

Safko Spinning Mills Limited

Statement of Financial Position

As at March 31, 2022

Un-audited

Particulars	Notes	Amount in Taka	
		March 31, 2022	June 30, 2021
ASSETS			
Non-current Assets		1,500,620,658	1,431,921,480
Property, Plant and Equipment	3	1,400,731,914	1,430,282,460
Intangible Assets	4	68,544	80,640
Right of Use Asset	5	820,200	1,558,380
Investment in Property	6	99,000,000	-
Current Assets		537,352,296	592,383,962
Inventories	7	369,915,253	383,168,088
Trade Debtors	8	71,871,632	48,496,533
Advances, Deposits and Prepayments	9	76,817,935	140,402,884
Investment in FDR	10	12,057,641	11,934,675
Cash and Cash Equivalents	11	6,689,835	8,381,782
Total Assets		<u>2,037,972,954</u>	<u>2,024,305,442</u>
EQUITY AND LIABILITIES			
Shareholders' Equity		636,774,231	642,748,183
Share Capital	12	299,817,160	299,817,160
General Reserve		-	3,029,184
Revaluation Reserve	13	555,047,660	557,924,198
Retained Earnings/(Deficit)		(218,090,588)	(216,022,359)
Non-current Liabilities		1,113,852,386	1,098,550,064
Non Current Portion of Term-loan	14.03	987,505,189	962,252,278
Deferred Tax Liabilities	15	112,786,968	122,009,432
Loan from Directors	16	12,505,000	12,505,000
Lease Liability	17	1,055,229	1,783,355
Current Liabilities		287,346,337	283,007,194
Current Portion of Term-loan	14.03	231,773,379	227,243,755
Liabilities for Expenses and Others	18	12,646,496	13,357,067
Unclaimed Dividend Account	19	617,688	37,096
Provision for Tax	20	42,308,794	42,369,276
Total Equity and Liabilities		<u>2,037,972,954</u>	<u>2,024,305,442</u>
Net Assets Value per Share (NAV)	27	<u>21.24</u>	<u>21.44</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
27-Apr-22

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Safko Spinning Mills Limited
Statement of Profit or Loss and Other Comprehensive Income
For the Quarter ended on March 31, 2022
Un-audited

Particulars	Notes	Amount in Taka			
		July 01, 2021 to March 31, 2022	July 01, 2020 to March 31, 2021	January 01, 2022 to March 31, 2022	January 01, 2021 to March 31, 2021
Sales Revenue	21	489,827,101	326,197,492	186,040,776	186,795,035
Cost of Goods Sold	22	(380,914,745)	(360,437,421)	(132,030,160)	(152,261,364)
Gross Profit		108,912,356	(34,239,929)	54,010,616	34,533,671
Others Income	23	150,518	1,151,541	-	110,716
Administrative and Marketing Expenses	24	(14,921,968)	(19,656,671)	(5,639,287)	(7,210,040)
Operating Profit		94,140,906	(52,745,059)	48,371,330	27,434,347
Financial Expenses	25	(97,404,224)	(80,292,833)	(43,312,557)	(26,120,518)
Profit before Tax and Contribution to WPPF		(3,263,318)	(133,037,892)	5,058,773	1,313,829
Contribution to WPPF		-	-	-	-
Profit before Tax		(3,263,317)	(133,037,892)	5,058,773	1,313,829
Income Tax Current period	26	7,275,148	3,937,779	(2,136,680)	
Net Profit after Tax		4,011,831	(129,100,113)	2,922,092	1,313,829
Other Comprehensive Income/(Loss)		-	-	-	-
Total Comprehensive Income for the Year		4,011,831	(129,100,113)	2,922,092	1,313,829
Earnings per Share (EPS)	28	0.13	(4.31)	0.10	0.055

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27-Apr-22

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Safko Spinning Mills Limited
Statement of Changes in Equity

For the Quarter ended on March 31, 2022


Un-audited

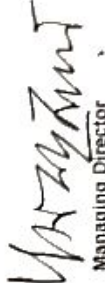
Particulars	Share Capital	General Reserve	Revaluation Reserve	Retained Earnings	Total
Balance as on July 01, 2021	299,817,160	3,029,184	557,924,199	(218,022,360)	542,748,183
Profit for the year	-	-	-	4,011,831	4,011,831
Adjustment for Realized Depreciation of Revalued Assets	-	-	(3,384,154)	-	(3,384,154)
Adjustment for Realized Depreciation of Revalued Assets and Deferred Tax	-	-	-	3,384,154	3,384,154
Adjustment for Realized Depreciation of Revalued Assets and Deferred Tax	-	-	-	-	-
Payout for 5% cash Dividend	-	-	-	-	-
Adjustment for Deferred Tax for Revaluation Reserve	-	(3,029,184)	-	(7,464,222)	(10,493,406)
Balance as on March 31, 2022	299,817,160	-	555,047,550	(218,090,588)	636,774,232

Particulars	Share Capital	General Reserve	Revaluation Reserve	Retained Earnings	Total
Balance as on July 01, 2020	299,817,160	3,029,184	621,555,273	(229,458,725)	694,942,892
Profit for the year	-	-	-	(129,100,112)	(129,100,112)
Addition During the periods	-	-	-	-	-
Adjustment for under transfer of depreciation in previous years	-	-	-	-	-
Adjustment for Realized Depreciation of Revalued Assets	-	-	(5,814,714)	-	(5,814,714)
Adjustment for Realized Depreciation of Revalued Assets and Deferred Tax	-	-	-	5,814,714	5,814,714
Balance as on March 31, 2021	299,817,160	3,029,184	615,740,559	(352,744,123)	565,842,780

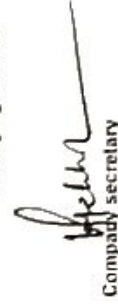
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Chairman


Director


Managing Director


Chief Financial Officer


Company Secretary

Dated: Dhaka
27-Apr-22

Safko Spinning Mills Limited
Statement of Cash Flows

For the Quarter ended on March 31, 2022

Un-audited		Amount in Taka	
Particulars	Notes	July 01, 2021 to March 31, 2022	July 01, 2020 to March 31, 2021
		Cash Flows from Operating Activities	
Collection from Customers and Other Income		466,602,520	247,545,662
Payment to Suppliers, Employees and Other Expenses		(399,630,210)	(191,840,095)
Income tax Paid		(1,500,174)	(2,000,058)
Net Cash Used by Operating Activities		<u>65,472,136</u>	<u>53,705,509</u>
Cash Flows from Investing Activities			
Purchase of Property, Plant and Equipment		-	(8,876,016)
Investment in FDR		(122,966)	(255,100)
Capital Work-in-progress		-	(13,028,297)
Net Cash Used in Investing Activities		<u>(122,966)</u>	<u>(22,159,413)</u>
Cash Flows from Financing Activities			
Financial Expenses		(97,404,224)	(80,292,833)
Term Loan Receipt/Paid (Net)		29,782,536	47,421,545
Dividend		580,572	-
Loan From Directors		-	1,980,700
Net Cash Flows from Financing Activities		<u>(67,041,117)</u>	<u>(30,890,588)</u>
Net Increase/(Decrease) in Cash and Cash Equivalents		(1,691,947)	655,508
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>6,689,835</u>	<u>2,803,999</u>
Net Operating Cash Flows per Share	29	<u>2.18</u>	<u>1.79</u>

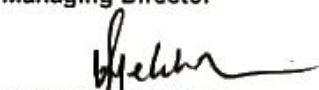
The annexed notes 1 to 31 and Annexure-A, B & C form an integral part of these financial statements.


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Director


Managing Director


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Company secretary

Dated: Dhaka
27-Apr-22

Safko Spinning Mills Limited
Notes to the Financial Statements
For the Quarter ended on March 31, 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 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 March 31, 2022
- ii. Statement of Profit or Loss and Other Comprehensive Income (Profit and Loss Account) for the Quarter ended on March 31, 2022
- iii. Statement of Changes in Equity for the Quarter ended on March 31, 2022
- iv. Statement of Cash Flows for the Quarter ended on March 31, 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 March 31, 2022

2.32 Authorization for Issue

The financial statements have been authorized for issue by the Board of Directors on January 30, 2022.

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 March 31, 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	
		July 01, 2021 to March 31, 2022	June 30, 2021
3.00	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	2,070,372,448	2,070,372,448
	Accumulated depreciation:		
	Balance at the beginning of the year	640,089,988	603,879,035
	Addition during the year	29,550,546	36,210,953
	Balance at year end	669,640,534	640,089,988
	WDV at the year end	1,400,731,914	1,430,282,460
	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.		
4.00	Intangible Assets		
	Cost or valuation:		
	Balance at the beginning of the year	140,000	140,000
	Addition during the year	-	-
	Balance at year end	140,000	140,000
	Accumulated depreciation:		
	Balance at the beginning of the year	59,360	39,200
	Addition during the year	12,096	20,160
	Balance at year end	71,456	59,360
	WDV at the year end	68,544	80,640
	The details Intangible Assets has been shown in Annexure - B.		
5.00	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	2,952,720	2,952,720
	Depreciation:		
	Balance at the beginning of the year	1,394,340	410,100
	Add Depreciation charged during the year	738,180	984,240
	Balance at year end	2,132,520	1,394,340
	WDV at the year end	820,200	1,558,380
	The details Right of Use Asset has been shown in Annexure-C.		
6.00	Investment in Property		
	Balance at the beginning of the year	-	-
	Add Addition during the year	99,000,000	-
	Balance at year end	99,000,000	-
	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 apyment 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.		
7.00	Inventories		
	Raw Cotton	292,639,825	290,770,263
	Polyester Staple Fiber	21,859,870	36,059,114
	Stores and Spares	7,305,156	8,024,728
	Packing Materials	4,587,862	4,421,443
	Work in Process	27,558,555	27,864,110
	Finished goods	15,983,985	16,028,430
	369,915,253	383,168,088	

Notes	Particulars	Amount in Taka																			
		July 01, 2021 to March 31, 2022	June 30, 2021																		
8.00	Trade Debtors																				
	M/S. Rupashi Colour Ltd.	36,905,392	21,955,693																		
	Pach gaon Traders	15,535,026	6,295,026																		
	A.J Traders	3,254,237	3,854,237																		
	Hazi Nazim uddin	4,948,302	5,048,302																		
	Four Star yarn Traders	7,276,255	7,876,255																		
	TT Textiles	3,952,420	3,467,020																		
		<u>71,871,632</u>	<u>48,496,533</u>																		
	Less: Bad debt provision	-	-																		
		<u>71,871,632</u>	<u>48,496,533</u>																		
	Receivables aging analysis																				
	Within 30 days	14,374,326	4,849,653																		
	Over 30 days but less than 60 days	18,686,624	7,274,480																		
	Over 60 days but less than 90 days	21,561,490	9,699,307																		
	Over 90 days	17,249,192	26,673,093																		
		<u>71,871,632</u>	<u>48,496,533</u>																		
9.00	Advances, Deposits and Prepayments																				
	Habigonj Palli Bidyut Samity	1,107,700	1,107,700																		
	Advance Income Tax	195,776	180,724																		
	Advance to Raw Cotton suppliers	37,044,445	-																		
	Advance against Spare Parts and Packing Materials	37,675,015	39,319,460																		
	Advance to employees	795,000	795,000																		
	Advance Against land	-	99,000,000																		
		<u>76,817,935</u>	<u>140,402,884</u>																		
	Maturity Analysis																				
	Adjustable/realisable more than 30 days to 90 days	37,044,445	13,531,594																		
	Adjustable/realisable more than 90 days to 1 year	38,470,015	76,679,034																		
	Adjustable after 12 months	1,303,476	1,107,700																		
		<u>76,817,935</u>	<u>91,318,329</u>																		
10.00	Investment in FDR																				
	The following FDRs are at the Bank Asia Ltd., Corporate Branch.																				
	<table border="1"> <thead> <tr> <th>FDR no.</th> <th>Maturity date</th> <th>Interest rate</th> </tr> </thead> <tbody> <tr> <td>A/C#035323314976</td> <td>31-May-22</td> <td>8%</td> </tr> <tr> <td>A/C#035305714799</td> <td>3-Oct-22</td> <td>7.50%</td> </tr> <tr> <td>A/C#00255014760</td> <td>22-Jun-22</td> <td>6.00%</td> </tr> <tr> <td>A/C #00255014885</td> <td>14-Nov-22</td> <td>7.50%</td> </tr> <tr> <td>A/C #00255014758</td> <td>22-Jun-22</td> <td>6.00%</td> </tr> </tbody> </table>	FDR no.	Maturity date	Interest rate	A/C#035323314976	31-May-22	8%	A/C#035305714799	3-Oct-22	7.50%	A/C#00255014760	22-Jun-22	6.00%	A/C #00255014885	14-Nov-22	7.50%	A/C #00255014758	22-Jun-22	6.00%		
FDR no.	Maturity date	Interest rate																			
A/C#035323314976	31-May-22	8%																			
A/C#035305714799	3-Oct-22	7.50%																			
A/C#00255014760	22-Jun-22	6.00%																			
A/C #00255014885	14-Nov-22	7.50%																			
A/C #00255014758	22-Jun-22	6.00%																			
		1,535,740	1,538,740																		
		1,648,941	1,567,306																		
		747,234	747,734																		
		1,459,811	1,411,980																		
		6,665,915	6,668,915																		
		<u>12,057,641</u>	<u>11,934,675</u>																		
	The above mentioned amount of FDR amounting Tk.12,057,641 are liened in Bank Asia Ltd.																				
11.00	Cash and Cash Equivalents																				
	Cash in Hand (Note: 10.01)	4,080,946	5,442,743																		
	Cash at Bank (Note: 10.02)	2,608,889	2,939,039																		
		<u>6,689,835</u>	<u>8,381,782</u>																		
11.01	Cash in Hand																				
	Head Office	2,543,666	1,249,105																		
	Factory Office	1,537,280	4,193,638																		
		<u>4,080,946</u>	<u>5,442,743</u>																		

Notes	Particulars	Amount in Taka	
		July 01, 2021 to March 31, 2022	June 30, 2021
11.02	Cash at Bank		
	JBL HO- A/C. No. 0100108538184	2,091	2,091
	Dhaka Bank- A/C. No. 2011000004364	22,289	7,641
	JBL CD (nowapara)- A/C. No. 03400320000092	142,078	160,958
	Pubali bank- A/C. No. 0565901026331	471,584	2,682,501
	NRB CD- A/C. No. 1012010037293	2,049	2,049
	Premier Bank- A/C. No. 18911100000021	2,262	890
	Bank Asia CD- A/C. No. 00233012023	616	1,862
	DBBL- A/C. No. 11611022287	15,485	10,901
	Dhaka Bank Limited Ac. No. -2011000006846-Dividend Account Suspense	498,521	37,096
		<u>1,418,864</u>	
		2,575,839	2,905,989
	Dormant Account:		
	JBL STD A/C	<u>33,050</u>	<u>33,050</u>
		2,608,889	2,939,039

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

100,000,000 Ordinary Shares of Tk. 10 each	<u>1,000,000,000</u>	<u>1,000,000,000</u>
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12.02 Issued, Subscribed and Paid up Capital

Opening Balance	299,817,160	299,817,160
Add: Bonus share (stock Dividend)		
29,981,716 Ordinary Shares of Tk. 10 each	<u>299,817,160</u>	<u>299,817,160</u>

12.03 Schedule of distribution of each class of equity setting out the member of holders and percentage thereon has been as follows:

Shareholding Range	For the Quarter ended March 31, 2022			For the year 2020-2021	
	No. of shareholders	Total share	% of holding	No. of shareholders	Total Share
≤ 5000	2379	2,434,786	8.12	2,785	2,709,694
5,001 to 100,000	346	6,318,184	21.08	409	7,113,259
100,001 to 250,000	19	3,017,064	10.07	13	2,092,155
250,001 to 500,000	6	2,123,997	7.09	7	2,466,469
500,001 to 1,000,000	6	4,020,168	13.41	9	6,999,347
1,000,001 to above	5	12,061,516	40.24	4	8,600,791
Total	2,761	29,975,715	100.00	3,227	29,981,715

12.04 Composition of Share Holdings

Type of holders	For the Quarter ended March 31, 2022		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	101	7.11	129	18.83
General Public	4,864	62.89	2,877	51.17
Total	4,970	100.00	3,011	100.00

Notes	Particulars	Amount in Taka	
		July 01, 2021 to March 31, 2022	June 30, 2021

12.05 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 20th AGM based on Financial statement 31 December 2013
13-Jun-15	2,470,336	10	2,47,03,360	10% Bonus share approved on 21st AGM based on the Financial Statements 31 December, 2014
26-Nov-16	815,210	10	81,52,100	3% Bonus share approved on 22nd 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 23rd AGM based on the Financial Statements June 30, 2016-17.
2-Dec-18	873,254	10	8,732,540	3% Bonus share approved on 24th AGM based on the Financial Statements 2017-2018
Total Paid-up Capital	29,981,716	10	299,817,160	

13.00 Revaluation Reserve

Opening Revaluation Reserve	557,924,198	561,878,204
Addition During the Year	-	-
Adjustment for Realized Depreciation of Revalued Assets	(3,384,164)	(4,651,771)
Deferred tax	-	-
Adjustment for Deferred Tax for Revaluation Reserve	507,625	697,766
	555,047,680	557,924,198

14.00 Term Loan

Opening Balance	1,189,496,033	1,126,100,561
Addition During the year	-	-
Interest charged during the year	97,305,515	106,823,189
Paid during the year	(67,522,980)	(43,427,717)
	1,219,278,568	1,189,496,033

14.01 Term Loan Bank Asia

Opening Balance	1,005,297,734	951,986,423
Addition During the year	-	-
Interest charged during the year	84,522,006	88,960,228
Paid during the year	(21,859,000)	(35,648,917)
Balance at the end of the year	1,067,960,739	1,005,297,734

Notes	Particulars	Amount in Taka	
		July 01, 2021 to March 31, 2022	June 30, 2021
14.02	Term Loan Premier Bank		
	Opening Balance	184,198,299	174,114,138
	Addition During the year	-	-
	Interest charged during the year	12,783,509	17,862,961
	Paid during the year	(45,663,980)	(7,778,800)
	Balance at the end of the year	151,317,829	184,198,299
14.03	Maturity of Term-loan		
	Payment fall due within one year	231,773,379	227,243,755
	Payment fall due after one year	987,505,189	962,252,278
		1,219,278,568	1,189,496,033
15.00	Deferred Tax Liabilities		
	<u>A. Property Plant and Equipment</u>		
	Property, Plant and Equipment at Accounting base	747,803,212	773,981,690
	Property, Plant and Equipment at Tax base	471,804,136	470,067,187
	Temporary difference	275,999,076	303,914,503
	Tax rate	15%	15%
	Deferred Tax Liabilities	41,399,861	45,587,176
	<u>B. Calculation of deferred tax on Unused Tax Losses</u>		
	Unabsorbed depreciation for the year	(177,083,202)	(146,899,699)
	Bad debt provision	-	-
		(177,083,202)	(146,899,699)
	Tax rate	15%	15%
	Deferred tax assets	(26,562,480)	(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	147,023,106	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	22,053,466	22,561,090
		97,949,587	98,457,211
	Total Deferred Tax Liabilities (A+B+C)	112,786,968	122,009,432
15.01	<u>Deferred Tax Expenses/(Income) for the year</u>		
	Deferred tax liability other than revalued assets as at March 31, 2022 (A+B)	14,837,381	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	(8,714,840)	3,760,356
16.00	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

Notes	Particulars	Amount in Taka	
		July 01, 2021 to March 31, 2022	June 30, 2021
17.00	Lease Liability		
	Opening Balance	1,783,355	2,524,069
	Add: Addition during the year	-	-
	Add: Finance Cost	93,837	194,286
	Less: Payment during the period	(821,963)	(1,035,000)
		1,055,229	1,783,355
18.00	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 wellfare fund	68,201	62,201
	VAT Liability	137,729	137,729
	Rent Expense	24,300	24,300
	Service Charge	15,000	15,000
	Security Service	18,000	18,000
		12,646,496	13,357,067
19.00	Unclaimed Dividend Account		
	Opening Balance	37,096	15,460
	Addition:	10,493,406	21,636
		10,530,502	37,096
	Payment during the year	9,912,834	-
	Closing Balance	617,668	37,096
As per deration 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	Provision for Tax		
	Opening Balance	42,369,276	39,124,242
	Add: Previous years (After Assessment)	-	-
	Add: Addition during the year	1,439,692	5,745,092
		43,808,968	44,869,334
	Less: Adjustment during the year	(1,500,174)	(2,500,058)
		42,308,794	42,369,276

Notes	Particulars	Amount in Taka	
		July 01, 2021 to March 31, 2022	July 01, 2020 to March 31, 2021
21.00	Sales Revenue		
	Sale of Finished Yarn (net of VAT)	489,827,101	326,197,492
		<u>489,827,101</u>	<u>326,197,492</u>
22.00	Cost of Goods Sold		
	Opening Stock of Finished Goods	16,028,430	14,553,430
	Add: Cost of Production (Note: 21.01)	380,870,300	381,383,991
		<u>396,898,730</u>	<u>395,937,421</u>
	Less: Closing Stock of Finished Goods	(15,983,985)	(24,000,000)
		<u>380,914,745</u>	<u>371,937,421</u>
22.01	Cost of Production		
	Raw cotton (Note: 22.01.01)	221,062,718	222,088,553
	Polyester Staple Fiber (Note: 22.01.02)	72,515,000	-
	Spare Parts (Note: 22.01.03)	1,487,472	3,423,985
	Packing Materials (Note: 22.01.04)	4,395,532	6,758,335
	Direct Wages and Salaries	24,005,626	28,983,328
	Factory Overhead (Note: 22.01.05)	60,088,096	101,129,790
		<u>383,554,445</u>	<u>362,383,991</u>
	Add: Opening Works-in-Process	27,864,110	25,364,110
		<u>411,418,555</u>	<u>387,748,101</u>
	Less: Closing works-in-Process	(27,558,555)	(6,364,110)
	Less: Wastage Sales	(2,989,700)	-
		<u>380,870,300</u>	<u>381,383,991</u>
	Wastage and scrap sales has been written off against production costs.		
22.01.01	Consumption of Raw Cotton		
	Opening Stock	290,770,263	295,086,236
	Add: Purchase during the year	222,932,280	80,388,553
	Available for use	<u>513,702,543</u>	<u>375,474,789</u>
	Less: Closing Stock	(292,639,825)	(153,386,236)
		<u>221,062,718</u>	<u>222,088,553</u>
22.01.02	Consumption of polyester Staple Fiber		
	Opening Stock	36,059,114	36,059,114
	Add: Local purchase during the year	58,315,756	-
	Available for use	<u>94,374,870</u>	<u>36,059,114</u>
	Less: Closing Stock	(21,859,870)	(36,059,114)
		<u>72,515,000</u>	<u>-</u>
22.01.03	Consumption of Spare parts		
	Opening Stock	8,024,728	8,283,728
	Add: Purchase during the year	767,900	9,423,985
	Available for use	<u>8,792,628</u>	<u>17,707,713</u>
	Less: Closing Stock	(7,305,156)	(14,283,728)
		<u>1,487,472</u>	<u>3,423,985</u>
22.01.04	Consumption of Packing Materials		
	Opening Stock	4,421,443	4,737,243
	Add: Purchase during the year	4,541,951	6,758,335
	Available for use	<u>8,963,394</u>	<u>11,495,578</u>
	Less: Closing Stock	(4,567,862)	(4,737,243)
		<u>4,395,532</u>	<u>6,758,335</u>
22.01.05	Factory Overhead		
	Carriage Inward	136,732	282,241
	Insurance Premium (Fire)	1,610,271	1,440,568
	Repairs and Maintenance	527,970	9,697,667
	Fuel & Lubricants	108,221	731,000
	Electric bill	28,491,617	48,590,163
	Depreciation	29,213,285	40,388,151
		<u>60,088,096</u>	<u>101,129,790</u>

Notes	Particulars	Amount in Taka	
		July 01, 2021 to March 31, 2022	July 01, 2020 to March 31, 2021
23.00	Others Income		
	Interest Income	150,518	973,035
	Insurance Commission	-	178,505
		<u>150,518</u>	<u>1,151,541</u>
24.00	Administrative and Marketing Expenses		
	Board of Director's remuneration and Board Meeting fees	1,595,250	1,575,000
	Salary and Allowance	7,603,870	10,268,163
	AGM	133,000	225,000
	Post and Courier	110,730	17,023
	Registration and Renewal	27,600	565,254
	Repair and Maintenance	-	292,500
	Advertisement	9,200	59,012
	Printing and Stationary	84,853	197,021
	Audit fee	-	57,500
	Travelling and Conveyance	159,790	113,524
	Paper and periodicals	15,180	1,000
	Donation and subscription	87,451	85,600
	Medical and Welfare	-	326,400
	Electricity expenses(Res Qtrs.)	68,791	76,151
	Miscellaneous expenses	89,830	157,785
	Telephone & Mobile Bill	28,600	17,447
	Office maintenance	134,000	203,500
	Sales promotion	385,000	80,000
	Gas Bill (Res Qtrs)	70,261	107,072
	Service Charge	40,000	64,450
	Security Service	32,774	80,322
	Internet Bill	10,500	29,150
	Entertainment	39,795	60,735
	Depreciation & amortization	349,357	1,875,685
	Depreciation of right of use asset	738,180	-
	VAT	2,908,521	-
	Business Development	118,250	2,411,877
	Professional & Legal Expenses	38,425	579,000
	Head Office Electric Bill	42,750	60,500
		<u>14,921,968</u>	<u>19,656,671</u>
25.00	Financial Expenses		
	Interest on term loan	97,108,265	79,700,262
	Bank Charges and Commission	202,123	259,728
	Interest on WPPF	-	180,010
	Interest on Lease Liability	93,837	152,833
		<u>97,404,224</u>	<u>80,292,833</u>
26.00	Income Tax expenses		
	Current Tax provision (Note-26.01)	2,939,866	1,178,457
	Add Last year's tax adjustment	(1,500,174)	(2,000,058)
	Deferred tax expenses/(income) (Note:16.01)	(8,714,840)	(3,116,178)
		<u>(7,275,148)</u>	<u>(3,937,779)</u>
26.01	Current Tax expenses (Higher of A, B & C)		
	A. Income Tax on Regular rate		
	Profit Before Tax	(3,263,317)	(133,037,891)
	Add Accounting depreciation	36,231,112	40,787,476
	Less Tax depreciation	(63,151,297)	(56,711,149)
		<u>(30,183,502)</u>	<u>(148,961,564)</u>
	Tax rate		
	Current tax	15%	15%
		<u>-</u>	<u>-</u>
	B. Income Tax Paid at source	<u>-</u>	<u>-</u>
	C. Minimum tax	<u>-</u>	<u>-</u>
		<u>2,939,866</u>	<u>1,178,457</u>

Notes	Particulars	Amount in Taka	
		July 01, 2021 to March 31, 2022	July 01, 2020 to March 31, 2021
27.00	Net Assets Value (NAV) per Share		
	Total Assets	2,037,972,954	1,867,018,528
	Less: Total outstanding Liabilities	1,401,198,723	1,360,852,818
	Net assets value	636,774,231	506,165,710
	Divided by number of ordinary share	29,981,716	29,981,716
	NAV	21.24	16.88
28.00	Earnings Per Share (EPS)		
	EPS	<u>Earnings Attributable to the ordinary shareholder</u>	<u>4,011,831</u>
		<u>Weight average no. of ordinary shares</u>	<u>29,981,716</u>
	EPS	0.13	(4.31)
	Earning per share has increased significantly due to increased sales revenue, control of cost of production and other administrative expenses compared to last years corresponding period.		
29.00	Net Operating Cash Flows per Share (Restated)		
	NOCF per Share	<u>Net Operating Cash Flows</u>	<u>65,472,136</u>
		<u>No. of share outstanding at the end of the year</u>	<u>29,981,716</u>
	NOCF per Share	2.18	1.79
	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	Reconciliation of Cash Flows from Operating Activities (Indirect Method)		
	Profit before Tax	(3,263,318)	(133,037,891)
	Depreciation	29,562,642	40,787,476
	Finance Cost	97,404,224	80,292,833
	Interest on lease liability	93,836	-
	Depreciation of right of use asset	738,180	738,180
	Payment of lease liability	(821,963)	(270,000)
	Decrease/ (Increase) in inventories	13,252,835	145,253,430
	Decrease/ (Increase) in Trade Debtors	(23,375,099)	(79,803,371)
	Decrease/ (Increase) in Advances, Deposits and Prepayments	(35,415,051)	21,970,267
	Increase/ (Decrease) in Liabilities for expenses and others	(11,203,977)	(20,225,356)
	Income Tax Paid	(1,500,174)	(2,000,058)
	Net Cash Flows from Operating Activities	65,472,136	53,705,510

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 March 31, 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 March 31, 2022

Annexure - A

Particulars	Cost		Rate	Depreciation		WDV at March 31, 2022
	As at July 01, 2021	Addition During the Quarter		As at March 31, 2022	As at July 01, 2021	
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	6,129,754	266,303,764
Plant, Machinery & Factory Equipmenty	881,664,355		5.0%	403,991,460	17,912,734	459,760,161
Generator	93,595,775		15.0%	78,447,883	1,704,138	13,443,754
Gas Line Installation	2,237,758		15.0%	1,504,461	82,496	650,801
Furniture and Fixtures	5,500,327		10.0%	2,859,019	198,098	2,443,210
Transport and Vehicles	2,625,307		20.0%	2,541,803	12,526	70,978
Office Equipment	2,969,772		15.0%	1,918,337	118,286	933,149
Sundry Assets	630,565		10.0%	519,224	8,351	102,990
Sub-total	1,339,192,412	-		565,291,362	26,166,382	747,734,668

Revaluation of Property, Plant & Equipments

Particulars	Revaluation		Rate	Depreciation		WDV at March 31, 2022
	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	3,384,164	147,023,106
Sub-total	731,180,036	-		74,798,627	3,384,164	652,997,246
As at December 31, 2021	2,070,372,448	-		640,089,988	29,550,546	1,400,731,914

Depreciation Charged:
 Cost of Production 29,213,285
 Administrative 337,261
29,550,546

Safko Spinning Mills Limited

Intangible Assets

As at March 31, 2022

Annexure - B

Particulars	Cost			Rate	Amortisation		WDV at March 31, 2022
	As at July 01, 2021	Addition During the Quarter	As at March 31, 2022		As at July 01, 2021	Addition During the Quarter	
Software	140,000		140,000	20.0%	59,360	12,096	71,456
As at December 31, 2020	140,000	-	140,000		59,360	12,096	71,456
							68,544
							68,544

Depreciation Charged:	Total
Administrative	12,096
	<u>12,096</u>

Safko Spinning Mills Limited
 Schedule of Right of Use Assets
 As at March 31, 2022

Particulars	Cost		Depreciation			WDV at March 31, 2022	
	As at July 01, 2021	Addition During the Quarter	As at March 31, 2022	As at July 01, 2021	Addition During the Quarter		As at March 31, 2022
	Right of use asset	2,952,720	-	2,952,720	1,394,340		738,180
Total	2,952,720	-	2,952,720	1,394,340	738,180	820,200	

Annexure C

Safko Spinning Mills Limited
 Schedule of Right of Use Assets
 As at March 31, 2022

Annexure C

Particulars	Cost		Depreciation			WDV at March 31, 2022
	As at July 01, 2021	Addition During the Quarter	As at March 31, 2022	As at July 01, 2021	Addition During the Quarter	
Right of use asset	2,952,720	-	2,952,720	1,394,340	738,180	820,200
Total	2,952,720	-	2,952,720	1,394,340	738,180	820,200