

Safko Spinning Mills Limited

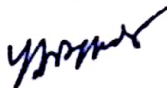
Statement of Financial Position

As at September 30, 2021

Un-audited

Particulars	Notes	Amount in Taka	
		September 30, 2021	June 30, 2021
ASSETS			
Current Assets			
Cash and Cash Equivalents	3	607,903,583	592,383,962
Trade Debtors	4	3,507,357	8,381,782
Inventories	5	60,696,533	48,496,533
Investment in FDR	6	375,268,097	383,168,088
Advances, Deposits and Prepayments	7	12,019,310	11,934,675
		156,412,287	140,402,884
Non-current Assets			
Property, Plant and Equipment	8	1,421,821,206	1,431,921,480
Intangible Assets	9	1,420,432,278	1,430,282,460
Capital Work-in-progress	10	76,608	80,640
Right of Use Asset	11	-	0
		1,312,320	1,558,380
Total Assets		2,029,724,790	2,024,305,442
LIABILITIES AND EQUITY			
Current Liabilities			
Current Portion of Term-loan	15.03	293,870,079	283,007,194
Liabilities for Expenses and Others	12	238,076,293	227,243,755
Unclaimed Dividend Account	13	12,646,496	13,357,067
Provision for Tax	14	1,096	37,096
		43,146,194	42,369,276
Non-current Liabilities			
Non Current Portion of Term-loan	15.03	1,092,336,856	1,098,550,064
Deferred Tax Liabilities	16	970,009,703	962,252,278
Loan from Directors	17	108,261,022	122,009,432
Lease Liability	18	12,505,000	12,505,000
		1,561,132	1,783,355
Shareholders' Equity			
Share Capital	19	643,517,854	642,748,183
General Reserve		299,817,160	299,817,160
Revaluation Reserve	20	3,029,184	3,029,184
Retained Earnings/(Deficit)		556,965,352	557,924,198
		(216,293,842)	(218,022,359)
Total Equity and Liabilities		2,029,724,790	2,024,305,442
Net Assets Value per Share (NAV)	27	21.46	21.44

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
13-Nov-21

Safko Spinning Mills Limited
Statement of Profit or Loss and Other Comprehensive Income
For the Quarter ended on September 30, 2021
Un-audited

Particulars	Notes	Amount in Taka	
		July 01, 2021 to September 30, 2021	July 01, 2020 to September 30, 2020
Sales Revenue	21	129,392,300	74,854,177
Cost of Goods Sold	22	(109,022,986)	(104,495,817)
Gross Profit		20,369,314	(29,641,640)
Others Income	23	94,038	785,338
Administrative and Marketing Expenses	24	(4,656,903)	(8,321,892)
Operating Profit		15,806,449	(37,178,194)
Financial Expenses	25	(28,008,271)	(26,376,622)
Profit before Tax and Cotribution to WPPF		(12,201,822)	(63,554,816)
Contribution to WPPF		-	-
Profit before Tax		(12,201,821)	(63,554,816)
Income Tax Current period	26	12,802,284	871,617
Net Profit after Tax		600,463	(62,683,200)
Other Comprehensive Income/(Loss)		-	-
Total Comprehensive Income for the Year		600,463	(62,683,200)
Earnings per Share (EPS)	28	0.02	(2.09)

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
13-Nov-21

Safko Spinning Mills Limited
Statement of Changes in Equity
For the Quarter ended on September 30, 2021
Un-audited

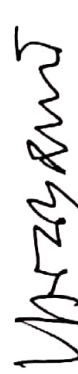
Particulars	Share Capital	General Reserve	Revaluation Reserve	Retained Earnings	Total
Balance as on July 01, 2021	299,817,160	3,029,184	557,924,198	(218,022,359)	642,748,183
Profit for the year	-	-	-	600,463	600,463
Adjustment for Realized Depreciation of Revalued Assets	-	-	(1,128,055)	-	(1,128,055)
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
Balance as on September 30, 2021	299,817,160	3,029,184	556,965,352	(216,293,842)	643,517,854

Particulars	Share Capital	General Reserve	Revaluation Reserve	Retained Earnings	Total
Balance as on July 01, 2020	299,817,160	3,029,184	561,878,204	(229,458,725)	635,265,823
Profit for the year	-	-	-	(62,683,200)	(62,683,200)
Addition During the periods	-	-	-	-	-
Adjustment for under transfer of depreciation in previous years	-	-	(290,736)	290,736	-
Adjustment for Realized Depreciation of Revalued Assets	-	-	(1,938,238)	-	(1,938,238)
Adjustment for Realized Depreciation of Revalued Assets and Deferred Tax	-	-	-	1,938,238	1,938,238
Balance as on September 30, 2020	299,817,160	3,029,184	559,649,230	(289,912,951)	572,582,623

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
13-Nov-21

Safko Spinning Mills Limited
Statement of Cash Flows
For the Quarter ended on September 30, 2021
Un-audited

Particulars	Notes	Amount in Taka	
		July 01, 2021 to September 30, 2021	July 01, 2020 to September 30, 2020
Cash Flows from Operating Activities			
Collection from Customers and Other Income		117,286,338	75,639,515
Payment to Suppliers, Employees and Other Expenses		(112,621,821)	(55,670,946)
Net Cash Used by Operating Activities		<u>4,664,517</u>	<u>19,968,569</u>
Cash Flows from Investing Activities			
Investment in FDR		(84,635)	(99,293)
Capital Work-in-progress		-	(12,648,297)
Net Cash Used in Investing Activities		<u>(84,635)</u>	<u>(12,747,590)</u>
Cash Flows from Financing Activities			
Financial Expenses		(28,008,271)	(26,376,622)
Term Loan Receipt/Paid (Net)		18,589,964	16,951,090
Dividend		(36,000)	-
Loan From Directors		-	2,380,700
Net Cash Flows from Financing Activities		<u>(9,454,307)</u>	<u>(7,044,832)</u>
Net Increase/(Decrease) in Cash and Cash Equivalents		(4,874,425)	176,146
Cash and Cash Equivalents at the Beginning of the Year		8,381,782	2,148,491
Cash and Cash Equivalents at the end of the year		<u>3,507,357</u>	<u>2,324,637</u>
Net Operating Cash Flows per Share	29	<u>0.16</u>	<u>0.67</u>

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
13-Nov-21

Safko Spinning Mills Limited
Notes to the Financial Statements
For the Quarter ended on September 30, 2021

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 1987 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 disposal is 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 effects 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, 2021
- ii. Statement of Profit or Loss and Other Comprehensive Income (Profit and Loss Account) for the Quarter ended on September 30, 2021
- iii. Statement of Changes in Equity for the Quarter ended on September 30, 2021
- iv. Statement of Cash Flows for the Quarter ended on September 30, 2021
- 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, 2021.

2.32 Authorization for Issue

The financial statements have been authorized for issue by the Board of Directors on November 13, 2021.

2.33 Comparative Information

Comparative Information have been disclosed in respect of the year on June 30, 2021 for balance sheet and September 2020 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 30,2021 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, 2021	June 30, 2021
3.00	Cash and Cash Equivalents		
	Cash in Hand (Note: 11.01)	3,086,148	5,442,743
	Cash at Bank (Note: 11.02)	421,208	2,939,039
		<u>3,507,357</u>	<u>8,381,782</u>
3.01	Cash in Hand		
	Head Office	930,578	1,249,105
	Factory Office	2,155,571	4,193,638
		<u>3,086,148</u>	<u>5,442,743</u>
3.02	Cash at Bank		
	JBL HO- A/C. No. 0100108538184	2,091	2,091
	Dhaka Bank- A/C. No. 2011000004364	25,634	7,641
	JBL CD (nowapara)- A/C. No. 03400320000092	142,078	160,958
	Pubali bank- A/C. No. 0565901026331	118,965	2,682,501
	NRB CD- A/C. No. 1012010037293	2,049	2,049
	Premier Bank- A/C. No. 18911100000021	865	890
	Bank Asia CD- A/C. No. 00233012023	1,742	1,862
	DBBL- A/C. No. 11611022287	93,639	10,901
	Dhaka Bank Limited Ac. No.-2011000006846-Dividend Account	1,096	37,096
		<u>388,158</u>	<u>2,905,989</u>
	Dormant Account:		
	JBL STD A/C.	<u>33,050</u>	<u>33,050</u>
		<u>421,208</u>	<u>2,939,039</u>
	STD A/C with JBL has been dormant and hence the balance in these bank account is not readily useable.		
4.00	Trade Debtors		
	M/S. Rupashi Colour Ltd.	34,015,693	21,955,693
	Pach gaon Traders	6,785,026	6,295,026
	A.J. Traders	3,504,237	3,854,237
	Hazi Nazim uddin	4,698,302	5,048,302
	Four Star yarn Traders	7,526,255	7,876,255
	TT Textiles	4,167,020	3,467,020
		<u>60,696,533</u>	<u>48,496,533</u>
	Less: Bad debt provision	-	-
		<u>60,696,533</u>	<u>48,496,533</u>
	Receivables aging analysis		
	Within 30 days	12,139,307	4,849,653
	Over 30 days but less than 60 days	15,781,099	7,274,480
	Over 60 days but less than 90 days	18,208,960	9,699,307
	Over 90 days	14,567,168	26,673,093
		<u>60,696,533</u>	<u>48,496,533</u>
5.00	Inventories		
	Raw Cotton	284,723,425	290,770,263
	Polyester Staple Fiber	36,059,114	36,059,114
	Stores and Spares	7,275,156	8,024,728
	Packing Materials	3,667,862	4,421,443
	Work in Process	28,314,110	27,864,110
	Finished goods	15,228,430	16,028,430
		<u>376,268,097</u>	<u>383,168,088</u>

Notes	Particulars	Amount in Taka	
		September 30, 2021	June 30, 2021

6.00 Investment in FDR

The following FDRs are at the Bank Asia Ltd., Corporate Branch.

FDR no.	Maturity date	Interest rate		
A/C#035323314976	31-Jan-22	6%	1,538,740	1,538,740
A/C#035305714799	3-Oct-22	7.50%	1,651,941	1,567,306
A/C#00255014760	22-Jun-22	6.00%	747,734	747,734
A/C #00255014885	14-Nov-21	7.50%	1,411,980	1,411,980
A/C #00255014758	22-Jun-22	6.00%	6,668,915	6,668,915
			<u>12,019,310</u>	<u>11,934,675</u>

The above mentioned amount of FDR amounting Tk.12,019,310 are liened in Bank Asia Ltd.

7.00 Advances, Deposits and Prepayments

Habigonj Palli Bidyut Samity	1,107,700	1,107,700
Advance Income Tax	190,128	180,724
Advance to Raw Cotton suppliers	16,000,000	-
Advance against Spare Parts and Packing Materiels	39,319,460	39,319,460
Advance to employees	795,000	795,000
Advance Against land	99,000,000	99,000,000
	<u>156,412,287</u>	<u>140,402,884</u>

8.00 Property, Plant and Equipment

Cost of valuation:		
Balance at the beginning of the year	2,070,372,448	1,932,619,439
Addition during the year		137,753,009
Balance at year end	<u>2,070,372,448</u>	<u>2,070,372,448</u>
Accumulated depreciation:		
Balance at the beginning of the year	640,089,988	603,879,035
Addition during the year	9,850,182	36,210,953
Balance at year end	<u>649,940,170</u>	<u>640,089,988</u>
WDV at the year end	<u>1,420,432,278</u>	<u>1,430,282,460</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.

9.00 Intangible Assets

Cost or valuation:		
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>
Accumulated depreciation:		
Balance at the beginning of the year	59,360	39,200
Addition during the year	4,032	20,160
Balance at year end	<u>63,392</u>	<u>59,360</u>
WDV at the year end	<u>76,608</u>	<u>80,640</u>

The details Intangible Assets has been shown in Annexure - B.

Notes	Particulars	Amount in Taka	
		September 30, 2021	June 30, 2021
10.00	Capital Work-in-progress		
	Building & Civil under construction (Note: 5.01)	-	0
		<u>-</u>	<u>0</u>
10.01	Building & Civil under Construction		
	Opening balance	0	75,132,721
	Addition during the year		13,028,297
		<u>0</u>	<u>88,161,018</u>
	Transfer during the year	(0)	(88,161,018)
		<u>-</u>	<u>0</u>
11.00	Right of use Asset		
	Cost:		
	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>
	Depreciation:		
	Balance at the beginning of the year	1,394,340	410,100
	Add: Depreciation charged during the year	246,060	984,240
	Balance at year end	<u>1,640,400</u>	<u>1,394,340</u>
	WDV at the year end	<u>1,312,320</u>	<u>1,558,380</u>
	The details Right of Use Asset has been shown in Annexure-C.		
12.00	Liabilities for Expenses and Others		
	Electricity Charge	4,203,548	4,914,119
	Audit fees	460,000	460,000
	WPPF	7,719,718	7,719,718
	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>12,646,496</u>	<u>13,357,067</u>
13.00	Unclaimed Dividend Account		
	Opening Balance	37,096	15,460
	Addition: Accured Interest		21,636
		<u>37,096</u>	<u>37,096</u>
	Payment during the year	36,000	-
		<u>1,096</u>	<u>37,096</u>

As per drection of BSEC the company deposited mentioned amount 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).

Notes	Particulars	Amount in Taka	
		September 30, 2021	June 30, 2021
14.00	Provision for Tax		
	Opening Balance	42,369,276	39,124,242
	Add :Previous years (After Assessment)	-	-
	Add: Addition during the year	776,918	5,745,092
		<u>43,146,194</u>	<u>44,869,334</u>
	Less: Adjustment during the year		(2,500,058)
		<u>43,146,194</u>	<u>42,369,276</u>
15.00	Term Loan		
	Opening Balance	1,189,496,033	1,126,100,561
	Addition During the year	-	-
	Interest charged during the year	27,970,242	106,823,189
	Paid during the year	(9,380,279)	(43,427,717)
		<u>1,208,085,996</u>	<u>1,189,496,033</u>
15.01	Term Loan Bank Asla		
	Opening Balance	1,005,297,734	951,986,423
	Addition During the year	-	-
	Interest charged during the year	23,411,670	88,960,228
	Paid during the year	(6,000,000)	(35,648,917)
	Balance at the end of the year	<u>1,022,709,403</u>	<u>1,005,297,734</u>
15.02	Term Loan Premier Bank		
	Opening Balance	184,198,299	174,114,138
	Addition During the year	-	-
	Interest charged during the year	4,558,573	17,862,961
	Paid during the year	(3,380,279)	(7,778,800)
	Balance at the end of the year	<u>185,376,593</u>	<u>184,198,299</u>
15.03	Maturity of Term-loan		
	Payment fall due within one year	238,078,293	227,243,755
	Payment fall due after one year	970,009,703	962,252,278
		<u>1,208,085,996</u>	<u>1,189,496,033</u>

Notes	Particulars	Amount in Taka	
		September 30, 2021	June 30, 2021
16.00	Deferred Tax Liabilities		
	<u>A. Property Plant and Equipment</u>		
	Property, Plant and Equipment at Accounting base	765,255,531	773,981,690
	Property, Plant and Equipment at Tax base	512,747,035	470,067,187
	Temporary difference	252,508,496	303,914,503
	Tax rate	15%	15%
	Deferred Tax Liabilities	37,876,274	45,587,176
	<u>B. Calculation of deferred tax on Unused Tax Losses</u>		
	Unabsorbed depreciation for the year	(186,021,705)	(146,899,699)
	Bad debt provision	-	-
		(186,021,705)	(146,899,699)
	Tax rate	15%	15%
	Deferred tax assets	(27,903,256)	(22,034,955)
	<u>C. Calculation of deferred tax on revaluation on property plant and equipment</u>		
	Revalued value of land	505,974,140	505,974,140
	Revalued value of other than land	149,279,215	150,407,270
	<u>Tax rate</u>		
	On land	15%	15%
	On other than Land	15%	15%
	<u>Deferred tax liabilities</u>		
	For land	75,896,121	75,896,121
	For other than Land	22,391,882	22,561,090
		98,288,003	98,457,211
	Total Deferred Tax Liabilities (A+B+C)	108,261,022	122,009,432
16.01	<u>Deferred Tax Expenses/(Income) for the year</u>		
	Deferred tax liability other than revalued assets as at June 30, 2021 (A+B)	9,973,019	23,552,221
	Deferred tax liability other than revalued assets as at June 30, 2021 (A+B)	23,552,221	19,791,865
	Net increased in deferred tax expenses for other than revalued assets for the year	(13,579,202)	3,760,356
17.00	Short term loan from Directors		
	Opening Balance	12,505,000	12,505,000
	Add: Addition During the period	-	-
	Less: Paid during the period	-	-
		12,505,000	12,505,000
18.00	Lease Liability		
	Opening Balance	1,783,355	2,624,069
	Add: Addition during the year	-	-
	Add: Finance Cost	36,526	194,286
	Less: Payment during the period	(258,750)	(1,035,000)
		1,561,132	1,783,355
19.00	Share Capital		
19.01	Authorized Capital		
	100,000,000 Ordinary Shares of Tk. 10 each	1,000,000,000	1,000,000,000
19.02	Issued, Subscribed and Paid up Capital		
	Opening Balance	299,817,160	299,817,160
	Add: 3% bonus share (stock Dividend)	-	-
	29,981,716 Ordinary Shares of Tk. 10 each	299,817,160	299,817,160

Notes	Particulars	Amount in Taka	
		September 30, 2021	June 30, 2021

19.04 Composition of Share Holdings

Type of holders	For the Quarter ended September 30, 2021		For the year ended June 30, 2021	
	No. of Shareholders	% of Holding	No. of Shareholders	% of Holding
Sponsors	5	30.00	5	30.00
Financial Institution	113	14.08	129	18.83
General Public	3,159	55.92	2,877	51.17
Total	3,277	100.00	3,011	100.00

19.05 Year wise break-up of share issue

Date of Allotment	No. of share	Face Value	Amount taka	Basis of allotment
20th June, 1994 (during in Corporation)	1,750	100	1,75,000	Cash banking channel
1994 to 1999 (The Sponsor Director has subscribed)	798,250	100	7,99,25,000	Cash banking channel
18 April 1999 (IPO)	800,000	100	8,00,00,000	
26-May-11	256,000	100	2,56,00,000	16% Stock Dividend Approved
Sub Total	1,856,000	100	18,56,00,000	
	18,560,000	10	18,56,00,000	The share has been split into Tk 10/- each from Tk 100/- each
20-May-12	1,856,000	10	1,85,60,000	10% Stock Dividend Approved on 18 th AGM based on Financial statement 31 December 2011
22-Jun-13	2,041,600	10	2,04,16,000	10% Stock Dividend Approved on 19 th AGM based on Financial statement 31 December 2012
12-Apr-14	2,245,760	10	2,24,57,600	10% Stock Dividend Approved on 20 th AGM based on Financial statement 31 December 2013
13-Jun-15	2,470,336	10	2,47,03,360	10% Bonus share approved on 21 st AGM based on the Financial Statements 31 December, 2014.
26-Nov-16	815,210	10	81,52,100	3% Bonus share approved on 22 nd AGM based on the Financial Statements June 30, 2015-16.
2-Dec-17	1,119,556	10	1,11,95,560	4% Bonus share approved on 23 rd AGM based on the Financial Statements June 30, 2016-17.
2-Dec-18	873,254	10	8,732,540	3% Bonus share approved on 24 th AGM based on the Financial Statements 2017-2018
Total Paid-up Capital	29,981,716	10	299,817,160	

20.00 Revaluation Reserve

Opening Revaluation Reserve	557,924,198	561,878,204
Addition During the Year	-	-
Adjustment for Realized Depreciation of Revalued Assets	(1,128,055)	(4,651,771)
Deferred tax	-	-
Adjustment for Deferred Tax for Revaluation Reserve	169,208	697,766
	556,965,352	557,924,198

Notes	Particulars	Amount in Taka	
		July 01, 2021 to September 30, 2021	July 01, 2020 to September 30, 2020
21.00	Sales Revenue		
	Sale of Finished Yarn (net of VAT)	129,392,300	74,854,177
		<u>129,392,300</u>	<u>74,854,177</u>
22.00	Cost of Goods Sold		
	Opening Stock of Finished Goods	16,028,430	14,553,430
	Add: Cost of Production (Note: 22.01)	108,222,986	113,942,387
		<u>124,251,416</u>	<u>128,495,817</u>
	Less: Closing Stock of Finished Goods	(15,228,430)	(24,000,000)
		<u>109,022,986</u>	<u>104,495,817</u>
22.01	Cost of Production		
	Raw cotton (Note: 22.01.01)	73,218,853	47,742,053
	Polyester Staple Fiber (Note: 22.01.02)	-	-
	Spare Parts (Note: 22.01.03)	899,572	2,257,000
	Packing Materials (Note: 22.01.04)	2,085,853	1,937,129
	Direct Wages and Salaries	10,922,773	17,960,595
	Factory Overhead (Note: 22.01.05)	21,545,936	25,045,610
		<u>108,672,986</u>	<u>94,942,387</u>
	Add: Opening Works-in-Process	27,864,110	25,364,110
		<u>136,537,096</u>	<u>120,306,497</u>
	Less: Closing works-in-Process	(28,314,110)	(6,364,110)
		<u>108,222,986</u>	<u>113,942,387</u>
22.01.01	Consumption of Raw Cotton		
	Opening Stock	290,770,263	295,086,236
	Add: Purchase during the year	67,172,015	15,242,053
	Available for use	<u>357,942,278</u>	<u>310,328,289</u>
	Less: Closing Stock	(284,723,425)	(262,586,236)
		<u>73,218,853</u>	<u>47,742,053</u>
22.01.02	Consumption of polyester Staple Fiber		
	Opening Stock	36,059,114	36,059,114
	Add: Local purchase during the year	-	-
	Available for use	<u>36,059,114</u>	<u>36,059,114</u>
	Less :Closing Stock	(36,059,114)	(36,059,114)
		<u>-</u>	<u>-</u>
22.01.03	Consumption of Spare parts		
	Opening Stock	8,024,728	8,283,728
	Add: Purchase during the year	150,000	8,257,000
	Available for use	<u>8,174,728</u>	<u>16,540,728</u>
	Less: Closing Stock	(7,275,156)	(14,283,728)
		<u>899,572</u>	<u>2,257,000</u>
22.01.04	Consumption of Packing Materials		
	Opening Stock	4,421,443	4,737,243
	Add: Purchase during the year	1,332,271	1,937,129
	Available for use	<u>5,753,714</u>	<u>6,674,372</u>
	Less :Closing Stock	(3,667,862)	(4,737,243)
		<u>2,085,853</u>	<u>1,937,129</u>
22.01.05	Factory Overhead		
	Carriage Inward	61,338	86,316
	Insurance Premium (Fire)	496,938	626,943
	Repairs and Maintenance	61,920	516,329
	Fuel & Lubricants	115,000	508,000
	Electric bill	11,072,978	9,845,305
	Depreciation	9,737,762	13,462,717
		<u>21,545,936</u>	<u>25,045,610</u>

Notes	Particulars	Amount in Taka	
		July 01, 2021 to September 30, 2021	July 01, 2020 to September 30, 2020
23.00	Others Income		
	Interest Income	94,038	785,338
		<u>94,038</u>	<u>785,338</u>
24.00	Administrative and Marketing Expenses		
	Board of Director's remuneration and Board Meeting fees	525,000	450,000
	Salary and Allowance	2,149,182	2,872,256
	Post and Courier	23,500	39,567
	Registration and Renwal	6,900	268,809
	Repair and Maintenance	-	219,500
	Advertisement	-	7,000
	Printing and Stationary	9,670	51,721
	Travelling and Conveyance	34,280	30,384
	Donation and subscription	22,640	245,300
	Medical and Welfare	-	5,900
	Electricity expenses(Res. Qtrs.)	38,712	22,133
	Miscellaneous expenses	6,150	107,275
	Telephone & Mobile Bill	13,000	9,350
	Office maintenance	134,000	62,500
	Sales promotion	132,000	323,000
	Gas Bill (Res.Qtrs)	29,198	16,090
	Service Charge	40,000	53,000
	Secuity Service	32,774	32,322
	Internet Bill	10,500	10,850
	Entertainment	25,915	17,820
	Depreciation & amortization	116,452	133,108
	Depreciation of right of use asset	246,060	246,060
	VAT	899,970	1,432,947
	Business Development	118,250	1,449,500
	Professonal & Legal Expenses	-	155,000
	Head Office Electric Bill	42,750	60,500
		<u>4,656,903</u>	<u>8,321,892</u>
25.00	Financial Expenses		
	Interest on term loan	27,968,392	26,129,889
	Bank Charges and Commission	3,352	11,138
	Interest on WPPF	-	180,010
	Interest on Lease Liability	36,526	55,585
		<u>28,008,271</u>	<u>26,376,622</u>
26.00	Income Tax expenses		
	Current Tax provision (Note-26.01)	776,918	272,302
	Add: Last year's tax adjustment	-	-
	Deferred tax expenses/(income) (Note:15.01)	(13,579,202)	(1,143,919)
		<u>(12,802,284)</u>	<u>(871,617)</u>
26.01	Current Tax expenses (Higher of A, B & C)		
	A. Income Tax on Regular rate		
	Profit Before Tax	(12,201,821)	(63,554,816)
	Add: Accounting depreciation	36,231,112	13,595,825
	Less: Tax depreciation	(63,151,297)	(18,903,716)
		<u>(39,122,006)</u>	<u>(68,862,707)</u>
	Tax rate	15%	15%
	Current tax	-	-
	B. Income Tax Paid at source	-	-
	C. Minimum tax	<u>776,918</u>	<u>272,302</u>

Notes	Particulars	Amount in Taka	
		July 01, 2021 to September 30, 2021	July 01, 2020 to September 30, 2020
27.00	Net Assets Value (NAV) per Share		
	Total Assets	2,029,724,790	2,024,305,442
	Less. Total outstanding Liabilities	1,386,206,936	1,381,557,259
	Net assets value	643,517,854	642,748,184
	Divided by number of ordinary share	29,981,716	29,981,716
	NAV	21.46	21.44
28.00	Earnings Per Share (EPS)		
	EPS	Earnings Attributable to the ordinary shareholder	600,463
		Weight average no. of ordinary shares	(62,683,200)
			29,981,716
			29,981,716
			0.02
			(2.09)
29.00	Net Operating Cash Flows per Share (Restated)		
	NOCF per Share	Net Operating Cash Flows	4,664,517
		No. of share outstanding at the end of the year	19,968,569
			29,981,716
			29,981,716
			0.16
			0.67
30.00	Reconciliation of Cash Flows from Operating Activities (Indirect Method)		
	Profit before Tax	(12,201,821)	(63,554,816)
	Depreciation	9,854,214	13,595,825
	Finanance Cost	28,008,271	26,376,622
	Interset on lease liability	36,526	55,585
	Depreciation of right of use asset	246,060	246,060
	Payment of lease liability	(258,750)	(150,000)
	Decrease/ (Increase) in inventories	7,899,991	36,053,430
	Decrease/ (Increase) in Trade Debtors	(12,200,000)	-
	Decrease/ (Increase) in Advances, Deposits and Prepayments	(16,009,403)	17,988,967
	Increase/ (Decrease) in Liabilities for expenses and others	(710,571)	(10,643,104)
	Net Cash Flows from Operating Activities	4,664,517	19,968,569

31.00 Related Party Disclosure

The company, in normal course of business, carried out a number of transactions with other entities that fall within the definition of related party contained in International Accounting Standard 24: Related Party Disclosures. All transactions involving related parties arising in normal course of business are conducted on an arm's length basis at commercial rates, other than sister concern current account balance which is interest free, on the same terms and conditions as applicable to the third parties. Details of transactions with related parties and balances with them as at September 30, 2021 were as follows:

Name of party	Nature of relations	Nature of transaction	Opening balance	Transaction during the year		Closing balance
				Dr.	Cr.	
Loan from Directors	Directors	Loan	12,505,000			12,505,000
Total			12,505,000	-	-	12,505,000

Safko Spinning Mills Limited
Schedule of Property, Plant and Equipment
As at September 30, 2021

Annexure - A

Particulars	Cost		Rate	Depreciation		WDV at September 30, 2021
	As at July 01, 2021	Addition During the Quarter		As at July 01, 2021	Addition During the Quarter	
Land and Land Development	4,025,860	-	0.0%	-	-	4,025,860
Factory Building and others Constructions	345,942,693	-	3.0%	73,509,175	2,043,251	270,390,267
Plant, Machinery & Factory Equipment	881,664,355	-	5.0%	403,991,460	5,970,911	471,701,983
Generator	93,595,775	-	15.0%	78,447,883	568,046	14,579,846
Gas Line Installation	2,237,758	-	15.0%	1,504,461	27,499	705,798
Furniture and Fixtures	5,500,327	-	10.0%	2,859,019	66,033	2,575,275
Transport and Vehicles	2,625,307	-	20.0%	2,541,803	4,175	79,329
Office Equipment	2,969,772	-	15.0%	1,918,337	39,429	1,012,007
Sundry Assets	630,565	-	10.0%	519,224	2,784	108,557
Sub-total	1,339,192,412	-		565,291,362	8,722,127	765,178,923

Revaluation of Property, Plant & Equipments

Particulars	Revaluation		Rate	Depreciation		WDV at September 30, 2021
	As at July 01, 2021	Addition During the Quarter		As at July 01, 2021	Addition During the Quarter	
Land and Land Development	505,974,140	-	-	-	-	505,974,140
Factory Building	225,205,896	-	3%	74,798,627	1,128,055	149,279,215
Sub-total	731,180,036	-		74,798,627	1,128,055	655,253,355
As at June 30, 2020	2,070,372,448	-		640,089,988	9,850,182	1,420,432,278

Depreciation Charged:
Cost of Production 9,737,762
Administrative 112,420
9,850,182

Safko Spinning Mills Limited

Intangible Assets

As at September 30, 2021

Annexure - B

Particulars	Cost			Rate	Amortisation			WDV at September 30, 2021
	As at July 01, 2021	Addition During the Quarter	As at September 30, 2021		As at July 01, 2021	Addition During the Quarter	As at September 30, 2021	
Software	140,000	-	140,000	20.0%	59,360	4,032	63,392	76,608
As at December 31, 2020	140,000	-	140,000		59,360	4,032	63,392	76,608

Depreciation Charged: Total
 Administrative 4,032
 4,032