and Equipment  
As at March 31, 2020

Annexure - A

Particulars	Cost					Rate	Depreciation			WDV at March 31, 2019
	As at July 01, 2019	1st Quarter Addition	2nd Quarter Addition	3rd Quarter Addition	As at March 31, 2020		As at July 01, 2019	Charged during the Period	As at March 31, 2020	
Land and Land Development	4,025,860				4,025,860	0.0%	-	-	-	4,025,860
Factory Building and others	176,960,137	-	80,821,538	-	257,781,675	5.0%	59,930,537	5,398,879	65,329,416	192,452,259
Constructions										
Plant and Machinery	832,072,364	-	-	-	832,072,364	7.5%	344,917,090	27,402,484	372,319,574	459,752,790
Generator	93,595,775	-	-	-	93,595,775	15.0%	72,629,834	2,358,668	74,988,502	18,607,273
Gas Line Installation	2,237,758	-	-	-	2,237,758	15.0%	1,222,814	114,181	1,336,995	900,763
Furniture and Fixtures	5,500,327	-	-	-	5,500,327	10.0%	2,239,453	244,566	2,484,019	3,016,308
Transport and Vehicles	2,625,307	-	-	-	2,625,307	20.0%	2,494,832	19,571	2,514,403	110,904
Office Equipment	2,969,772	-	-	-	2,969,772	15.0%	1,514,498	163,718	1,678,216	1,291,556
Sundry Assets	630,565	-	-	-	630,565	10.0%	493,107	10,309	503,416	127,149
<b>Sub-total</b>	<b>1,120,617,865</b>	<b>-</b>	<b>80,821,538</b>	<b>-</b>	<b>1,201,439,403</b>		<b>485,442,165</b>	<b>35,712,377</b>	<b>521,154,542</b>	<b>680,284,860</b>

**Revaluation of Property, Plant & Equipments**

Particulars	Revaluation					Rate	Depreciation			WDV at December 30, 2019
	As at July 01, 2019	1st Quarter Addition	2nd Quarter Addition	2nd Quarter Addition	As at December 31, 2019		As at July 01, 2019	Charged during the Period	As at December 31, 2019	
Land and Land Development	179,574,140	-	330,425,860	-	510,000,000	-	-	-	-	510,000,000
Factory Building	212,667,363	-	64,072,972	-	276,740,335	5%	62,150,834	7,246,194	69,397,028	207,343,307
<b>Sub-total</b>	<b>392,241,503</b>	<b>-</b>	<b>394,498,832</b>	<b>-</b>	<b>786,740,335</b>		<b>62,150,834</b>	<b>7,246,194</b>	<b>69,397,028</b>	<b>717,343,307</b>
<b>As at March 31, 2020</b>	<b>1,512,859,368</b>	<b>-</b>	<b>475,320,370</b>	<b>-</b>	<b>1,988,179,738</b>		<b>547,592,999</b>	<b>42,958,572</b>	<b>590,551,571</b>	<b>1,397,628,167</b>

**Depreciation Charged:**

Cost of Production	42,520,407
Administrative	438,164
	<u>42,958,572</u>

## Safko Spinning Mills Limited

### Intangible Assets

As at March 31, 2020

Annexure - B

Particulars	Cost			Rate	Amortisation			WDV at March 31, 2019
	As at July 01, 2019	Addition during the Year	As at December 31, 2019		As at July 01, 2019	Charged during the Period	As at March 31, 2019	
Software	140,000		140,000	20.0%	14,000	18,900	32,900	107,100
<b>As at June 30, 2019</b>	<b>140,000</b>	-	<b>140,000</b>		<b>14,000</b>	<b>18,900</b>	<b>32,900</b>	<b>107,100</b>
<b>As at June 30, 2018</b>	-	-	-		-	-	-	-

**Depreciation Charged:**

Administrative

**Total**

18,900

**18,900**