

## Safko Spinning Mills Limited

Statement of Financial Position

As at September 30, 2022

Particulars	Notes	Amount in Taka	
		September 30, 2022	June 30, 2022
<b>ASSETS</b>			
<b>Non-current Assets</b>		<b>1,495,327,564</b>	<b>1,499,430,385</b>
Property, Plant and Equipment	3	1,381,528,197	1,390,881,732
Intangible Assets	4	61,287	64,512
Right of Use Asset	5	328,080	574,140
Investment in Property	6	113,410,000	107,910,000
<b>Current Assets</b>		<b>574,592,653</b>	<b>548,639,515</b>
Inventories	7	376,905,450	382,793,612
Trade Debtors	8	79,930,349	61,670,403
Advances, Deposits and Prepayments	9	95,359,788	86,853,731
Investment in FDR	10	12,424,323	12,379,802
Cash and Cash Equivalents	11	9,972,744	4,941,968
<b>Total Assets</b>		<b>2,069,920,217</b>	<b>2,048,069,899</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' Equity</b>		<b>638,114,619</b>	<b>642,744,705</b>
Share Capital	12	299,817,160	299,817,160
Revaluation Reserve	13	553,158,732	554,088,813
Retained Earnings/(Deficit)		(214,861,273)	(211,161,268)
<b>Non-current Liabilities</b>		<b>1,131,010,720</b>	<b>1,112,780,331</b>
Non Current Portion of Term-loan	14.03	1,017,169,022	998,275,671
Deferred Tax Liabilities	15	113,082,803	113,757,562
Lease Liability	17	758,895	746,897
<b>Current Liabilities</b>		<b>300,794,879</b>	<b>292,544,863</b>
Current Portion of Term-loan	14.03	239,105,555	234,339,976
Loan from Directors	16	12,505,000	12,505,000
Liabilities for Expenses and Others	18	17,542,287	14,867,300
Unclaimed Dividend Account	19	611,585	611,585
Provision for Tax	20	31,027,452	30,221,002
<b>Total Equity and Liabilities</b>		<b>2,069,920,218</b>	<b>2,048,069,899</b>
<b>Net Assets Value per Share (NAV)</b>	27	<b>21.28</b>	<b>21.44</b>

The annexed notes 1 to 31 and Annexure-A, B & C form an integral part of these financial statements.

  
Chairman

  
Director

  
Managing Director

  
Chief Financial Officer

  
Company secretary

Dated: Dhaka  
14-Nov-22

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**Safko Spinning Mills Limited**  
Statement of Profit or Loss and Other Comprehensive Income  
For the year ended September 30, 2022

Particulars	Notes	Amount in Taka	
		July 01, 2022 to September 30, 2022	July 01, 2021 to September 30, 2021
Sales Revenue	21	134,358,822	129,392,300
Cost of Goods Sold	22	(105,537,246)	(109,022,986)
<b>Gross Profit</b>		<b>28,821,576</b>	<b>20,369,314</b>
Others Operating Income			
Others Income	23	49,468	94,038
Administrative and Marketing Expenses	24	(4,695,713)	(4,656,903)
<b>Operating Profit</b>		<b>24,175,331</b>	<b>15,806,449</b>
Financial Expenses	25	(28,673,728)	(28,008,271)
<b>Profit before Tax and Cotribution to WPPF</b>		<b>(4,498,396)</b>	<b>(12,201,822)</b>
Contribution to WPPF		-	-
<b>Profit before Tax</b>		<b>(4,498,396)</b>	<b>(12,201,822)</b>
Income Tax Current period	26	(295,822)	12,802,284
<b>Net Profit after Tax</b>		<b>(4,794,218)</b>	<b>600,462</b>
Other Comprehensive Income/(Loss)		-	-
<b>Total Comprehensive Income for the Year</b>		<b>(4,794,218)</b>	<b>600,462</b>
Earnings per Share (EPS)	28	(0.16)	0.02

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Director

  
Managing Director

  
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Company Secretary

Dated: Dhaka  
14-Nov-22

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**Safko Spinning Mills Limited**  
Statement of Changes in Equity  
For the year ended September 30, 2022

Particulars	Share Capital	General Reserve	Revaluation Reserve	Retained Earnings	Total
Balance as on July 01, 2022	299,817,160	-	554,088,814	(211,161,268)	642,744,706
Profit for the year	-	-	-	(4,794,218)	(4,794,218)
Adjustment for Realized Depreciation of Revalued Assets	-	-	(1,094,213)	-	(1,094,213)
Adjustment for Realized Depreciation of Revalued Assets and Deferred Tax	-	-	-	1,094,213	1,094,213
Adjustment for Realized Depreciation of Revalued Assets and Deferred Tax	-	-	164,132	-	164,132
<b>Balance as on September 30, 2022</b>	<b>299,817,160</b>	<b>-</b>	<b>553,158,733</b>	<b>(214,861,273)</b>	<b>638,114,620</b>


Particulars	Share Capital	General Reserve	Revaluation Reserve	Retained Earnings	Total
Balance as on July 01, 2021	299,817,160	3,029,184	557,924,198	(218,022,359)	642,748,183
Profit for the year	-	-	-	600,463	600,463
Adjustment for Realized Depreciation of Revalued Assets	-	-	(1,128,055)	-	(1,128,055)
Adjustment for Realized Depreciation of Revalued Assets and Deferred Tax	-	-	-	1,128,055	1,128,055
Adjustment for Deferred Tax for Revaluation Reserve	-	-	169,208	-	169,208
<b>Balance as on September 30, 2021</b>	<b>299,817,160</b>	<b>3,029,184</b>	<b>556,965,351</b>	<b>(216,293,841)</b>	<b>643,517,854</b>

The annexed notes 1 to 31 and Annexure-A, B & C form an integral part of these financial statements.

  
Chairman

  
Director

  
Managing Director

  
Chief Financial Officer

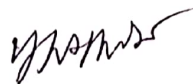
  
Company Secretary

Dated: Dhaka  
14-Nov-22

**Safko Spinning Mills Limited**  
Statement of Cash Flows  
For the year ended September 30, 2022

Particulars	Notes	Amount in Taka	
		July 01, 2022 to September 30, 2022	July 01, 2021 to September 30, 2021
<b>Cash Flows from Operating Activities</b>			
Collection from Customers and Other Income		116,148,344	117,286,338
Payment to Suppliers, Employees and Other Expenses		(100,561,051)	(112,621,821)
Income tax Paid		-	-
<b>Net Cash Used by Operating Activities</b>		<b>15,587,293</b>	<b>4,664,517</b>
<b>Cash Flows from Investing Activities</b>			
Purchase of Property, Plant and Equipment		-	-
Investment in FDR		(44,520)	(84,635)
Investment in Property		(5,500,000)	-
<b>Net Cash Used in Investing Activities</b>		<b>(5,544,520)</b>	<b>(84,635)</b>
<b>Cash Flows from Financing Activities</b>			
Financial Expenses		(28,673,728)	(28,008,271)
Term Loan Receipt/Paid (Net)		23,661,731	18,589,964
Dividend		-	(36,000)
Loan From Directors		-	-
<b>Net Cash Flows from Financing Activities</b>		<b>(5,011,997)</b>	<b>(9,454,307)</b>
Net Increase/(Decrease) in Cash and Cash Equivalents		5,030,777	(4,874,425)
Cash and Cash Equivalents at the Beginning of the Year		4,941,968	8,381,782
<b>Cash and Cash Equivalents at the end of the year</b>		<b>9,972,744</b>	<b>3,507,357</b>
Net Operating Cash Flows per Share	29	0.52	0.16

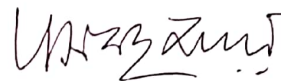
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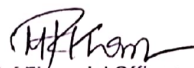
Chairman



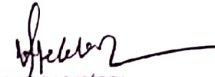
Director



Managing Director



Chief Financial Officer



Company Secretary

Dated: Dhaka  
14-Nov-22

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**Safko Spinning Mills Limited**  
Notes to the Financial Statements  
For the year ended September 30, 2022

**1. SPECIFIC ACCOUNTING POLICIES SELECTED AND OTHER MATERIAL INFORMATION**

**Legal form of the Enterprise**

Safko Spinning Mills Limited was incorporated vide registration no C-26103(1937)/94 in Bangladesh on June 20, 1994 as Public Limited Company under the Companies Act 1913 (subsequently repealed by the Companies Act, 1994). The Company issued public portion of shares and was listed with Dhaka Stock Exchange from April 12, 1999.

**Address of Registered Office and Principal Place of Business**

The registered office of the Company and the factory is located at Noyapara, Saiham Nagar of Habigonj District

**Principles Activities and Nature of Operations**

The Company manufactures Cotton Yarn, Polyester, Cotton Blended Yarn, Synthetic Yarn or other yarn for sale and export purpose. The production of the mill was stopped from January 2009 due to abnormal losses sustained by the company for the last two consecutive years. However, the production of the mill has been started from May 25, 2010 which was informed to SEC & DSE.

**2. SIGNIFICANT ACCOUNTING POLICIES AND RELEVANT INFORMATION**

**2.1 Basis of Preparation and Presentation of the Financial Statements**

The financial statements have been prepared and the disclosures of information made in accordance with the requirements of the Companies Act 1994, the Security Exchange Rules 1967 and IFRSs and IASs adopted by the Institute of Chartered Accountants of Bangladesh (ICAB). The Statement of Financial Position and Statement of Profit or Loss and Other Comprehensive Income have been prepared according to IAS 1 (Presentation of Financial Statements) based on accrual basis following going concern assumption under generally accepted accounting principles and practices in Bangladesh and Statement of Cash Flows according to IAS 7 (Statement of Cash Flows).

**2.2 Recognition of Property, Plant and Equipment and Depreciation**

Property, Plant and Equipment except land and land development are stated at cost less accumulated depreciation in accordance with IAS 16 "Property, Plant and Equipment". Cost represent cost of acquisition of construction and include purchase price and other directly attributable cost of bringing the assets to working conditions for its intended use, but do not include any capitalized borrowing cost. No depreciation is charged on land and land development. Depreciation has been charged on addition of assets on monthly basis. Depreciation on all other fixed assets are computed using the reducing balance method in amount sufficient to write off depreciable assets over their estimated useful life. Expenditure for maintenance and repairs are expenses major replacements, renewals and betterment are capitalized. The cost and accumulated depreciation of depreciable assets retired or otherwise disposed off are eliminated from the assets and accumulated depreciation and any gain or loss on such disposals reflected in operations for the year.

The annual depreciation rates applicable to the principal categories are

Land and Land Development	0%
Factory Building & other Construction	3%
Plant and Machinery	5%
Generator	15%
Gas line Installation	15%
Furniture and Fixture	10%
Transport Vehicles	20%
Office Equipment	15%
Sundry Assets	10%

The management has evaluated the useful life of Factory Building & Other Construction and Plant & Machinery after fully capitalization. According to engineers certificate the management has decided to revise the remaining useful life of these assets and accordingly depreciation has been charged to cost of goods sold and administrative expenses consistently.

### **2.3 Leases:**

#### **Right-of-use assets (ROU)**

The company recognizes the right-of-use assets (RoU) at the commencement date of the lease (i.e. the date the underlying asset is available for use). RoU assets are measured at cost less any accumulated depreciation and impairment of losses and adjusted cost incurred, and lease payment made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight line basis over the lease term, or remaining period of the lease term. The company assessed all lease contracts live in 2019 and recognized as RoU of assets of all leases as per IFRS 16.

#### **Lease Liability**

At the commencement of the lease, the company recognizes lease liabilities measured at the present value of lease payments (initial payment), and amount is expected to be paid under residual value of guarantees. The lease payments include fixed lease payment.

### **2.4 Measurement Bases Used in Preparing the Financial Statements**

All the elements of financial statements have been measured in "Historical Cost" basis which is one of the most commonly adopted bases as provided in "The Framework for the Preparation and Presentation of Financial Statements" issued by the International Accounting Standards (IAS).

### **2.5 Use of Estimates in Preparation of Financial Statements**

The preparation of financial statements in conformity with the International Accounting Standards requires management to make estimates and assumptions that affects the reported amounts of the assets and liabilities and disclosure of the contingent assets and liabilities at the date of the financial statements, and revenue and expenses during the year reported. Actual results could differ from those estimates. Estimates are used in accounting for certain items such as depreciation; liability for outstanding claims whether due or intimated, taxes etc.

### **2.6 Revaluation of property, plant and equipment**

#### **Basis of valuation:**

**Land and land development:** At the time of revaluation of land and land development it is observed by the valuer that there is no uniformity in price of land in the plot lying side by side and having equal facilities may fetch different price without any apparent and convincing reasons. Land and land development have been revalued based on plot being purchased and sold in the locality during the last few months. The valuer also discussed with the local people and inhabitants of that locality at random basis to arrive at an average consensus value as to the present price of the land in the locality. According to present market condition, value of the land is a relevant term as the seller and buyer looks at it from different point. Moreover, it differs from a willing seller and an unwilling seller and similarly a willing buyer will have a different value than that of an unwilling buyer. Land is revalued by Shafiq Basak & Co. Chartered Accountants as on September 30, 2019.

**Factory Building and Others Construction:** The construction of civil works was evaluated by Depreciation Replacement Cost (DRC) approach i.e. by estimating the cost of new construction of the subject structures (with same size, shape, height, visual appearance and internal design) and then adjusting the amount to reflect the depreciation already taken on the existing facility/structure, the wear and tear the existing structure has sustained, and the amount and type of maintenance the facility has received. We have also taken into the enhancement of the material cost and the phenomenal increase of construction material and labor cost over the years and the costing of PWD (Public Works Department) schedule of rates, which is considered to be more authentic. Factory building and others construction is also revalued by Shafiq Basak & Co. Chartered Accountants as on September 30, 2019.

### **2.7 Going concern**

The company has adequate resources to continue in operation for the foreseeable future. For this reason, the directors continue to adopt going concern basis in preparing the financial statements. The current credit facilities and resources of the company provides enough fund to meet the present requirements of existing business.

## 2.8 Basis of Preparation

The financial statements have been prepared based on the accrual basis of accounting following going concern assumption and prepared under the historical cost convention.

## 2.9 Inventories

Inventories on hand are valued at lower of average cost and net realizable value in accordance with para 21 and 25 of IAS-2. Item-wise valuation are as follows :

Item	Method of Valuation
Raw Cotton	At average cost price
Polyester Staple Fibre	At average cost price
Spare Parts	At cost price
Packing Materials	At cost price
Work-in-process	100% Materials plus portion of labour charges, gas charges & Electric charges
Finished goods (Yarn)	Cost and Market price whichever is lower

## 2.10 Cash and Cash Equivalents

According to IAS 7 "Statement of Cash Flows" cash comprises of cash in hand and bank deposits and cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. IAS 1 "Presentation of Financial Statements" provides that Cash and Cash Equivalents are not restricted in use. Considering the provisions of IAS 7 and IAS 1, Cash in hand and bank balances have been considered as cash and cash equivalents.

## 2.11 Creditors and Accruals

Liabilities are recorded at the amount to be paid in the future for settlement in respect of goods and services received by the Company.

## 2.12 Statement of Cash Flows

Statement of Cash Flows is prepared principally in accordance with IAS 7 "Statement of Cash Flows" and the cash flows from the operating activities have been presented direct method as prescribed by the Securities & Exchange Rules, 1987 and considering the provision of paragraph 19 of IAS 7 which provides that "Enterprises are Encouraged to Report Cash Flows from Operating Activities Using the Direct Method."

## 2.13 Revenue Recognition

The company recognizes revenue when control and ownership has been transferred to the buyer, which satisfied all the condition for the revenue recognition as provided in IFRS 15 "Revenue from Contracts with Customers."

## 2.15 Trade Debtors

These are carried at original invoice amount. This is considered good and collectable .

## 2.16 Workers Profit Participation Fund

Workers profit participation fund has been created at the rate of 5% after charging WPPF on net profit during the year under audit .

## 2.16 Earnings per Share (EPS)

The company calculates Earnings per share (EPS) in accordance with IAS 33 "Earnings per Share" which has been shown on the Statement of Profit or Loss and Other Comprehensive Income .

## 2.17 Basic Earnings

This presents earnings for the year attributable to ordinary shareholders. As there was no preference dividend minority interest or extra ordinary terms, the net profit after tax for the year has been considered as fully attributable to the ordinary shareholders.

## 2.18 Basic Earnings per Share

This has been calculated by dividing the basic earning by the weighted average number of ordinary shares outstanding during the period.

## 2.19 Taxation

The provision for income tax has been made @ 15% on net profit during the period.

## 2.20 Additional Information on Financial Statements

### Responsibility for Preparation and Presentation of Financial Statements

The Board of Directors is responsible for the preparation and presentation of Financial Statements under Section 183 of the Companies Act 1994 and as per the provision of "The Framework For The Preparation And Presentation of Financial Statements" issued by the International Accounting Standard (IAS)

### Components of the Financial Statements

According to the International Accounting Standard (IAS) 1 "Presentation of Financial Statements" the Complete set of Financial Statements includes the following components:

- i. Statement of Financial Position as at September 30, 2022
- ii. Statement of Profit or Loss and Other Comprehensive Income (Profit and Loss Account) for the Quarter ended on September 30, 2022
- iii. Statement of Changes in Equity for the Quarter ended on September 30, 2022
- iv. Statement of Cash Flows for the Quarter ended on September 30, 2022
- v. Accounting Policies and Explanatory notes.

### 2.21 Revaluation Reserve

When an assets carrying amount is increased as a result of revaluation, the increase amount should be credited directly to equity under the heading of Revaluation surplus /reserve as per IAS -16. Property Plant and Equipment. The company revalued the assets of Land and Factory Buildings and other construction which has absolutely owned by the company and The increased amount transferred to Revaluation Reserve. The revaluation was made on 30th September 2012 which was conducted by a professional independent valuer Axis resources ltd. In order to reflect the fair picture of the company as the present condition on the basis of current market price for land and replace cost for Building

### 2.22 Deferred Tax

Deferred Tax is recognised on difference between the carrying amount of assets and a liability in the Financial Statements and the corresponding tax based used in the computation of taxable profit and is accounted for using balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary difference and deferred tax assets are recognised to the extent that is probable that the profit will be available against which deductible temporary difference, unused tax losses or unused tax credits can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from initial recognition (other than in a Business combination) of other assets and liabilities in a transaction that affect neither the taxable profit nor accounting profit. Considering the practices generally followed in Bangladesh the company have been reserved Deferred Tax Assets or Deferred Tax Liabilities in accordance with IAS-12 "Income Taxes".

### 2.23 Risk and uncertainties for use of estimates in preparation of Financial Statements

The preparation of Financial Statements in conformity with the International Accounting Standards requires management to make estimates and assumption that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the affect financial statements and revenues and expenses during the period reported. Estimates are used for accounting of certain items such as long term contracts, depreciation and employees benefit plants, Taxes, reserves and contingencies

### 2.24 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

### 2.25 Compliance with International Accounting Standards (IASs)

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



### **2.26 Reclassification/Re-arrangement/Restatement**

To facilitate comparison certain relevant balances pertaining to the last year have been reclassified/re-arranged/restated whenever considered necessary to conform to current year's presentation.

### **2.27 Reporting currency and level of precision**

The figures in the financial statements represent Bangladesh Taka currency, and rounded off to the nearest Taka except where indicates otherwise.

### **2.28 Related parties disclosures**

As per IAS -24 parties are considered to be related if one party has the ability to control the others party exercise significant influence over the other party in making financial and and operating decisions. There is no such transaction in the year.

### **2.29 Number of Employees**

The number of employees at year end were 449 persons.

### **2.30 Functional and presentational (reporting) currency**

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

### **2.31 Reporting Period**

Financial Statement of the company covers from July 01, 2021 to September 30, 2022

### **2.32 Authorization for Issue**

The financial statements have been authorized for issue by the Board of Directors on November 14, 2022.

### **2.33 Comparative Information**

Comparative Information have been disclosed in respect of the year on June 30, 2022 for balance sheet and September 30, 2021 for Statement of Profit or loss and other comprehensive income for all numerical information in the financial statement and also the narrative and descriptive information when it is relevant for understanding of the current periods of financial statements.

In compliance with the requirements of "IAS-10" Events after the reporting period, post Statement of Financial Position events that provide additional information about the company's position at the Statement of Financial Position date are reflected in the Financial statements and events after the Statement of Financial Position date that are not adjusting event are disclosed in the notes when material.

The comparative financial statements for the financial quarter September 30, 2022 has been produced from the last years 3 months financial statements.

### **2.35 General**

- i) Figures appearing in these Financial Statements have been rounded off to the nearest Bangladeshi taka;
- ii) These notes form an integral part of the annexed Financial Statements and accordingly are to be read in conjunction therewith;
- iii) The company has not incurred any expenditure in foreign currency against royalties and technical fees.

Notes	Particulars	Amount in Taka	
		September 30, 2022	June 30, 2022
<b>3.00</b>	<b>Property, Plant and Equipment</b>		
	<b>Cost of valuation:</b>		
	Balance at the beginning of the year	2,070,372,448	2,070,372,448
	Addition during the year	-	-
	Balance at year end	<u>2,070,372,448</u>	<u>2,070,372,448</u>
	<b>Accumulated depreciation:</b>		
	Balance at the beginning of the year	679,490,716	640,089,988
	Addition during the year	9,353,535	39,400,728
	Balance at year end	<u>688,844,251</u>	<u>679,490,716</u>
	<b>WDV at the year end</b>	<u>1,381,528,197</u>	<u>1,390,881,732</u>
	The details Property, Plant and Equipment has been shown in Annexure - A.		
	The land, building and plant & machinery at carrying of Tk. 665,020,965 has been placed as security for company's loan.		
<b>4.00</b>	<b>Intangible Assets</b>		
	<b>Cost or valuation:</b>		
	Balance at the beginning of the year	140,000	140,000
	Addition during the year	-	-
	Balance at year end	<u>140,000</u>	<u>140,000</u>
	<b>Accumulated depreciation:</b>		
	Balance at the beginning of the year	75,488	59,360
	Addition during the year	3,226	16,128
	Balance at year end	<u>78,714</u>	<u>75,488</u>
	<b>WDV at the year end</b>	<u>61,286</u>	<u>64,512</u>
	The details Intangible Assets has been shown in Annexure - B.		
<b>5.00</b>	<b>Right of use Asset</b>		
	<b>Cost:</b>		
	Balance at the beginning of the year	2,952,720	2,952,720
	Add: Addition during the year	-	-
	Balance at year end	<u>2,952,720</u>	<u>2,952,720</u>
	<b>Depreciation:</b>		
	Balance at the beginning of the year	2,378,580	1,394,340
	Add: Depreciation charged during the year	246,060	984,240
	Balance at year end	<u>2,624,640</u>	<u>2,378,580</u>
	<b>WDV at the year end</b>	<u>328,080</u>	<u>574,140</u>
	The details Right of Use Asset has been shown in Annexure-C.		
<b>6.00</b>	<b>Investment in Property</b>		
	Balance at the beginning of the year	-	-
	Add: Addition during the year	113,410,000	107,910,000
	Balance at year end	<u>113,410,000</u>	<u>107,910,000</u>
	The company has given advance for land of Tk. 9.9 crore. The seller has given the possession of the said land and agreed to register the land after full payment vide agreement dated. 3rd December, 2019. As the company has paid the major purchase consideration and desires for development for future gain, the said advance transferred to investment in property as per IAS 40- Investment Property.		
<b>7.00</b>	<b>Inventories</b>		
	Raw Cotton	300,273,455	303,828,823
	Polyester Staple Fiber	21,859,870	21,859,870
	Stores and Spares	6,981,511	7,739,093
	Packing Materials	4,248,074	5,823,286
	Work in Process	26,289,555	27,558,555
	Finished goods	17,252,985	15,983,985
		<u>376,905,450</u>	<u>382,793,612</u>

Notes	Particulars	Amount in Taka	
		September 30, 2022	June 30, 2022
8.00	<b>Trade Debtors</b>		
	M/S. Rupashi Colour Ltd.	41,905,959	28,995,392
	Pach gion Traders	16,869,542	15,309,197
	A.J. Traders	4,254,471	3,254,237
	Hazi Nazim uddin	6,216,192	4,949,302
	Four Star yarn Traders	6,767,165	7,276,255
	TT Textiles	3,917,020	3,917,020
		<b>79,930,349</b>	<b>61,670,403</b>
	Less: Bad debt provision		
		<b>79,930,349</b>	<b>61,670,403</b>

<b>Receivables aging analysis</b>		
Within 30 days	15,986,070	4,849,653
Over 30 days but less than 60 days	20,781,891	7,274,480
Over 60 days but less than 90 days	23,979,105	9,699,307
Over 90 days	19,183,284	26,673,093
	<b>79,930,349</b>	<b>48,496,533</b>

9.00	<b>Advances, Deposits and Prepayments</b>		
	Habigonj Palli Bidyut Samity	1,107,700	1,107,700
	Advance Income Tax	236,518	231,571
	Advance to Raw Cotton suppliers	52,045,000	47,044,445
	Advance against Spare Parts and Packing Materials	41,175,570	37,675,015
	Advance to employees	795,000	795,000
		<b>95,359,788</b>	<b>86,853,731</b>

<b>Maturity Analysis</b>		
Adjustable/realisable more than 30 days to 90 days	52,045,000	47,044,445
Adjustable/realisable more than 90 days to 1 year	41,970,570	38,470,015
Adjustable after 12 months	1,344,218	1,339,271
	<b>95,359,788</b>	<b>86,853,731</b>

10.00	<b>Investment in FDR</b>		
	The following FDRs are at the Bank Asia Ltd., Corporate Branch.		
	FDR no.		
	A/C#035323314976	1,591,026	1,591,026
	A/C#035305714799	1,693,462	1,648,941
	A/C#00255014760	774,135	774,135
	A/C #00255014885	1,459,811	1,459,811
	A/C #00255014758	6,905,868	6,905,868
		<b>12,424,323</b>	<b>12,379,802</b>

11.00	<b>Cash and Cash Equivalents</b>		
	The above mentioned amount of FDR amounting Tk.12,379,801 are liened in Bank Asia Ltd.		
	Cash in Hand (Note: 10.01)	9,357,502	4,326,726
	Cash at Bank (Note: 10.02)	615,242	615,242
		<b>9,972,744</b>	<b>4,941,968</b>

11.01	<b>Cash in Hand</b>		
	Head Office	7,732,020	2,701,244
	Factory Office	1,625,482	1,625,482
		<b>9,357,502</b>	<b>4,326,726</b>

Notes	Particulars	Amount in Taka	
		September 30, 2022	June 30, 2022
11.02	Cash at Bank	1,171	1,171
	JBL HO- A/C. No. 0100108538184	17,944	17,944
	Dhaka Bank- A/C. No. 2011000004364	58,274	58,274
	JBL CD (nowapara)- A/C. No. 03400320000092	2,135	2,135
	Pubali bank- A/C. No. 0565901026331	1,359	1,359
	NRB CD- A/C. No. 1012010037293	1,630	1,630
	Premier Bank- A/C. No. 18911100000021	211	211
	Bank Asia CD- A/C. No. 00233012023	7,030	7,030
	DBBL- A/C. No. 11611022287	492,438	492,438
	Dhaka Bank Limited Ac. No.-2011000006846-Dividend Account	582,192	582,192
	Dormant Account:		
	JBL STD A/C.	33,050	33,050
		615,242	615,242

STD A/C with JBL has been dormant and hence the balance in these bank account is not readily useable.

12.00	Share Capital		
12.01	Authorized Capital	1,000,000,000	1,000,000,000
	100,000,000 Ordinary Shares of Tk. 10 each		
12.02	Issued, Subscribed and Paid up Capital	299,817,160	299,817,160
	Opening Balance	-	-
	Add: Bonus share (stock Dividend)	299,817,160	299,817,160
	29,981,716 Ordinary Shares of Tk. 10 each		

Notes	Particulars	Amount in Taka	
		September 30, 2022	June 30, 2022
13.00	<b>Revaluation Reserve</b>		
	Opening Revaluation Reserve	554,088,813	557,924,198
	Addition During the Year	-	-
	Adjustment for Realized Depreciation of Revalued Assets	(1,094,213)	(4,512,218)
	Adjustment for Deferred Tax for Revaluation Reserve	164,132	676,833
		<u>553,158,732</u>	<u>554,088,813</u>
14.00	<b>Term Loan</b>		
	Opening Balance	1,232,615,847	1,189,496,033
	Addition During the year	-	-
	Interest charged during the year	28,661,730	125,192,794
	Paid during the year	(5,000,000)	(62,072,980)
		<u>1,256,277,577</u>	<u>1,232,615,847</u>
14.01	<b>Term Loan Bank Asia</b>		
	Opening Balance	1,078,566,521	1,005,297,734
	Addition During the year	-	-
	Interest charged during the year	24,768,280	108,677,787
	Paid during the year	(5,000,000)	(35,409,000)
	Balance at the end of the year	<u>1,098,334,801</u>	<u>1,078,566,521</u>

Notes	Particulars	Amount in Taka	
		September 30, 2022	June 30, 2022
14.02	<b>Term Loan Premier Bank</b>		
	Opening Balance	154,040,326	184,198,299
	Addition During the year	-	-
	Interest charged during the year	3,893,450	16,515,006
	Paid during the year	-	(46,663,980)
	<b>Balance at the end of the year</b>	<b>157,942,776</b>	<b>154,049,326</b>
14.03	<b>Maturity of Term-loan</b>		
	Payment fall due within one year	239,108,555	234,339,976
	Payment fall due after one year	1,017,169,022	998,275,872
		<b>1,256,277,577</b>	<b>1,232,615,847</b>
15.00	<b>Deferred Tax Liabilities</b>		
	<b>A. Property Plant and Equipment</b>		
	Property, Plant and Equipment at Accounting base	730,814,505	739,077,053
	Property, Plant and Equipment at Tax base	434,359,397	451,332,687
	Temporary difference	296,455,108	287,744,366
	Tax rate	15%	15%
	Deferred Tax Liabilities	44,468,266	43,161,655
	<b>B. Calculation of deferred tax on Unused Tax Losses</b>		
	Unabsorbed depreciation for the year	(193,344,734)	(181,229,808)
	Bad debt provision	(193,344,734)	(181,229,808)
	Tax rate	15%	15%
	Deferred tax assets	(29,001,710)	(27,184,471)
	<b>C. Calculation of deferred tax on revaluation on property plant and equipment</b>		
	Revalued value of land	505,974,140	505,974,140
	Revalued value of other than land	144,800,838	145,895,051
	Tax rate	15%	15%
	On land	15%	15%
	On other than Land		
	<b>Deferred tax liabilities</b>		
	For land	75,896,121	75,896,121
	For other than Land	21,720,126	21,884,258
		97,616,247	97,780,379
	<b>Total Deferred Tax Liabilities (A+B+C)</b>	<b>113,082,803</b>	<b>113,757,562</b>
15.01	<b>Deferred Tax Expenses/(Income) for the year</b>		
	Deferred tax liability other than revalued assets as at March 31, 2022 (A+B)	15,466,556	15,977,184
	Deferred tax liability other than revalued assets as at June 30, 2021 (A+B)	15,977,184	23,552,221
	<b>Net increased in deferred tax expenses for other than revalued assets for the year</b>	<b>(510,627)</b>	<b>(7,575,037)</b>
16.00	<b>Loan from Directors</b>		
	Opening Balance	12,505,000	12,505,000
	Add: Addition During the period	-	-
	Less: Paid during the period	-	-
		<b>12,505,000</b>	<b>12,505,000</b>

Notes	Particulars	Amount in Taka	
		September 30, 2022	June 30, 2022
17.00	<b>Lease Liability</b>		
	Opening Balance	746,897	1,783,355
	Add: Addition during the year	-	-
	Add: Finance Cost	11,997	112,824
	Less: Payment during the period	-	(1,149,281)
		<u>758,895</u>	<u>746,897</u>
18.00	<b>Liabilities for Expenses and Others</b>		
	Electricity Charge	8,347,064	5,672,077
	Audit fees	517,500	517,500
	WPPF	8,414,493	8,414,493
	Workes welfare fund	68,201	68,201
	VAT Liability	137,729	137,729
	Rent Expense	24,300	24,300
	Service Charge	15,000	15,000
	Security Service	18,000	18,000
		<u>17,542,287</u>	<u>14,867,300</u>
19.00	<b>Unclaimed Dividend Account</b>		
	Opening Balance	611,585	37,096
	Addition:	-	10,493,406
		<u>611,585</u>	<u>10,530,502</u>
	Payment during the year	-	9,918,917
	Closing Balance	<u>611,585</u>	<u>611,585</u>
	As per drection of BSEC the company deposited 36,000 tk on August 31, 2021 for the purpose of transferring the amounts held against unclaimed or undistributed or unsettled dividend in cash to the Capital Market Stabilization Fund (CMSF).		
20.00	<b>Provision for Tax</b>		
	Opening Balance	30,221,002	42,369,276
	Add :Previous years (After Assessment)	-	(11,229,922)
	Add: Addition during the year	806,450	1,581,939
		<u>31,027,452</u>	<u>32,721,292</u>
	Less: Adjustment during the year	-	(2,500,290)
		<u>31,027,452</u>	<u>30,221,002</u>

Notes	Particulars	Amount In Taka	
		July 01, 2022 to September 30, 2022	July 01, 2021 to September 30, 2021
21.00	<b>Sales Revenue</b>		
	Sale of Finished Yarn (net of VAT)	134,358,822	129,392,300
		<u>134,358,822</u>	<u>129,392,300</u>
22.00	<b>Cost of Goods Sold</b>		
	Opening Stock of Finished Goods	15,983,985	16,028,430
	Add: Cost of Production (Note: 21.01)	106,806,246	108,222,986
		<u>122,790,231</u>	<u>124,251,416</u>
	Less: Closing Stock of Finished Goods	(17,252,985)	(15,228,430)
		<u>105,537,246</u>	<u>109,022,986</u>
22.01	<b>Cost of Production</b>	77,956,308	73,218,853
	Row cotton (Note: 22.01.01)	-	-
	Polyester Staple Fiber (Note: 22.01.02)	757,582	899,572
	Spare Parts (Note: 22.01.03)	1,575,212	2,085,853
	Packing Materials (Note: 22.01.04)	6,845,827	10,922,773
	Direct Wages and Salaries	18,402,317	21,545,936
	Factory Overhead (Note: 22.01.05)	105,537,246	108,672,987
		<u>27,558,555</u>	<u>27,864,110</u>
	Add: Opening Works-in-Process	133,095,801	136,537,097
		<u>(26,289,555)</u>	<u>(28,314,110)</u>
	Less: Closing works-in-Process	106,806,246	108,222,987
		<u>106,806,246</u>	<u>108,222,987</u>
	Wastage and scrap sales has been written off against production costs.		
22.01.01	<b>Consumption of Raw Cotton</b>	303,828,823	290,770,263
	Opening Stock	74,400,940	67,172,015
	Add: Purchase during the year	378,229,763	357,942,278
	Available for use	<u>(300,273,455)</u>	<u>(284,723,425)</u>
	Less: Closing Stock	77,956,308	73,218,853
		<u>77,956,308</u>	<u>73,218,853</u>
22.01.02	<b>Consumption of polyester Staple Fiber</b>	21,859,870	36,059,114
	Opening Stock	-	-
	Add: Local purchase during the year	21,859,870	36,059,114
	Available for use	<u>(21,859,870)</u>	<u>(36,059,114)</u>
	Less :Closing Stock	-	-
		<u>-</u>	<u>-</u>
22.01.03	<b>Consumption of Spare parts</b>	7,739,093	8,024,728
	Opening Stock	-	150,000
	Add: Purchase during the year	7,739,093	8,174,728
	Available for use	<u>(6,981,511)</u>	<u>(7,275,156)</u>
	Less: Closing Stock	757,582	899,572
		<u>757,582</u>	<u>899,572</u>
22.01.04	<b>Consumption of Packing Materials</b>	5,823,286	4,421,443
	Opening Stock	-	1,332,271
	Add: Purchase during the year	5,823,286	5,753,714
	Available for use	<u>(4,248,074)</u>	<u>(3,667,862)</u>
	Less :Closing Stock	1,575,212	2,085,852
		<u>1,575,212</u>	<u>2,085,852</u>
22.01.05	<b>Factory Overhead</b>	63,550	61,338
	Carriage Inward	515,940	496,938
	Insurance Premium (Fire)	125,487	61,920
	Repairs and Maintenance	127,498	115,000
	Fuel & Lubricants	8,315,097	11,072,978
	Electric bill	9,254,745	9,737,762
	Depreciation	18,402,317	21,545,936
		<u>18,402,317</u>	<u>21,545,936</u>



Notes	Particulars	Amount in Taka	
		July 01, 2022 to September 30, 2022	July 01, 2021 to September 30, 2021

<b>23.00</b>	<b>Others Income</b>	49,468	94,038
	Interest Income	<u>49,468</u>	<u>94,038</u>

**24.00 Administrative and Marketing Expenses**

Board of Director's remuneration and Board Meeting fees	525,000	525,000
Salary and Allowance	2,049,000	2,149,182
Post and Courier	12,500	23,500
Registration and Renewal	7,000	6,900
Printing and Stationary	3,512	9,670
Travelling and Conveyance	22,275	34,280
Donation and Subscription	-	22,640
Electricity expenses(Res. Qtrs.)	32,675	38,712
Miscellaneous expenses	7,523	6,150
Telephone & Mobile Bill	13,500	13,000
Office maintenance	75,650	134,000
Sales promotion	325,150	132,000
Gas Bill (Res Qtrs)	24,150	29,198
Service Charge	40,000	40,000
Security Service	32,774	32,774
Internet Bill	10,500	10,500
Entertainment	17,525	25,915
Depreciation & amortization	102,015	116,452
Depreciation of right of use asset	246,060	246,060
VAT	962,799	899,970
Business Development	145,250	118,250
Head Office Electric Bill	40,855	42,750
	<u>4,695,713</u>	<u>4,656,903</u>

**25.00 Financial Expenses**

Interest on term loan	28,661,730	27,968,392
Bank Charges and Commission	-	3,352
Interest on Lease Liability	11,997	36,526
	<u>28,673,728</u>	<u>28,008,270</u>

**26.00 Income Tax expenses**

Current Tax provision ( Note-26.01)  
Add: Previous year's tax adjustment(Upto 2019-20)  
Deferred tax expenses/(income) (Note: 15.01)

	(510,627)	(13,579,202)
	<u>295,822</u>	<u>(12,802,284)</u>

**26.01 Current Tax expenses (Higher of A, B & C)**

**A. Income Tax on Regular rate**

Profit Before Tax	(4,498,396)	(12,201,821)
Add: Accounting depreciation	9,356,760	36,231,112
Less: Tax depreciation	(16,973,290)	(63,151,297)
	(12,114,925)	(39,122,006)

Tax rate	15%	15%
Current tax	<u>(1,817,238.80)</u>	<u>(5,868,300.90)</u>

**B. Income Tax Paid at source**

	-	-
	<u>806,450</u>	<u>776,918</u>

**C. Minimum tax**

	-	-
	<u>806,450</u>	<u>776,918</u>

Notes	Particulars	Amount in Taka	
		July 01, 2022 to September 30, 2022	July 01, 2021 to September 30, 2021
27.00	<b>Net Assets Value (NAV) per Share</b>		
	Total Assets	2,069,920,217	2,029,724,790
	Less. Total outstanding Liabilities	1,431,805,599	1,386,206,936
	Net assets value	<u>638,114,619</u>	<u>643,517,854</u>
	Divided by number of ordinary share	29,981,716	29,981,716
	NAV	<u>21.28</u>	<u>21.46</u>
28.00	<b>Earnings Per Share (EPS)</b>		
	Earnings Attributable to the ordinary shareholder	(4,794,218)	600,463
	EPS	<u>29,981,716</u>	<u>29,981,716</u>
	Weight average no. of ordinary shares	(0.16)	0.02
	EPS		
	Earning per share has decreased significantly due to increased financial cost & last year we had deferred tax income corresponding period.		
29.00	<b>Net Operating Cash Flows per Share (Restated)</b>		
	Net Operating Cash Flows	15,587,293	4,664,517
	NOCF per Share	<u>29,981,716</u>	<u>29,981,716</u>
	No. of share outstanding at the end of the year	0.52	0.16
	NOCF per Share		
	Net operating cash flow has increased due to increased sales revenue, less outflow for cost of production and administrative expenses compared to last years corresponding period.		
30.00	<b>Reconciliation of Cash Flows from Operating Activities (Indirect Method)</b>		
	Profit before Tax	(4,498,396)	(12,201,821)
	Depreciation	9,356,760	9,854,214
	Finanance Cost	28,673,728	28,008,271
	Interset on lease liability	11,997	36,526
	Depreciation of right of use asset	246,060	246,060
	Payment of lease liability	-	(258,750)
	Decrease/ (Increase) in inventories	5,888,162	7,899,991
	Decrease/ (Increase) in Trade Debtors	(18,259,946)	(12,200,000)
	Decrease/ (Increase) in Advances, Deposits and Prepayments	(8,506,057)	(16,009,403)
	Increase/ (Decrease) in Liabilities for expenses and others	2,674,987	(710,571)
	Income Tax Paid	-	-
	Net Cash Flows from Operating Activities	<u>15,587,294</u>	<u>4,664,517</u>
		0	

**Safko Spinning Mills Limited**  
Schedule of Property, Plant and Equipment  
As at September 30, 2022

Annexure - A

Particulars	Cost			Rate	Depreciation			WDV at September 30, 2022
	As at July 01, 2022	Addition During the Quarter	As at September 30, 2022		As at July 01, 2022	Addition During the Quarter	As at September 30, 2022	
Land and Land Development	4,025,860		4,025,860	0.0%	-	-	-	4,025,860
Factory Building and others Constructions	345,942,693		345,942,693	3.0%	81,682,181	1,981,954	83,664,135	262,278,559
Plant, Machinery & Factory Equipments	881,664,355		881,664,355	5.0%	427,875,105	5,672,366	433,547,471	448,116,884
Generator	93,595,775		93,595,775	15.0%	80,720,066	482,839	81,202,906	12,392,869
Gas Line Installation	2,237,758		2,237,758	15.0%	1,614,456	23,374	1,637,829	599,929
Furniture and Fixtures	5,500,327		5,500,327	10.0%	3,123,150	59,429	3,182,579	2,317,748
Transport and Vehicles	2,625,307		2,625,307	20.0%	2,558,504	3,340	2,561,844	63,463
Office Equipment	2,969,772		2,969,772	15.0%	2,076,052	33,515	2,109,566	860,206
Sundry Assets	630,565		630,565	10.0%	530,358	2,505	532,863	97,702
<b>Sub-total</b>	<b>1,339,192,412</b>	<b>-</b>	<b>1,339,192,412</b>		<b>600,179,871</b>	<b>8,259,322</b>	<b>608,439,193</b>	<b>730,753,219</b>

Revaluation of Property, Plant & Equipments

Particulars	Revaluation			Rate	Depreciation			WDV at September 30, 2022
	As at July 01, 2022	Addition During the Quarter	As at September 30, 2022		As at July 01, 2022	Addition During the Quarter	As at September 30, 2022	
Land and Land Development	505,974,140		505,974,140	-	-	-	-	505,974,140
Factory Building	225,205,896		225,205,896	3%	79,310,845	1,094,213	80,405,058	144,800,838
<b>Sub-total</b>	<b>731,180,036</b>	<b>-</b>	<b>731,180,036</b>		<b>79,310,845</b>	<b>1,094,213</b>	<b>80,405,058</b>	<b>650,774,978</b>
<b>As at December 31, 2021</b>	<b>2,070,372,448</b>	<b>-</b>	<b>2,070,372,448</b>		<b>679,490,716</b>	<b>9,353,535</b>	<b>688,844,251</b>	<b>1,381,528,197</b>

Depreciation Charged:	Total
Cost of Production	9,254,745
Administrative	98,789
	<u>9,353,535</u>

**Safko Spinning Mills Limited**  
 Schedule of Right of Use Assets  
 As at September 30, 2022

Annexure C

Particulars	Cost			Depreciation			WDV at September 30, 2022
	As at July 01, 2022	Addition During the Quarter	As at September 30, 2022	As at July 01, 2022	Addition During the Quarter	As at September 30, 2022	
Right of use asset	2,952,720	-	2,952,720	2,378,580	246,060	2,624,640	328,080
<b>Total</b>	<b>2,952,720</b>	<b>-</b>	<b>2,952,720</b>	<b>2,378,580</b>	<b>246,060</b>	<b>2,624,640</b>	<b>328,080</b>

## Safko Spinning Mills Limited

Intangible Assets  
As at September 30, 2022

Annexure - B

Particulars	Cost			Rate	Amortisation			WDV at September 30, 2022
	As at July 01, 2022	Addition During the Quarter	As at September 30, 2022		As at July 01, 2022	Addition During the Quarter	As at September 30, 2022	
Software	140,000		140,000	20.0%	75,488	3,226	78,714	61,286
As at December 31, 2020	140,000	-	140,000		75,488	3,226	78,714	61,286

Depreciation Charged:	Total
Administrative	3,226
	3,226