



**Malek Siddiqui Wali**  
CHARTERED ACCOUNTANTS  
9-G, Motijheel C/A, 2<sup>nd</sup> Floor,  
Dhaka-1000, Bangladesh.

মালেক সিদ্দিকী ওয়ালী, চার্টার্ড একাউন্টেন্টস

৯-জি, মতিঝিল বানিজ্যিক এলাকা, ঢাকা-১০০০

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**Independent Auditor's Report  
To the Shareholders of Malek Spinning Mills Limited  
Report on the Audit of the Consolidated and Separate Financial Statements**

**Opinion**

We have audited the Consolidated and Separate Financial Statements of **Malek Spinning Mills Limited** which comprise the Statement of Financial Position as at June 30, 2021, the Statement of Profit or Loss and Other Comprehensive Income, the Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and Notes to the Financial Statements, including a summary of significant accounting policies and other explanatory information for both the Consolidated and Separate Financial Statements.

In our opinion, the accompanying financial statements give true and fair view, in all material respects, of the financial position of the Company as at June 30, 2021, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs), the company act 1994, the Securities and Exchange Rules 1987 and other applicable law and regulations.

**Basis for Opinion**

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Emphasis Matter of Paragraph:**

With reference to the no. 42, a contingent asset of Tk. 304,791,187 in respect of fire insurance claim as result of fire incident happened at subsidiary's (Salek Textile Limited) factory premises (Fabrics Unit). The effect of fire incident, some of Subsidiary's Inventory of Tk. 58,346,808 and Property, Plant & Equipment of Tk. 246,444,379 at carrying value/written down value has been destroyed. All of these assets (Inventory and Property, Plant & Equipment) are under the comprehensive insurance coverage. An inspection has been completed by surveyor. As per directors' assessment, the insurance claim recover through shall be at least equal to the carrying value. No other information come to our attention. Our report is not qualified in this respect.

**Key Audit Matters**

Risk	Our response
<b>Revenue recognition</b>	
At the year ended, the company's reported total revenue of Tk. 2,976,287,495 in the company's financial statements respectively.  Revenue is measured net of trade discount and VAT. Time of revenue recognition is matter. The revenue may overstated for the early recognition of revenue to achieve the desire result.	We have tested the design and operating effectiveness of key controls focusing on the following: <ul style="list-style-type: none"> <li>• Policy of revenue recognition;</li> <li>• Issuance of VAT challan;</li> <li>• Segregation of duties in invoice creation and modification; and</li> <li>• Timing of revenue recognition.</li> </ul> Our substantive procedures in relation to the revenue recognition comprises the following: <ul style="list-style-type: none"> <li>• Obtaining supporting documentation for sales transactions recorded either side of year end as well as credit notes issued after the year end date to determine whether revenue was recognized in the correct period;</li> <li>• VAT is correctly dealt with;</li> <li>• Critically assessing manual journals posted to revenue to identify unusual or irregular items; and</li> <li>• Finally assessed the appropriateness and presentation of disclosures against relevant accounting Standards.</li> </ul>
Please see the note 19 in this financial statements.	

Risk	Our response
<b>Valuation of Inventory</b>	
<p>The balance of inventory of the Company at the year-end was Tk. 2,197,140,142 respectively held in the company's warehouse.</p> <p>Inventories are carried at the lower of cost and net realizable value. As a result, the Directors apply judgment in determining the appropriate values for slow-moving or obsolete items.</p>	<p>We challenged the appropriateness of management's assumptions applied in calculating the value of the inventory and related provisions by:</p> <ul style="list-style-type: none"> <li>• evaluating the design and implementation of key inventory controls operating across the Company in respect of inventory management;</li> <li>• to attend the physical inventory counts and reconciling the count results to the inventory listings to test the completeness of data;</li> <li>• to review the inventory costing procedures and methodology.</li> <li>• comparing the net realizable value, obtained through a detailed review of sales subsequent to the year-end, to the cost price of a sample of inventories and comparison to the associated provision to assess whether inventory provisions are complete;</li> <li>• reviewing the historical accuracy of inventory provisioning, and the level of inventory write-offs during the year; and</li> <li>• Challenging the completeness of inventory provisions through assessing actual and forecast sales of inventory lines to assess whether provisions for slow- moving/obsolete stock are valid and complete.</li> </ul>
Please see the note 4 in this financial statements.	
<b>Measurement and recognition of deferred tax</b>	
<p>The balance of reported consolidated and separate deferred tax liability of the company was Tk. 267,931,811 respectively as on June 30, 2021.</p> <p>The risk for the financial statements is that these provisions are not properly measured for all types of temporary difference as per IAs 12: Income Tax.</p>	<p>We obtained an understanding, evaluated the design and tested the operational effectiveness of the Company's key controls over the recognition and measurement of deferred tax.</p> <p>We have assessed the appropriateness of the carrying amounts of net asset value as per tax base and accounting base.</p> <p>We have also assessed the rate of deferred for each temporary difference.</p> <p>Also, we examined the accounting treatment of deferred tax.</p>
Please see the note 13 in these financial statements.	

### Other Information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditor's report thereon. We have not been provided the Director's report and other information contained within the annual report except the financial statements to the date of our auditor's report. We expect to obtain the remaining reports of the Annual report after the date of our auditor's report. Management is responsible for the other information.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Our opinion on the financial statements does not cover other information and we do not express any form of assurance conclusion thereon.

### Responsibilities of Management and Those Charged with Governance for the Financial Statements and Internal Controls

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRSs as explained, and for such internal control as management determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error. The Companies Act, 1994 require the Management to ensure effective internal audit, internal control and risk management functions of the Company.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

## **Auditors' Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the company audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

## **Report on other Legal and Regulatory Requirements**

In accordance with the Companies Act 1994 and the Securities and Exchange Rules 1987, we also report the following:

- a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit and made due verification thereof;
- b) in our opinion, proper books of accounts as required by law have been kept by the Company so far as it appeared from our examination of these books;
- c) the statements of financial position and statement of profit or loss and other comprehensive income dealt with by the report are in agreement with the books of accounts and returns; and
- d) the expenditure incurred was for the purposes of the Company's business.

**Malek Siddiqui Wali**, Chartered Accountants

  
Md. Waliullah, FCA  
Enrolment No: 0247  
**2110280247AS409982**

Dated, Dhaka  
October 27, 2021

**Data Verification Code (DVC) No.**

**MALEK SPINNING MILLS LIMITED**  
**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS AT 30<sup>TH</sup> JUNE 2021**

Particulars	Notes	JUNE'2021	Amount in Taka JUNE'20
<b>ASSETS :</b>			
<b>Non-Current Assets :</b>			
Property, Plant and Equipment	4	10,264,335,859	9,946,365,492
Capital Work-in-Progress	5	133,494,119	257,972,906
		<b>10,397,829,978</b>	<b>10,204,338,398</b>
<b>Current Assets</b>			
Inventories	6	6,134,466,331	4,519,993,908
Accounts Receivable	7	3,579,126,645	2,606,617,175
Insurance Claimed Receivable	8	304,791,187	-
Advances, Deposits and Pre-payments	9	756,851,805	1,063,258,376
Cash and Cash Equivalents	10	1,103,686,839	589,256,619
		<b>11,878,922,807</b>	<b>8,779,126,078</b>
<b>TOTAL ASSETS :</b>		<b>22,276,752,785</b>	<b>18,983,464,476</b>
<b>SHAREHOLDER'S EQUITY AND LIABILITIES:</b>			
<b>Equity attributable to owners of the company</b>			
Share Capital	11	1,936,000,000	1,936,000,000
Share Premium	12	1,500,000,000	1,500,000,000
Tax Holiday Reserve	13	210,883,871	210,883,871
Re-valuation Surplus	14	3,467,782,367	3,519,909,366
Retained Earnings	15	1,842,353,215	1,139,080,298
		<b>8,957,019,453</b>	<b>8,305,873,535</b>
<b>Non Controlling Interest</b>	16	<b>55,533,970</b>	<b>53,137,291</b>
<b>Total Equity :</b>		<b>9,012,553,423</b>	<b>8,359,010,826</b>
<b>Non Current Liabilities:</b>			
Long Term Loan	17	2,850,098,862	2,646,693,579
Deferred Tax Liabilities	18	479,117,771	470,565,566
		<b>3,329,216,633</b>	<b>3,117,259,145</b>
<b>Current Liabilities :</b>			
Short Term Loan	19	3,079,089,510	2,430,743,491
Current Portion of Long Term Loan	20	720,099,910	790,902,612
Loan from Director	21	34,000,000	34,000,000
Acceptance Liabilities	22	4,654,769,176	2,667,266,477
Unclaimed Dividend	23	39,229,338	39,242,687
Creditors, Accruals & Provisions	24	1,407,794,795	1,545,039,239
		<b>9,934,982,729</b>	<b>7,507,194,505</b>
<b>TOTAL SHAREHOLDER'S EQUITY AND LIABILITIES :</b>		<b>22,276,752,785</b>	<b>18,983,464,476</b>
<b>Net Assets Value Per Share (NAV)</b>	37	<b>46.27</b>	<b>42.90</b>


Par Value Tk.10

The annexed notes are integral part of these financial statement

These financial statements were approved by the Board of Directors on October 27, 2021 and were signed on it's behalf by.

  
**A. Matin Chowdhury**  
 Managing Director

  
**Azizur Rahim Chowdhury**  
 Director

  
**B.K. Chaki**  
 Chief Financial Officer

  
**Syed Saiful Haque**  
 Company Secretary

As per our report of same date

Dhaka  
 October 27, 2021

  
**Malek Siddiqui Wali**  
 Chartered Accountants

**MALEK SPINNING MILLS LIMITED**  
**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED 30<sup>TH</sup> JUNE 2021**

<u>Particulars</u>	<u>Notes</u>	<u>JUNE'21</u>	<u>Amount in Taka</u> <u>JUNE'20</u>
Sales	25	15,039,735,914	9,764,786,115
Cost of Goods Sold	26	(13,647,472,777)	(9,245,625,977)
<b>Gross Profit :</b>		<b>1,392,263,137</b>	<b>519,160,138</b>
Operating Expenses	27	(259,932,690)	(224,160,362)
Financial Expenses	28	(453,570,709)	(547,807,861)
<b>Operating Profit/(Loss) :</b>		<b>678,759,737</b>	<b>(252,808,086)</b>
Other Income/(Loss)	29	99,562,763	1,532,546
<b>Net Operating Profit/(Loss) :</b>		<b>778,322,500</b>	<b>(251,275,540)</b>
Contribution to WPPF	30	(20,075,894)	-
<b>Profit/(Loss) before Tax :</b>		<b>758,246,606</b>	<b>(251,275,540)</b>
<b>Income Tax :</b>		<b>(105,835,210)</b>	<b>(80,970,952)</b>
Current Tax	31	(97,283,005)	(62,749,913)
Deferred Tax	32	(8,552,205)	(18,221,039)
<b>Net Profit/(Loss) after tax</b>		<b>652,411,396</b>	<b>(332,246,492)</b>
Other Comprehensive Income		-	-
<b>Total Comprehensive Income</b>		<b>652,411,396</b>	<b>(332,246,492)</b>
<b>Profit attributable to:</b>			
Owners of the company		651,145,918	(326,116,527)
Non-controlling interest	33	1,265,479	(6,129,965)
		<b>652,411,396</b>	<b>(332,246,492)</b>
<b>Total comprehensive income attributable to:</b>			
Owners of the company		651,145,918	(326,116,527)
Non-controlling interest	33	1,265,479	(6,129,965)
		<b>652,411,396</b>	<b>(332,246,492)</b>
<b>Earnings Per Share (EPS)</b>	34	<b>3.36</b>	<b>(1.68)</b>
Par Value Tk.10			
<b>Number of Shares used to compute EPS</b>		<b>193,600,000</b>	<b>193,600,000</b>

The annexed notes are integral part of these financial statement.

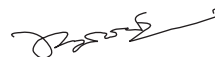
These financial statements were approved by the Board of Directors on October 27, 2021 and were signed on it's behalf by.



**A. Matin Chowdhury**  
Managing Director



**Azizur Rahim Chowdhury**  
Director



**B.K. Chaki**  
Chief Financial Officer



**Syed Saiful Haque**  
Company Secretary

As per our report of same date



**Malek Siddiqui Wali**  
Chartered Accountants

Dhaka  
October 27, 2021

**MALEK SPINNING MILLS LIMITED**  
**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

**FOR THE YEAR ENDED 30<sup>TH</sup> JUNE 2021**

Particulars	Share Capital	Share Premium	Revaluation Surplus of Fixed Assets	Tax holiday Reserve	Retained Earnings	Non Controlling Interest	Total
Balance as at 1st July 2020	1,936,000,000	1,500,000,000	3,519,909,366	210,883,871	1,139,080,298	53,137,291	8,359,010,826
Total Comprehensive Income					651,145,918	1,265,479	652,411,396
Transfer of excess depreciation of Revalued Assets			(48,918,162)		48,918,162		-
Adjustment of Revaluation Surplus of Fixed Assets			(3,208,837)		3,208,837		-
Adjustment Non Controlling Interest						1,131,200	1,131,200
<b>As at 30th June 2021</b>	<b>1,936,000,000</b>	<b>1,500,000,000</b>	<b>3,467,782,367</b>	<b>210,883,871</b>	<b>1,842,353,215</b>	<b>55,533,970</b>	<b>9,012,553,423</b>

**FOR THE YEAR ENDED 30<sup>TH</sup> JUNE 2020**

Particulars	Share Capital	Share Premium	Revaluation Surplus of Fixed Assets	Tax holiday Reserve	Retained Earnings	Non Controlling Interest	Total
Balance as at 1st July 2019	1,936,000,000	1,500,000,000	3,574,135,334	210,883,871	1,515,526,057	59,267,257	8,795,812,519
Total Comprehensive Income					(326,116,527)	(6,129,965)	(332,246,492)
Transfer of excess depreciation of Revalued Assets			(54,225,968)		54,225,968		-
Declared Cash Dividend for 2018-2019 financial year					(104,555,200)		(104,555,200)
<b>As at 30th June 2020</b>	<b>1,936,000,000</b>	<b>1,500,000,000</b>	<b>3,519,909,366</b>	<b>210,883,871</b>	<b>1,139,080,298</b>	<b>53,137,291</b>	<b>8,359,010,826</b>

The annexed notes are integral part of these financial statement.

These financial statements were approved by the Board of Directors on October 27, 2021 and were signed on it's behalf by.



**A. Matin Chowdhury**  
Managing Director



**Azizur Rahim Chowdhury**  
Director



**B.K. Chaki**  
Chief Financial Officer



**Syed Saiful Haque**  
Company Secretary

As per our report of same date



**Malek Siddiqui Wali**  
Chartered Accountants

Dhaka  
October 27, 2021

**MALEK SPINNING MILLS LIMITED**  
**CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 30<sup>TH</sup> JUNE 2021**

<u>PARTICULARS</u>	<u>JUNE'21</u>	<u>Amount in Taka</u> <u>JUNE'20</u>
<b>CASH FLOW FROM OPERATING ACTIVITIES :</b>		
Collection from Turnover & Bills Receivable	14,067,226,444	9,652,117,277
Other Income	110,246,411	85,560,005
Payment for Raw Materials, Indirect Materials and other expenses	(12,994,882,669)	(8,520,700,204)
Foreign currency exchange Gain/(Loss) realized	485,412	(290,641)
Payment to Employee against contribution to WPPF	(10,211,279)	(105,593,338)
Payment for Operating Expenses	(250,793,693)	(213,677,985)
Payment for Financial Expenses	(443,635,812)	(499,803,407)
Payment for Income Tax	(90,842,182)	(59,791,307)
<b>Net Cash provided/(used) by Operating Activities</b>	<b>387,592,631</b>	<b>337,820,400</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES :</b>		
Acquisition of Fixed Assets	(417,073,655)	(491,933,656)
Acquisition of Capital work in progress	(242,926,432)	(415,566,873)
Disposal of Fixed Assets	4,771,223	11,310,000
<b>Net cash provided/(used) in Investing Activities</b>	<b>(655,228,864)</b>	<b>(896,190,529)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES :</b>		
Bank Loan Increase/(Decrease)	780,948,601	962,216,058
Non Controlling Interest	1,131,200	-
Dividend Paid	(13,349)	(102,458,834)
<b>Net cash provided/(used) in Financing Activities</b>	<b>782,066,453</b>	<b>859,757,224</b>
<b>Increase/(Decrease) in Cash and Cash Equivalents</b>	<b>514,430,220</b>	<b>301,387,095</b>
Opening Cash & Cash Equivalents	589,256,619	287,606,061
Foreign Currency Bank deposit translation Gain/(Loss)	-	263,463
<b>Closing Cash and Cash Equivalents</b>	<b>1,103,686,839</b>	<b>589,256,619</b>
<b>Net Operating Cash Flow Per Share (NOCFPS)</b>	<b>2.00</b>	<b>1.74</b>
Par Value Tk.10		

The annexed notes are integral part of these financial statement.

These financial statements were approved by the Board of Directors on October 27, 2021 and were signed on it's behalf by.



**A. Matin Chowdhury**  
Managing Director



**Azizur Rahim Chowdhury**  
Director



**B.K. Chaki**  
Chief Financial Officer



**Syed Saiful Haque**  
Company Secretary

As per our report of same date



**Malek Siddiqui Wali**  
Chartered Accountants

Dhaka  
October 27, 2021



**MALEK SPINNING MILLS LIMITED**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT**  
**FOR THE YEAR ENDED 30<sup>TH</sup> JUNE 2021**

**1. COMPANY AND ITS ACTIVITIES:**

Malek Spinning Mills Limited was incorporated vide registered no. C-19018 as a Private Limited Company on 2nd November, 1989 under Companies Act 1913. It was converted into Public Ltd. Company in the year 2008. The share of the company is denominated from Tk.100/- to Tk.10/- per share as on 14th September, 2008. Its subsidiary companies are Salek Textile Limited, Newasia Synthetics Limited and J.M. Fabrics Limited. Titas Spinning & Denim Company Ltd. one of the subsidiary company has been Merged and Amalgamated with another subsidiary company Salek Textile Ltd. as per order of the Hon'ble High Court Division of the Supreme Court of Bangladesh dated 05.03.2014 in the Company Matter No. 248 of 2013. All of the companies are incorporated with registrar of joint stock companies and firms, Dhaka, except J.M. Fabrics Limited which is registered with RJSC Chittagong, Bangladesh under Companies Act 1994. Registered office of the Companies are at 117/A, Tejgaon I/A, Dhaka-1208, while Factories are situated at Shafipur, Kaliakoir, Bhawal Mirzapur, Gazipur & Mahna Bhabanipur, Gazipur respectively.

**1.01. NATURE OF BUSINESS:**

The Company has got the capacity of 63,624 spindles to spin high quality Cotton hosiery yarns by using modern machinery including state-of-the-art yarn testing laboratory. Annual production capacity of the company is 12,600,000 Kgs.

**2. SIGNIFICANT ACCOUNTING POLICIES:**

**2.01 Basis of Accounting/Statement of compliance:**

The financial statements of the company under reporting have been prepared under historical cost convention, except land, Building and Machinery which is stated at revalued amount, in a going concern concept and on accrual basis other than Cash Incentive Income which is recognized on cash basis in accordance with generally accepted accounting principles and practice in Bangladesh in compliance with the Companies Act 1994, The Securities and Exchange Rules 1987, Listing Regulations of Dhaka Stock Exchange Ltd (DSE) & Chittagong Stock Exchange Ltd. (CSE) and in compliance with International Accounting Standards (IAS) and International Financial Reporting Standards (IFRS) as adopted by the Institute of Chartered Accountants of Bangladesh (ICAB).

**2.02 Accrual basis accounting**

The financial statements, except cash flows statements, have been prepared using the accrual basis of accounting. Under this concept, the company recognises items as assets, liabilities, equity, income and expenses when they satisfy the definitions and recognition criteria for those elements as per related accounting standard and framework.

**2.03 Going concern**

The financial statements have been prepared in assuming that the company is going concern and it has ability to continue as going concern for foreseeable future.

**2.04 Principal Accounting Policies:**

Specific accounting policies were selected and applied by the company's management for significant transactions and events that have a material effect within the framework of IAS-1 "Preparation of Financial Statement" and IAS-27 preparation separate financial statements and presentation of financial statements. The previous year's figures were presented according to the same accounting principles.

**2.05 Basis of Consolidation:**

The consolidated financial statements incorporate the financial statements of the company and entity controlled by the company. Control is achieved where the company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by other member of the group.

All intra group transaction, balances, income and expenses are eliminated in full on consolidation. Minority interests in the net assets of consolidated subsidiaries are identified separately from the group equity therein. The consolidated financial statements are prepared as per guidance of IFRS-10: Consolidated Financial Statements.

These consolidate financial statements have been prepared in consolidation with the audited accounts of the company and the audited accounts of Salek Textile Limited, Newasia Synthetics Limited and J.M. Fabrics Limited for the period ended June 30, 2021, according to the relevant IFRS or IAS.

**2.06 Percentage of Holding on Subsidiary Company:**

<b>Name of Company</b>	<b>Total No. Shares</b>	<b>Total Holding</b>	<b>Percentage of Holding</b>
Salek Textile Ltd.	48,260,870	47,259,700	97.925%
Newasia Synthetics Ltd.	6,600,000	6,553,338	99.293%
J.M. Fabrics Ltd.	4,000,000	3,999,900	99.998%

**2.07 Application of International Accounting Standards (IAS):**

The following IAS are applicable for the financial statements for the year under review

- IAS – 1 Presentation of Financial Statement.
- IAS – 2 Inventories.
- IAS – 7 Statement of Cash Flows.
- IAS – 8 Accounting Policies, Changes in Accounting Estimates and Errors



- IAS – 10 Events after the Balance Sheet Date.
- IAS – 12 Income Tax.
- IAS – 16 Property, Plant & Equipment.
- IAS – 18 Revenue.
- IAS – 20 Accounting for Government Grants and Disclosure of Government Assistance.
- IAS – 21 The effect of changes in Foreign Exchange rate.
- IAS – 23 Borrowing Cost.
- IAS – 24 Related Party Disclosure.
- IAS – 27 Separate Financial Statements.
- IAS – 33 Earnings per share.
- IAS – 36 Impairment of Assets.
- IAS – 37 Provisions, Contingent Liabilities and Contingent Assets.
- IAS – 38 Intangible Assets.
- IFRS –3 Business Combination.
- IFRS –8 Operating Segments
- IFRS –10 Consolidated Financial Statements.
- IFRS –16 Leases.

### 3. Significant accounting policy

#### **3.01 Recognition of Property, Plant & Equipment and Depreciation:**

Property, Plant & Equipment are stated at cost less accumulated depreciation in accordance with IAS-16 “Property, Plant & Equipment”. Cost represents cost of acquisition or construction and include purchase price and other directly attributable cost of bringing the assets to working conditions for its intended use. Revaluation of Land, Building, Plant & Machineries were made by registered renowned Company Asian Surveyors Ltd. as on 30.06.2012. Depreciation on all fixed assets except J.M. Fabrics Limited is computed using the reducing balance method in amount sufficient to write-off depreciable assets over their estimated useful life. Depreciation on fixed assets of J.M. Fabrics Limited is computed using straight line method. Depreciation on Current year addition is charged as and when the assets are ready for operation.

The annual depreciation rates applicable to the principal categories are:

Building	3.37% - 5%
Plant & Machinery	5% - 10.85%
Generator	10% - 15%
Furniture & Fixture	10% - 20%
Motor Vehicles	10% - 20%
Office Equipment	15% - 20%
Electrical Installation	10% - 19.75%
Gas Line Installation	15%
Fire Installation	15%
Loose Tools	10% - 15%

#### **3.02 Inventories:**

Inventories comprise of Raw Materials, Raw Materials in Transit, Work-In-Process, Finished Goods and Stores and Spare Parts. They are stated in accordance with the Para of 21 & 25 of IAS-2 “Inventories”. Basis of valuation is as under:

- a) Raw Material in hand (imported) lower of cost and net realizable value (NRV).
- b) Raw Material in hand (local) lower cost (weighted average) and NRV.
- c) Raw Material in transit Cost incurred to date accumulated to balance sheet date of course cost incurred to date is less than or equal to fair value.
- d) Work-in-process lower of cost (weighted average) and NRV (market value less cost to finish).
- e) Finished Goods lower of cost and NRV.
- f) Waste NRV.

Cost in relation to work-in-process and finished goods represents annual average manufacturing cost which consists of prime cost and apportionate manufacturing overheads.

Net realizable value signifies the estimated selling price in the ordinary course of business less estimated cost of completion and estimated cost necessary to be incurred to affect such sale.

#### **3.03 Accounts Receivable:**

Accounts Receivable represents the amounts due from export sales both to local and foreign buyers. All transaction related to export sales is performed through letter of credit, they are secured and collectible. The credit party, under confirmed LC of sold goods is between 90 days to 130 days. Receivable are recognised, when goods are sold to customers and subsequently measured at amortise cost.

#### **3.04 Cash and Cash Equivalents:**

According to IAS-7 ‘Statement of Cash flows’ cash comprises of cash-in-hand and demand deposits. 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.

#### **3.05 Creditors and Accruals:**

Liabilities are recognized under accrual basis accounting, amounts to be paid in the future for goods and services received. After final recognition the creditors and accruals are accounted for under amortised cost.

#### **3.06 Income Tax:**

**a) Current Tax:** The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported is the statement of Profit or Loss and other Comprehensive income because it excludes items of income or

expenses that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted on date of Statement of Financial Position.

**b) Deferred Tax:** The Company has recognized deferred tax using balance sheet method in compliance with the provisions of IAS-12 "Income Taxes". The company's policy of recognition of deferred tax assets/liabilities is based on temporary difference (Taxable or deductible) between the carrying amount (Book Value) of assets and liabilities for Financial Reporting purpose and its tax base, and accordingly, deferred tax income/expenses has been considered to determine net profit after tax and earnings per share (EPS).

**3.07 Statement of Cash Flows:**

Statement of Cash Flows is prepared in accordance with IAS-7 under direct method as outlined in the "Securities and Exchange Rules 1987".

**3.08 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 affecting financial statements and revenues and expenses during the reported year. Actual results could differ from those estimates. Estimates are used for accounting of certain items such as long-term contracts; depreciation and employees benefit plans, taxes, reserves and contingencies.

**3.09 Compliance with International Accounting Standards:**

The financial statements have been prepared in compliance with requirement of IAS as adopted by The Institute of Chartered Accountants of Bangladesh (ICAB) and applicable in Bangladesh.

**3.10 Contingent Liabilities and Assets**

Current or possible obligations or assets arising from past events and whose existence is due to the occurrence or non-occurrence of one or more uncertain events which are not within the control of the group.

**3.11 Reporting Year:**

Financial statements of the company cover from 1st July 2020 to 30th June 2021.

**3.12 Reporting Currency and Level of Precision:**

The figures in the financial statements represent Bangladesh Currency (Taka), which have been rounded off to the nearest Taka except where indicates otherwise.

**3.13 Comparative Information:**

Comparative information have been disclosed in respect of year June 2020 for all numerical information in the financial statements and also the narrative and descriptive information when it is relevant for understanding of the current years financial statements. Figures of the year 2020 have been rearranged whenever considered necessary to ensure comparability with the current year.

**3.14 Foreign Currency Transaction:**

Transactions in foreign currencies are translated into Bangladeshi taka in accordance with IAS-21 "The Effects of Changes in Foreign Exchange Rate." Foreign Currencies are converted into taka at the rates ruling on the transaction dates. Monetary assets and liabilities are converted at the rates prevailing at the balance sheet date, non-monetary assets and liabilities are reported using the exchange rate at the date of transaction. Exchange currency difference if any in the comprehensive income.

**3.15 Revenue Recognition:**

The Company recognizes revenue when risk and rewards associated with ownership has been transferred to buyer, which satisfied all the condition for the revenue recognition as provided in IAS-18 'Revenue Recognition.'

**3.16 Accounting for Government Grants and Disclosure of Government Assistance:**

Cash Incentive recognize as per IAS-20 as other income.

**3.17 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 Standards Board (IASB).

**3.18 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 30th June 2021.
- (ii) Statement of Profit or Loss and other Comprehensive Income for the period from 1st July 2020 to 30th June 2021
- (iii) Statement of Cash flows for the period from 1st July 2020 to 30th June 2021.
- (iv) Statement of changes in Equity for the period from 1st July 2020 to 30th June 2021.
- (v) Accounting Policies and Explanatory Notes.

**3.19 Earnings per Share:**

Earnings per share (EPS) is calculated in accordance with the International Accounting Standard IAS-33 "Earnings per share".

### **3.20 Basic Earnings per Share:**

Basic Earnings per share is calculated by dividing the net profit or loss for the year attributable to ordinary shareholders by the number of ordinary shares outstanding during the year.

### **3.21 Share Premium:**

The balance in share premium account shall be utilized in accordance with provisions of the Companies Act 1994 and as directed by the Bangladesh Securities and Exchange Commission in this respect.

### **3.22 Lease Assets:**

In Compliance with the IFRS-16, Changes to the company's accounting policies have been made as required, in accordance with the transitional provisions in the respective IFRS 16 Lease.

IFRS 16 supersedes IAS 17 Leases. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to recognise most leases on the balance sheet.

The company adopted IFRS 16 using the modified retrospective method of adoption with the date of initial application of 1 January 2019. Under this method, the standard is applied retrospectively with the cumulative effect of initially applying the standard recognised at the date of initial application. The company elected to use the transition practical expedient to not reassess whether a contract is, or contains a lease at 1 January 2019. Instead, the company applied the standard only to contracts that were previously identified as leases applying IAS 17 at the date of initial application.

The IFRS 16 requires to recognise the present value of minimum lease payment under the lease agreement as asset and Liability namely "Right to Use of Asset" and "Lease Liability" respectively. The Right to Use of Asset is added by the balance of advance payment at initial application of IFRS 16, which was January 01, 2019. However, IFRS 16 also allows the company to recognise the lease payment as expenses in respect of short term lease agreement and lease for which the underlying asset is of short term (temporary) lease and low value. One lease agreement of the company are fallen in second category. As such, lease (rental) payment was recognised as expenses in the Profit or Loss statement, when they incurred, for short term (temporary) lease and low value lease agreement.

#### **Subsequent Measurement:**

##### **The lease liability:**

Upon initial recognition, the lease liability is being accounted for using amortised cost. Meaning that the initial liability is added by finance charge at company's incremental borrowing cost less subsequent rental payment on monthly basis.

##### **Right to Use of assets:**

The leased assets (Right to Use of Asset) are depreciated over its useful life on monthly basis using straight line depreciation method

### **3.23 Impairment of Assets:**

The company reviews the recoverable amount of its assets at each reporting date. If there exist any indication that the carrying amount of assets exceeds the recoverable amount, the company recognizes such impairment loss in accordance with IAS-36 "Impairment of Assets".

### **3.24 Credit Facility Not Availed:**

There was no credit facility available to the company under any contract, other than trade credit available in the ordinary course of business.

### **3.25 Segment Reporting:**

As there is a single business and geographic segment within the company operates as such no segment reporting is felt necessary for Malek Spinning Mills Ltd. But its subsidiaries Salek Textile Ltd. has geographic and product segment by Spinning, Fabrics & RMG unit and the financial statement has reported showing result and Financial Position each segment according to IFRS-8. The disclosure of segment reporting is also disclosed in financial of Salek Textile Ltd.

### **3.26 General Comments & Observations:**

- a) Previous year's figures is regrouped/reclassified wherever considered necessary to confirm to current year's presentation. There has no such effect during year. Figures have been rounded off to the nearest taka, as the currency represented in this financial statement.
- b) All shares have been fully called and paid up.
- c) There was no preference share issued by the company.
- d) The company has not incurred any expenditure in foreign currency against royalties and technical fees.
- e) Auditors are paid only statutory audit fees.
- f) No foreign exchange remitted to the relevant shareholders during the year under audit.
- g) No amount of money was expended by the company for compensating any members of the Board for special service rendered.
- h) No brokerage was paid against sales during the year under audit.
- i) There was no bank guarantee issued by the company on behalf of directors.

### **3.27 Contribution to Worker's Profit Participation Fund:**

The contribution for Worker's Profit Participation Fund is provided in the Accounts but approved while approving the Accounts in the Annual General Meeting and payable accordingly. The company is making provision of WPPF at the rate of 5% of company's operating profit as per the Labour Law Act-2006 (amendment 2013).

### **3.28 Effect of exchange rate changes on cash and cash equivalent:**

We have shown the effect of currency Exchange Rate Changes separately in the Cash Flows Statement.

**MALEK SPINNING MILLS LIMITED**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT**  
**FOR THE YEAR ENDED 30<sup>TH</sup> JUNE 2021**

*Amount in Taka*

	<u>JUNE'21</u>	<u>JUNE'20</u>
<b>4. CONSOLIDATED PROPERTY, PLANT AND EQUIPMENT:</b>		
<b>COST:</b>		
Opening Balance	10,426,808,834	9,430,799,466
Addition during the year	1,110,109,925	1,297,055,848
	<b>11,536,918,759</b>	<b>10,727,855,314</b>
Sales/Adjustment during the year	605,703,715	301,046,480
<b>Closing Balance</b>	<b>10,931,215,044</b>	<b>10,426,808,834</b>
<b>Accumulated Depreciation:</b>		
Opening Balance	4,225,768,966	3,997,395,268
Adjustments during the year	346,527,890	205,736,199
Depreciation during the year	462,820,444	434,109,898
<b>Closing Balance</b>	<b>4,342,061,520</b>	<b>4,225,768,966</b>
<b>Written Down Value at cost:</b>	<b>6,589,153,524</b>	<b>6,201,039,868</b>
<b>REVALUATION:</b>		
Opening Balance	4,814,879,388	4,814,879,388
Addition of Revaluated Assets	-	-
Adjustment during the year	13,951,064	-
<b>Total Revaluated Assets:</b>	<b>4,800,928,324</b>	<b>4,814,879,388</b>
<b>Accumulated Depreciation:</b>		
Opening Balance	1,069,553,764	995,340,970
Depreciation during the year	66,934,452	74,212,794
Adjustments during the year	10,742,227	-
<b>Closing Balance</b>	<b>1,125,745,989</b>	<b>1,069,553,764</b>
<b>Written Down Value of Revaluated Assets:</b>	<b>3,675,182,335</b>	<b>3,745,325,624</b>
<b>Total Written Down Value:</b>	<b>10,264,335,859</b>	<b>9,946,365,492</b>
Allocation of depreciation charges for the year has been made in the accounts as follows:		
Factory Overhead	520,615,898	497,840,314
Administrative Overhead	9,138,998	10,482,378
	<b>529,754,896</b>	<b>508,322,691</b>
Details of Fixed Assets and Depreciation are shown in the Annexure-1		
<b>5. CONSOLIDATED CAPITAL WORK-IN-PROGRESS:</b>	<b>133,494,119</b>	<b>257,972,906</b>
Opening Balance	257,972,906	742,177,768
Addition for the year	578,475,819	415,566,873
Less: Transferred to Assets Schedule	702,954,607	899,771,735
<b>Closing Balance</b>	<b>133,494,119</b>	<b>257,972,906</b>
<b>6. CONSOLIDATED INVENTORIES :</b>		
Raw Materials	1,622,063,187	1,996,488,196
Stock-in-Transit	1,319,515,688	3,416,268
Work-in-Process	1,353,604,778	648,228,673
Finished Goods	1,491,398,445	1,522,642,684
Stores & Accessories:	347,884,232	349,218,087
<b>Total:</b>	<b>6,134,466,331</b>	<b>4,519,993,908</b>
(i) The inventory counting was taken place at the year end in the presence of company management and auditors.		
(ii) Inventories are valued at lower of cost and net realizable value. Net realizable value is based on estimated selling price less any other cost anticipated to be incurred to make the sale. Any obsolete stock or abnormal losses, if any, are recognized as expenses.		
<b>7. CONSOLIDATED ACCOUNTS RECEIVABLE :</b>		
i) Malek Spinning Mills Limited	1,249,627,547	1,114,245,430
ii) Salek Textile Limited	1,551,091,902	1,285,416,244
iii) J.M. Fabrics Limited	1,023,193,148	446,946,351
	<b>3,823,912,597</b>	<b>2,846,608,025</b>
Less: Inter Company Receivable	244,785,953	239,990,850
<b>Total:</b>	<b>3,579,126,645</b>	<b>2,606,617,175</b>
(i) A/C Receivable occurred in the ordinary course of business by selling of company's product. As per assessment of directors, the above receivable is considered as good & realizable within due course of business.		
(ii) The A/C Receivable are secured against confirmed Export L/C (Deferred period is 120 days).		
(iii) <u>Aging of the Receivables:</u>		
Invoiced at 90 days L.C tenor:	357,912,665	260,661,718
Invoiced at 120 days L.C tenor:	2,863,301,316.26	2,345,955,458
Invoiced at 121 - 180 days L.C tenor:	357,912,664.53	-
Invoiced at 181 - 360 days L.C tenor:	-	-
Invoiced at above 360 days L.C tenor:	-	-
<b>Total:</b>	<b>3,579,126,645</b>	<b>2,606,617,175</b>

**8. CONSOLIDATED FIRE INSURANCE CLAIMED RECEIVABLE:  
(Contingent Asset)****304,791,187****-**

Please see the note no. 42 of these financial statements for detail of contingent assets.

**9. CONSOLIDATED ADVANCE, DEPOSIT & PRE-PAYMENTS:**

Advance against construction materials, Suppliers &amp; Others

277,168,421

627,061,960

Security Deposit to REB

1,178,875

1,178,875

Security Deposit to Titas Gas T &amp; D Co.

49,001,852

41,907,552

Advance against Income Tax (Note: 9-A)

335,112,275

359,447,316

Security Deposit to CDBL

500,000

500,000

Security deposit to Peoples Insurance Company Ltd.

-

500,000

Security deposit to Eastern Insurance Company Ltd.

500,000

-

Advance to M/S Maznu Traders(For Land purchase)

73,073

136,843

Advance to M/S Sowa Enterprise

500,000

-

Advance to WASO Engineers &amp; Consultants (BD) Ltd.

600,000

-

Security Deposit to EBL

34,000,000

-

Security Deposit to OBL

12,500,000

-

Security Deposit to TBL

9,000,000

-

Advance against Office/Factory Rent

31,725,948

31,725,948

Security Deposit against LC margin/ Bank Guarantee

1,991,360

799,880

Advance to M/S MR Traders (Land purchase-Ashugonj)

3,000,000

-

**Total:****756,851,805****1,063,258,375****9-A. CONSOLIDATED ADVANCE INCOME TAX:**

Opening Balance

359,447,316

318,067,115

Advance Income Tax paid (Against Export Proceeds)

72,679,216

52,057,446

Advance Income Tax paid (Against Import)

1,668,600

292,414

Advance Income Tax paid (Against Interest Income)

81,803

187,722

Advance Income Tax paid (Against Cash Incentive)

10,479,235

6,806,725

Advance Income Tax paid (Against Yearly Income)

5,468,828

-

Advance Income Tax paid (Against Vehicle)

464,500

447,000

**Total AIT paid for the year:****90,842,182****59,791,307**

Payment/Adjustment for prior year Income

115,177,223

18,411,106

**Total:****335,112,275****359,447,316**

a) All the advances &amp; deposits amount is considered good and recoverable within the ordinary course of business.

b) In the opinion of Directors, all current assets, investments, loans and advance have on realization in the ordinary course of business, a value at least equal to the amount at which they are stated in the Financial Position.

**MATURITY ANALYSIS OF ADVANCES, DEPOSITS & PREPAYMENTS:**

(i) Realizable/Adjustable within 1 year:

541,793,906

818,561,960

(ii) Realizable/Adjustable after 1 year:

215,057,899

244,696,416

**Total:****756,851,805****1,063,258,376****10. CONSOLIDATED CASH AND CASH EQUIVALENTS:****Cash in Hand:****2,567,349****1,335,208****Cash at Banks :**

AB Bank Ltd. STD A/C: 4005-767482-430 (MSML)

256,269

248,930

Brac Bank STD A/C: 150510 (MSML)

42,811

43,762

Brac Bank A/C: 150120 (MSML)

10,336,539

2,814,081

The City Bank Ltd.-CD A/C: (JM)

858,155

146,149

The City Bank Ltd.-FBPAR A/C: (JM)

153,900,486

178,226,492

The City Bank Ltd.-ERQ A/C: (JM)

1,082,859

4,239,778

Dhaka Bank Ltd A/C: 207.100.6276 (STL)

71,423,629

1,285,372

Dhaka Bank USD Margin A/C:0032 (STL)

39,720,752

230,419

Dhaka Bank Ltd A/C: 207.100.6643 (NSL)

25,904,830

168,927

Dhaka Bank Ltd. CD A/C: 207-175000000023(MSML)

28,536,940

-

Dhaka Bank Ltd. STD A/C: 207-150000000806(MSML)

28,892,799

9,527,606

Dhaka Bank Ltd.- Margin A/C: (MSML)

122,520,591

39,885,838

Dutch Bangla Bank Ltd. CD A/C: (MSML)

474,754

349,813

Dutch Bangla Bank Ltd. CD A/C: (STL)

442,575

394,961

Dutch Bangla Bank Ltd. CD A/C: (JMF)

1,298,387

524,908

Eastern Bank CD A/C: 5745 (NSL)

86,116

86,806

Eastern Bank Ltd.- Margin A/C: USD (MSML)

22,010,428

8,069,740

Eastern Bank Margin A/C:0311738 (STL)

102,576

1,300,974

Eastern Bank CD A/C: 01011060020990 (STL)

-

189,078

Eastern Bank Ltd. ERQ A/C:1043100255781(STL)

48,691

134,975

Eastern Bank FC A/C: (Deposit-NRB IPO) MSML

1,210,823

1,213,250

Eastern Bank STD A/C: BDT (Deposit IPO) MSML

3,378,153

3,361,648

HSBC Bank CD A/C: 001-241389-011 (STL)

-

127,145,682

HSBC Bank USD Margin A/C: 091 (STL)

-

3,089,020

HSBC Bank USD Margin A/C: 047 (STL)

203,438

4,600,168

HSBC Bank-Margin A/C:091 USD (MSML)

7,471,658

13,789,112

Meghna Bank Ltd. CD A/C:1039(STL)

56,107

-

Meghna Bank Ltd. CD A/C:0007(STL)

355,119,467

-

Islami Bank-CD A/C: 010049410(STL)

24,951

26,101

Islami Bank-CD A/C: 0100222810(STL)

2,761

28,450

Islami Bank-FDR A/C: 228312(STL)

-

13,760,907

Islami Bank-FDR A/C: 3301(STL)

1,618,445

1,553,315

One Bank- USD A/C:(MSML)

887,395

7,007,262



Pubali Bank-CD A/C: 3311-901-12209 (STL)	-	1,110,342
Shahjalal Islami Bank A/C: 11100000252 8 (MSML)	8,868	9,558
Trust Bank CD A/C: 0003-0210006613 (MSML)	-	163,969
Trust Bank Ltd A/C: 0003-0210009816 (STL)	65,324,884	-
Trust Bank Ltd - Margin A/C: 5025000082(MSML)	150,531	150,531
Trust Bank Ltd - Margin A/C: 5025000028(STL)	9,965,222	13,254,081
Trust Bank Ltd. SND A/C: 003-0320001302(STL)	23,623,654	5,591,094
Trust Bank Ltd. ERQ A/C: 003-5101000526	3,239,442	-
Trust Bank Ltd.- CD A/C: (NSL)	531,828	533,018
Eastern Bank Limited FC- Margin (JM)	-	78
Eastern Bank Ltd. CD A/C: 64055 (JM)	270,859	4,675
Eastern Bank Ltd. ERQ A/C: (JM)	50	50
Prime Bank Ltd. CD A/C (JM)	-	403,396
Prime Bank Ltd. Margin A/C	20,058,806	-
Prime Bank Ltd. ERQ A/C	527,104	-
UCBL- FC Margin: (JM)	97,966,912	140,941,482
UCBL- Banani Branch(JM)	222,857	-
UCBL- ERQ A/C: (JM)	1,315,087	2,315,609
<b>Cash at Bank Total:</b>	<b>1,101,119,490</b>	<b>587,921,411</b>
<b>Total:</b>	<b>1,103,686,839</b>	<b>589,256,619</b>

a) Cash balance was physically counted at the year ended and Bank balances were reconciled and found in order.

<b>11. CONSOLIDATED SHARE CAPITAL:</b>	<b>1,936,000,000</b>	<b>1,936,000,000</b>
It represents 19,36,00,000 ordinary shares of Tk.10 each.		
<b>12. CONSOLIDATED SHARE PREMIUM:</b>	<b>1,500,000,000</b>	<b>1,500,000,000</b>
It represents premium of 100,000,000 ordinary shares of Tk.15 each.		
<b>13. CONSOLIDATED TAX HOLIDAY RESERVE:</b>		
Opening Balance	210,883,871	210,883,871
Add: Adjustment Minority Interest of Tax Holiday Reserve	-	-
Add: Provided during the year	-	-
<b>Closing Balance</b>	<b>210,883,871</b>	<b>210,883,871</b>
<b>14. CONSOLIDATED RE-VALUATION SURPLUS:</b>		
Opening Balance	3,519,909,366	3,574,135,334
Less: Adjustment of Revaluated Assets	3,208,837	-
Less: Transfer to Retained Earnings of excess depreciation	48,918,162	54,225,968
<b>Net Written Down Value: -</b>	<b>3,467,782,367</b>	<b>3,519,909,366</b>

Detail of Re-valuation Surplus of Fixed Assets is given in the annexed **Annexure-1**

Calculation of deferred tax adjusted balance which has been transferred from revaluation surplus to retained earnings and changes in equity:

Total depreciation of revalued asset	100%	57,550,779
Deferred tax adjustment	15%	8,632,617
<b>Deferred tax adjusted balance of excess depreciation:</b>	<b>85%</b>	<b>48,918,162</b>

<b>15. CONSOLIDATED RETAINED EARNINGS:</b>		
Opening Balance	1,139,080,298	1,515,526,057
Add: Net Profit/(Loss) during the year	651,145,918	(326,116,527)
	<b>1,790,226,216</b>	<b>1,189,409,530</b>
Add: Transfer of excess depreciation of revaluated assets	48,918,162	54,225,968
Add: Adjustment of Revaluation Surplus of Fixed Assets	3,208,837	-
Less: Declared Cash Dividend	-	104,555,200
<b>Total:</b>	<b>1,842,353,215</b>	<b>1,139,080,298</b>

**16. NON CONTROLLING INTEREST:**  
Non Controlling Interest details as follows:

**Paid-up Capital-**

(i) Salek Textile Ltd.	2.0745%	10,011,700	10,011,700
(ii) Newasia Synthetics Ltd.	0.7070%	4,666,200	3,535,000
(iii) J.M Fabrics Ltd.	0.0025%	10,000	10,000
<b>Total:</b>		<b>14,687,900</b>	<b>13,556,700</b>

**Retained Earnings-**

(i) Salek Textile Ltd.	2.0745%	19,424,432	17,885,421
(ii) Newasia Synthetics Ltd.	0.7070%	(159,339)	(153,842)
(iii) J.M Fabrics Ltd.	0.0025%	19,248	10,651
<b>Total:</b>		<b>19,284,341</b>	<b>17,742,230</b>

**Tax Holiday reserve-**

(i) Salek Textile Ltd.	2.0745%	4,470,368	4,470,368
<b>Total:</b>		<b>4,470,368</b>	<b>4,470,368</b>

**Revaluation Surplus-**

(i) Salek Textile Ltd.	2.0745%	7,602,409	7,878,997
(ii) Newasia Synthetics Ltd.	0.7070%	9,485,468	9,485,468
(iii) J.M Fabrics Ltd.	0.0025%	3,484	3,528
<b>Total:</b>		<b>17,091,361</b>	<b>17,367,993</b>

**Total Non Controlling Interest:** **55,533,970** **53,137,291**

This represents non controlling interest of Salek Textile Limited, Newasia Synthetics Limited, J.M. Fabrics Limited

**17. CONSOLIDATED LONG TERM LOAN:**

Eastern Bank Limited	-	319,538,602
Trust Bank Limited	1,528,174,578	1,373,127,000
Meghna Bank Ltd.	162,500,000	-
HSBC Limited	331,996,364	96,785,194
One Bank Limited	285,364,486	310,687,684
The City Bank Ltd.	10,775,822	179,427,455
IDLC Finance Ltd.	115,729,338	250,648,391
Prime Bank Ltd.	262,254,580	-
United Commercial Bank Ltd.	752,794,521	746,599,066
United Leasing Co. Ltd.	406,476	2,415,181
Lease Liability	120,202,607	158,367,617
	<b>3,570,198,772</b>	<b>3,437,596,190</b>
	720,099,910	790,902,612
<b>Total Long Term Loan:</b>	<b>2,850,098,862</b>	<b>2,646,693,579</b>

Less: Current Portion of Long Term Loan Note: 20

**18. DEFERRED TAX LIABILITIES:**

Opening Balance	470,565,565	452,344,526
Add: Provision for the year	8,552,205	18,221,039
<b>Total:</b>	<b>479,117,771</b>	<b>470,565,565</b>

**Deferred Tax Calculation:**

Particulars	Accounts Base (WDV)	Tax Base (WDV)	Temporary difference	Temporary difference
Written Down Value of Fixed Assets at cost	6,589,153,524	5,707,753,659	881,399,865	743,940,357
WDV of Revaluation Surplus of Fixed Assets	3,675,182,335	1,341,650,365	2,333,531,970	2,403,675,259
Lease Contract	(2,213,330)	12,300,000	(14,513,330)	(9,332,362)
<b>Total</b>	<b>10,262,122,529</b>	<b>7,061,704,024</b>	<b>3,200,418,504</b>	<b>3,138,283,254</b>
Deferred tax rate			12% - 15%	12% - 15%
<b>Closing Deferred Tax Liability</b>			<b>479,117,771</b>	<b>470,565,565</b>

**19. CONSOLIDATED SHORT TERM LOAN:****Import Loan & Working Capital:**

Dhaka Bank Ltd.	-	75,000,000
Dutch-Bangla Bank Ltd.	400,000,000	-
Eastern Bank Ltd.	76,300,042	36,570,862
HSBC Ltd.	151,793,029	418,000,000
Meghna Bank Ltd.	355,000,000	-
Trust Bank Ltd.	132,304,991	53,952,180
IDLC Finance Ltd.	150,755,208	-
Prime Bank Ltd.	55,606,153	-
One Bank Ltd.	12,500,000	-
The City Bank Ltd.	456,295,116	388,398,334
United Commercial Bank Ltd.	588,690,673	804,312,495
<b>Sub-total:</b>	<b>2,379,245,212</b>	<b>1,776,233,871</b>

**Bank Overdraft:**

Eastern Bank Ltd A/C: 01012050000180 & 11 (MSML)	76,489,043	43,740,068
Eastern Bank Ltd A/C: 01012040000780 (STL)	154,385	16,934,908
Eastern Bank Ltd A/C:(JML)	-	27,353,889
Dhaka Bank Ltd A/C: 207.175.23 (MSML)	-	30,685,556
The city Bank Ltd. A/C:(JM)	4,973,153	34,400,756
Prime Bank Ltd. (JM)	44,842,349	-
United Commercial Bank Ltd.(JM)	20,705,361	4,687,859
Pubali Bank Ltd.(STL)	714,884	-
Trust Bank Ltd. A/C: 0210009816 (STL)	-	810,375
Trust Bank Ltd. A/C: 0136000171 (STL)	823,560	92,198,661
Meghna Bank Ltd.(STL)	50,077,777	-
One Bank Ltd A/C: 16426 008 (MSML)	30,312,249	20,469,561
TBL OD A/C:003- 0136000153 (MSML)	29,594,503	77,905,230
TBL CD/OD A/C: 0210006613 (MSML)	8,989,600	-
HSBC OD A/C : 001-007475-011(MSML)	43,101,442	20,027,072
HSBC A/C: 001-241389-011 (STL)	8,383,140	-
<b>Sub-total:</b>	<b>319,161,445</b>	<b>369,213,934</b>

**Liability for Bill discounted**

Dhaka Bank Ltd.	119,111,477	126,975,630
Eastern Bank Ltd	178,732,898	60,195,043
HSBC Ltd.	2,586,307	98,125,013
Trust Bank Ltd.	80,252,172	-
<b>Sub-total:</b>	<b>380,682,854</b>	<b>285,295,686</b>
<b>Total:</b>	<b>3,079,089,510</b>	<b>2,430,743,491</b>

The above Import Loan and Overdraft loans are secured against hypothecation of Stocks and Book Debts.

Particulars	EBL	DBL	HSBC	OBL
Saction facility (Overdraft)	121,000,000	30,000,000	50,000,000	20,000,000
Interest paid this year (OD)	6,661,156	1,708,095	4,293,015	5,035,974
Repayment Terms	N/A	N/A	N/A	N/A
Installment Size	N/A	N/A	N/A	N/A
Tenor	1 year renewable	1 year renewable	1 year renewable	1 year renewable
Interest Rate	9% - 11%	9% - 11%	9% - 11%	9% - 11%
Security	Pari-passue security of Stock & Book Debts sharing agreement.			



Particulars	TBL	TCBL
Saction facility (Overdraft)	70,000,000	40,000,000
Interest paid this year (OD)	8,376,631	-
Repayment Terms	N/A	N/A
Installment Size	N/A	N/A
Tenor	1 year renewable	1 year renewable
Interest Rate	9% - 11%	9% - 11%
Security	Pari-passue security of Stock & Book Debts sharing agreement.	

## 20. CONSOLIDATED CURRENT PORTION OF LONG TERM LOAN :

Eastern Bank Ltd.	-	123,974,434
HSBC Ltd.	86,955,528	25,326,210
One Bank Ltd.	82,708,656	79,287,276
Trust Bank Ltd.	190,750,508	233,356,987
The City Bank Ltd.	-	101,961,498
IDLC Finance Ltd.	34,241,919	39,187,275
Prime Bank Ltd.	131,966,598	-
United Commercial Bank Ltd.	151,408,435	143,492,328
Lease Liability	42,068,267	44,316,604
<b>Total:</b>	<b>720,099,910</b>	<b>790,902,612</b>

According to International Accounting Standard (IAS) 1 "Preparation of Financial Statements", Current portion of Long Term Loan that are due for settlement within twelve month after the balance sheet date are current liabilities, therefore, the above amount has been shown in current liabilities.

## 21. CONSOLIDATED LOAN FROM DIRECTOR:

<b>34,000,000</b>	<b>34,000,000</b>
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## 22. CONSOLIDATED ACCEPTANCE LIABILITIES:

### Raw Materials:

Eastern Bank Limited	1,123,798,278	416,420,641
HSBC Ltd.	343,854,507	994,036,790
The City Bank Ltd.	359,277,853	34,392,968
One Bank Ltd.	274,339,376	80,893,325
Trust Bank Ltd.	659,144,278	315,856,120
Prime Bank Ltd.	35,013,575	-
United Commercial Bank Ltd.	632,889,583	28,864,016
Dhaka Bank Limited	656,673,592	552,655,532
<b>Sub-total:</b>	<b>4,084,991,041</b>	<b>2,423,119,392</b>

### Machinery:

Dhaka Bank Limited	-	9,918,337
<b>Sub-total:</b>	<b>-</b>	<b>9,918,337</b>
<b>Capital Work-in-progress</b>	<b>569,778,135</b>	<b>234,228,748</b>
<b>Total:</b>	<b>4,654,769,176</b>	<b>2,667,266,477</b>

## 23. UNCLAIMED DIVIDEND WITH INTEREST:

### Bankwise Details as follows:

Brac Bank (Principal):	10,209,155	10,210,505
Brac Bank (Interest):	127,384	-
Dhaka Bank (Principal):	28,470,956	29,032,181
Dhaka Bank (Interest):	421,843	-
<b>Total-</b>	<b>39,229,338</b>	<b>39,242,687</b>

## 24. CONSOLIDATED CREDITORS, ACCRUALS & PROVISIONS:

Gas Bill Payable	65,216,014	76,374,179
Electricity Bill Payable	1,390,261	3,123,163
Audit Fee Payable	417,450	417,450
Tax Deduction at Source	12,660,568	6,396,456
Vat Deduction at Source	2,753,641	2,046,978
Income Tax Payable (Note: 24-A)	314,830,022	345,382,933
Salary & Wages Payable	206,693,109	146,244,854
Contribution to WPPF Payable	103,497,133	93,632,519
Director's Remuneration Payable	979,792	979,792
Payable for Goods Suppliers & Others	366,383,290	644,063,108
Payable for Waste Cotton Purchase	527,945,301	405,475,543
Interest accrued (Note: 24-B)	36,925,506	48,004,454
Refundable IPO Share money with Interest	12,888,661	12,888,661
	<b>1,652,580,748</b>	<b>1,785,030,090</b>
Less: Inter Company Payable	244,785,953	239,990,850
<b>Total:</b>	<b>1,407,794,795</b>	<b>1,545,039,240</b>

- a) Payable for Goods Supplies and others represents regular suppliers of packing materials, Bearing, belts, fuel & lubricants, stationery items and others.  
b) Factory Salary and Wages payable for the month of 30th June 2021.

## 24-A. CONSOLIDATED TAX PAYABLE:

Opening Balance	345,382,933	301,044,126
Provision for the year (Current Tax): (Note: 31)	97,283,005	62,749,913
	<b>442,665,938</b>	<b>363,794,040</b>
Payment/Adjustment for prior year balance:	127,835,916	18,411,106
<b>Total Payment/Adjustment for last year Income:</b>	<b>127,835,916</b>	<b>18,411,106</b>
<b>Total Payable-</b>	<b>314,830,022</b>	<b>345,382,933</b>

**24-B. INTEREST ACCRUED:**

Eastern Bank Limited  
 Meghna Bank Ltd.  
 One Bank Limited  
 Trust Bank Limited  
 HSBC Ltd.

**Total:**

-
450,902
36,331,678
-
142,926
<b>36,925,506</b>

1,408,923
-
27,191,108
19,404,424
-
<b>48,004,454</b>

**25. CONSOLIDATED SALES:**

Export Sales  
 Less: Inter Co. Sales

**Total:**

15,537,992,557
498,256,643
<b>15,039,735,914</b>

10,062,465,134
297,679,019
<b>9,764,786,115</b>

**26. CONSOLIDATED COST OF GOODS SOLD:**

Raw Material Consumed (Note: 26-A)  
 Direct Expenses (Note: 26-B)  
 Factory Overhead (Note: 26-C)

**Total Manufacturing Cost**

Add: Work-in-Process- Opening

**Cost of Goods available for use**

Less: Work-in-Process- Closing

**Cost of Production**

Add: Finished Goods- Opening

**Cost of Goods Available for Sales**

Less: Finished Goods- Closing

Less: Finished Goods Closing- Inter Company

Less: Goods destroyed by fire {Note-29.A(ii)}

**Cost of Goods Sold:**

10,647,623,965
2,328,457,985
1,902,126,145
<b>14,878,208,095</b>
648,228,673
<b>15,526,436,768</b>
1,353,604,778
<b>14,172,831,989</b>
1,522,642,684
<b>15,695,474,674</b>
1,491,398,445
498,256,643
58,346,808
<b>13,647,472,777</b>

7,060,297,066
1,294,520,072
1,754,287,558
<b>10,109,104,696</b>
405,180,837
<b>10,514,285,532</b>
648,228,673
<b>9,866,056,860</b>
1,199,890,821
<b>11,065,947,680</b>
1,522,642,684
297,679,019
-
<b>9,245,625,977</b>

**26-A. CONSOLIDATED RAW MATERIALS CONSUMED:**

Opening Inventory of Raw Materials  
 Add: Purchase of Raw Materials  
 Less: Closing Stock of Raw Materials

**Total Raw Materials Consumption:**

1,996,488,196
10,273,198,957
1,622,063,187
<b>10,647,623,965</b>

1,599,486,055
7,457,299,206
1,996,488,196
<b>7,060,297,066</b>

**26-B. CONSOLIDATED DIRECT LABOUR:**

**2,328,457,985**

**1,294,520,072**

**26-C. CONSOLIDATED FACTORY OVERHEAD:**

Factory Salary and Allowances  
 Overtime Wages for Worker  
 Festival Bonus  
 Electricity Charges  
 Gas Charges  
 Gardening Expenses  
 Repairs & Maintenance  
 Air Freight, Courier charges  
 Packing Materials  
 Fuel, Oil & Lubricant  
 Insurance Premium- Fire  
 Insurance Premium- (Group)  
 Stores & Accessories consumption  
 Entertainment  
 Telephone, Mobile & Fax  
 Stationery expenses  
 Printing Charges  
 Other Carrying Charges  
 Factory Office Expenses others  
 C&F and others expenses  
 Lab test & Inspection charges  
 Security Service charges  
 Factory Rent  
 Vehicles Maintenance  
 Medical Expenses  
 Uniform & Leverage  
 Central Fund expenses for RMG sector  
 Miscellaneous  
 Conveyances  
 Accommodation Facility for worker  
 Depreciation

**Total:**

360,375,969
28,645,511
65,958,073
30,623,177
403,887,010
40,135
91,144,575
76,020
76,728,431
38,111,793
14,997,655
75,390
169,083,519
20,020,770
3,291,222
9,094,848
58,086
686,455
1,989,551
14,040,013
22,483,665
1,006,598
-
12,800,495
1,625,010
354,048
2,744,692
3,933,780
5,473,936
2,159,820
520,615,898
<b>1,902,126,145</b>

343,672,354
43,068,695
53,302,958
34,149,886
376,538,711
32,235
80,752,728
63,040
85,167,146
41,016,187
25,102,529
238,830
89,723,818
10,130,315
2,681,390
9,112,347
20,810
8,694,586
793,163
7,454,189
18,931,084
365,851
3,803,015
7,597,680
1,014,702
202,830
1,576,632
3,981,794
4,872,511
2,385,228
497,840,314
<b>1,754,287,558</b>

**27. CONSOLIDATED OPERATING EXPENSES:**

Salaries & Allowances  
 Festival Bonus  
 Director's Remuneration  
 Fees, Forms & Others  
 Audit Fees  
 Printing & Stationery  
 Telephone, Mobile & Internet Expenses  
 Postage & Stamp

90,007,345
7,104,923
15,000,000
8,493,855
417,450
1,568,732
2,593,555
894,722

78,938,483
5,814,608
12,500,000
8,667,251
417,450
1,359,987
3,059,363
2,153,619

Vehicle Maintenance	14,361,307	11,338,174
Miscellaneous Expenses	7,060,709	6,913,954
Office Rent	38,228,950	36,749,429
Rates & Taxes	680,706	1,110,697
Carriage Outward, Selling & Distribution, C&F, Sample expense	19,858,200	21,591,644
Travelling & Conveyance	2,492,044	3,543,818
Entertainments	2,725,650	4,248,799
Advertisement/ Publicity Expenses	694,778	625,397
AGM Expenses	1,305,416	1,490,071
Marketing Expenses	9,926,209	4,249,818
Security Charges	20,000	451,000
Uniform & Leverage Security	90,505	238,391
Repairs & Maintenance	6,704,661	7,996,370
Medical Expenses	106,440	18,437
Donation & Subscription	20,237,596	2,300
Software Maintenance Expenditure	112,440	83,925
Credit Rating Charges	107,500	115,000
Depreciation	9,138,998	10,482,378
<b>Total:</b>	<b>259,932,690</b>	<b>224,160,362</b>

## 28. CONSOLIDATED FINANCIAL EXPENSES :

### EASTERN BANK LTD.:

Interest on Long Term Loan	8,659,901	45,721,309
Interest on Short Term Loan	2,801,834	11,594,282
Interest on Overdraft	6,661,156	6,986,729
Bank Charges & Commission	3,008,679	1,279,812
Export L/C Negotiation Commission	2,184,269	4,283,475
Interest on Bill Discount	6,219,295	9,820,631
<b>Total:</b>	<b>29,535,135</b>	<b>79,686,237</b>

### HSBC LTD.:

Interest on Long Term Loan	35,383,187	5,695,607
Interest on Short Term Loan	21,591,565	29,984,338
Interest on Overdraft	4,293,015	4,357,738
Bank Charges & Commission	8,789,814	14,568,050
Export L/C Negotiation Commission	5,111,029	9,650,086
Interest on Bill Discount	6,659,820	27,785,500
<b>Total:</b>	<b>81,828,429</b>	<b>92,041,320</b>

### DHAKA BANK LTD. :

Interest on Short Term Loan	1,469,316	19,597,788
Interest on Overdraft	1,708,095	3,293,524
Bank Charges & Commission	1,705,526	1,948,767
Export L/C Negotiation Commission	2,571,935	956,299
Interest on Bill Discount	3,067,892	3,661,402
<b>Total:</b>	<b>10,522,764</b>	<b>29,457,779</b>

### MEGHNA BANK LTD.:

Interest on Short Term Loan	251,458	-
Interest on Long Term Loan	199,444	-
Bank Charges and Commission	294,237	-
Interest on Overdraft	77,778	-
<b>Total-</b>	<b>822,917</b>	<b>-</b>

### ONE BANK LTD. :

Interest on Long Term Loan	13,386,546	32,547,212
Interest on Short Term Loan	2,031,348	-
Interest on Overdraft	5,035,974	2,614,069
Bank Charges & Commission	427,458	867,660
Export L/C Negotiation Commission	144,391	2,535
Interest on Bill Discount	35,039	-
<b>Total:</b>	<b>21,060,757</b>	<b>36,031,476</b>

### TRUST BANK LTD. :

Interest on Long Term Loan	132,970,311	160,312,736
Interest on Short Term Loan	1,389,122	-
Bank Charges & Commission	5,793,330	1,984,086
Export L/C Negotiation Commission	3,881,562	2,507,538
Interest on Overdraft	8,376,631	6,774,595
Interest on Bill Discount	5,638,566	603,544
<b>Total:</b>	<b>158,049,522</b>	<b>172,182,499</b>

### SHAHJALAL ISLAMI BANK LTD. :

Bank Charges & Commission	690	690
<b>Total:</b>	<b>690</b>	<b>690</b>

### ISLAMI BANK BANGLADESH LTD.:

Bank Charges & Commission	246,791	15,915
<b>Total:</b>	<b>246,791</b>	<b>15,915</b>

### DUTCH BANGLA BANK LTD. :

Interest on Short Term Loan	2,103,082	-
Bank Charges & Commission	138,960	15,861
<b>Total:</b>	<b>2,242,042</b>	<b>15,861</b>

<b>AB BANK LTD :</b>		
Bank Charges & Commission	1,300	-
<b>Total:</b>	<b>1,300</b>	<b>-</b>
<b>BRAC BANK LTD. :</b>		
Bank Charges & Commission	1,150	4,110
<b>Total:</b>	<b>1,150</b>	<b>4,110</b>
<b>THE CITY BANK LTD. :</b>		
Bank Charges and Commission	1,106,247	1,082,251
Interest on Long Term Loan	8,028,310	24,088,995
Interest on Short Term Loan	16,203,674	8,681,918
<b>Total:</b>	<b>25,338,231</b>	<b>33,853,164</b>
<b>PUBALI BANK LTD. :</b>		
Bank Charges & Commission	7,159	4,225
<b>Total:</b>	<b>7,159</b>	<b>4,225</b>
<b>IDLC FINANCE LTD. :</b>		
Interest on Long Term Loan	20,036,434	21,978,080
<b>Total:</b>	<b>20,036,434</b>	<b>21,978,080</b>
<b>PRIME BANK LTD.</b>		
Interest on Long Term Loan	14,562,843	-
Bank Charges and Commission	961,422	300
<b>Total:</b>	<b>15,524,265</b>	<b>300</b>
<b>UCBL. :</b>		
Interest on Short Term Loan	15,284,865	26,864,698
Interest on Term Loan	59,552,462	38,844,806
Bank Charges & Commission	811,534	984,860
<b>Total:</b>	<b>75,648,861</b>	<b>66,694,364</b>
<b>FINANCIAL EXPENSES ON LEASE LIABILITY</b>	<b>12,704,263</b>	<b>15,841,841</b>
<b>TOTAL FINANCIAL EXPENSES:</b>	<b>453,570,709</b>	<b>547,807,861</b>
<b>29. OTHER INCOME/(LOSS):</b>		
<b>CASH INCENTIVE:</b>	<b>105,984,451</b>	<b>84,189,847</b>
<b>OTHER INCOME/(LOSS):</b>		
Interest Received from Dividend A/C with BRAC Bank Ltd.	-	84,247
Interest Received from Dividend A/C with Dhaka Bank Ltd.	-	322,024
Interest Income from STD A/C with AB Bank Ltd.	4,626	-
Interest Income from STD A/C with BRAC Bank Ltd.	221	411
Interest Income from STD A/C with Eastern Bank Ltd.	16,505	33,599
Interest Received from FDR A/C-Islami Bank	330,429	929,877
Interest Received from CD A/C-Islami Bank	921,635	-
Interest Received from SND A/C	131,206	-
	<b>1,404,621</b>	<b>1,370,158</b>
Income from Agriculture/Rent	2,857,339	-
	<b>2,857,339</b>	<b>-</b>
Foreign currency exchange Gain/(Loss) against Import LC payment	(234,354)	(706,431)
Foreign currency exchange Gain/(Loss) against export realization	719,766	415,789
Foreign currency translation Gain/(Loss)	-	263,463
Gain/(Loss) on Sale of Assets	(11,169,060)	(84,000,281)
	<b>(6,683,648)</b>	<b>(84,027,459)</b>
<b>Other Income/(Loss)</b>	<b>(6,421,688)</b>	<b>(82,657,301)</b>
<b>Total Non-operating Income/(Loss)</b>	<b>99,562,763</b>	<b>1,532,546</b>
<b>29.A(i). LOSS ON FIRE OF ASSETS:</b>		
Fire Insurance claimed	246,444,379	-
Written down value	246,444,379	-
<b>Loss on fire of Assets</b>	<b>-</b>	<b>-</b>
<b>29.A(ii). LOSS ON FIRE OF GOODS:</b>		
Fire Insurance claimed	58,346,808	-
Goods destroyed by fire	58,346,808	-
<b>Loss on fire of Goods</b>	<b>-</b>	<b>-</b>
<b>30. CONSOLIDATED WORKER'S PROFIT PARTICIPATION FUND:</b>		
Provision for Contribution to WPPF(MSML)	14,713,545	-
Provision for Contribution to WPPF(STL)	5,362,349	-
<b>Total:</b>	<b>20,075,894</b>	<b>-</b>
<b>31. CONSOLIDATED CURRENT TAX EXPENSES:</b>		
<b>On Operating Income:</b>		
Malek Spinning Mills Ltd.	48,044,286	15,504,547
Salek Textile Ltd.	614,002	23,273,091
J.M Fabrics Ltd.	36,973,141	16,553,816
<b>Sub-total:</b>	<b>85,631,429</b>	<b>55,331,454</b>
<b>On Cash Incentive:</b>		
Salek Textile Ltd.	4,261,225	2,296,220
J.M Fabrics Ltd.	6,218,010	4,510,505
<b>Sub-total:</b>	<b>10,479,235</b>	<b>6,806,725</b>

**On Other Income:**

Malek Spinning Mills Ltd.  
 Salek Textile Ltd.  
 J.M Fabrics Ltd.

**Sub-total:****Total:**

Prior year under provision

**Grand Total:**

-	126,277
217,198	360,239
955,143	125,219
<b>1,172,341</b>	<b>611,735</b>
<b>97,283,005</b>	<b>62,749,913</b>
-	-
<b>97,283,005</b>	<b>62,749,913</b>

**32. CONSOLIDATED DEFERRED TAX:**

Malek Spinning Mills Limited  
 Salek Textile Limited  
 J.M Fabrics Limited

**Total:**

(4,003,368)	(3,152,787)
21,817,477	2,678,677
(9,261,903)	18,695,149
<b>8,552,205</b>	<b>18,221,039</b>

**33. NON CONTROLLING INTEREST:**

On Net Profit/(Loss) after tax:

Salek Textile Limited 2.0745%  
 Newasia Synthetics Limited 0.7070%  
 J.M. Fabrics Limited 0.0025%

**Total:**

1,262,423	(6,112,602)
(5,497)	(18,315)
8,553	952
<b>1,265,479</b>	<b>(6,129,965)</b>

**34. CONSOLIDATED BASIC EARNINGS PER SHARE (EPS):**

(a) Consolidated Net Profit/(Loss) after tax

(b) Less: Non Controlling Interest

**Consolidated Net Profit/(Loss): (a-b)**

(c) Number of total share

**Basic Earnings per Share (EPS): [(a-b)/c]**

652,411,396	(332,246,492)
1,265,479	(6,129,965)
<b>651,145,918</b>	<b>(326,116,527)</b>
193,600,000	193,600,000
<b>3.36</b>	<b>(1.68)</b>

**35. CASH FLOW FROM OPERATING ACTIVITIES ON INDIRECT METHOD:**

PARTICULARS	JUNE'21	JUNE'20
Operating Profit/(Loss)	678,759,737	(252,808,086)
Depreciation	529,754,896	508,322,691
Other Income/(Loss)	110,246,411	85,560,005
Foreign currency exchange Gain/(Loss)	485,412	(290,641)
Accounts Receivable (Increase)/Decrease	(972,509,470)	(112,668,838)
Inventories (Increase)/Decrease	(1,672,819,231)	(915,011,004)
Advance, Deposit & Prepaid expenses (Increase)/Decrease	269,412,835	(104,046,002)
Accounts Payable Increase/(Decrease)	1,545,315,503	1,294,146,920
Payment to Employee against contribution to WPPF	(10,211,279)	(105,593,338)
Payment for Income Tax	(90,842,182)	(59,791,307)
<b>Net Cash provided/(used) by Operating Activities</b>	<b>387,592,631</b>	<b>337,820,400</b>

**36. NET OPERATING CASH FLOW PER SHARE (NOCFPS):****Calculation of Net Operating Cash Flow per Share (NOCFPS):**

NOCFPS	a) Net Cash provided/(used) by Operating Activities	JUNE'21	JUNE'20
	b) Number of total Shares	387,592,631	337,820,400
		193,600,000	193,600,000

**Net Operating Cash Flow Per Share (NOCFPS) { a/b }****2.00****1.74****Net Operating Cash Flow per Share significantly decreased due to as follows:**

- a) Collection against turnover are increased Tk. 4,415.10 million at the financial year 2020-2021 compared to the financial year 2019-2020 and other income increased Tk. 24.68 million for the financial year 2020-2021 compared to the financial year 2019-2020.
- b) Payment to Material suppliers and other supplier is increased Tk. 4,474.18 million, payment for operating expenses increased Tk. 37.11 million, payment for financial expenses decreased Tk. 56.16 million, payment for income tax increased Tk. 31.05 million at the financial year 2020-2021 compared to the financial year 2019-2020.

CASH FLOW FROM OPERATING ACTIVITIES :	JUNE'21	JUNE'20	DEFERENCE
Collection from Turnover & Bills Receivable	14,067,226,444	9,652,117,277	4,415,109,167
Other Income	110,246,411	85,560,005	24,686,406
Payment for Raw Materials, Indirect Materials and other expenses	(12,994,882,669)	(8,520,700,204)	(4,474,182,465)
Foreign currency exchange Gain/(Loss) realized	485,412	(290,641)	776,053
Payment to Employee against contribution to WPPF	(10,211,279)	(105,593,338)	95,382,058
Payment for Operating Expenses	(250,793,693)	(213,677,985)	(37,115,708)
Payment for Financial Expenses	(443,635,812)	(499,803,407)	56,167,595
Payment for Income Tax	(90,842,182)	(59,791,307)	(31,050,875)
<b>Net Cash provided by Operating Activities</b>	<b>387,592,631</b>	<b>337,820,400</b>	<b>49,772,231</b>

**37. NET ASSET VALUE (NAV) PER SHARE:**

NAV calculation	a) Equity attributable to owners of the company	JUNE'21	JUNE'20
	b) Number of total Shares	8,957,019,453	8,305,873,535
		193,600,000	193,600,000
<b>Net Assets Value Per Share (NAV) { a/b }</b>		<b>46.27</b>	<b>42.90</b>



**MALEK SPINNING MILLS LIMITED**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT**  
**FOR THE YEAR ENDED 30<sup>TH</sup> JUNE 2021**

**38. 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, on the same terms and conditions as applicable to the third parties. Details of transactions with related parties and balances with them as at 30th June 2021 were as follows:

Related Party	Nature of Relationship	Nature of Transaction	Transaction during this period		Balance as	Balance as
			Dr. (Sales or Advance)	Cr. (Realised)	at 30.06.2021	at 30.06.2020
Knit Asia Limited	Common Director	Sales	635,904,893	687,818,394	84,551,468	136,464,969
Salek Textile Limited	Subsidiary	Sales	7,444,142	9,309,536	56,626,969	58,492,363
Newasia Synthetics Limited	Subsidiary	Advance	500,000	129,700,000	-	129,200,000
J.M. Fabrics Limited	Subsidiary	Sales	490,812,501	484,152,004	188,158,984	181,498,487
Hejaz Publication Ltd.	Common Director	Office Rent	12,348,358	-	-	-

**39. KEY MANAGEMENT PERSONNEL COMPENSATION:**

Company has established following personnel compensation to the employee:

**a) Short-term employee benefits:** Company provide the following short-term benefit.

Particulars	2020-2021		2019-2020	
	Directors	Executives	Directors	Executives
Remuneration/ Salary	2,600,000	11,393,429	2,100,000	6,190,965
i) Basic	1,371,360	5,945,073	1,142,800	1,142,800
ii) House Rent	685,680	2,972,537	571,400	2,738,329
iii) Conveyance	205,824	892,281	171,520	821,978
iv) Medical Allowance	137,136	594,507	114,280	547,666
v) Bonus	200,000	989,031	100,000	940,192
Number of Person:	1	4	1	4

**b) Post-employment benefits:** Company provide contributory Provident fund and Worker's Profit Participation Fund to the employee.

**c) Other long-term benefits:** Company provide Gratuity Benefit to the employee under which an employee is entitle to the benefit depending on length of service. The cost for Gratuity is accounted on cash basis.

**d) Share-based payment:** Company does not provide any share-based payment facilities to the employee.

**40. DISCUSSION ON SIGNIFICANT DEVIATION OF COST OF GOODS SOLD, EXPORT, GROSS PROFIT MARGIN, NET PROFIT MARGIN AND EARNINGS PER SHARE (EPS):**

**(a) Cost of Goods Sold:** The cost of goods sold was 90.74% on sales during the year 2020-2021 compared to 94.68% for the year 2019-2020 on sales, a significant decreased of 3.94% this financial year was due to increased of Sales price for this financial year compared to the financial year 2019-2020.

**(b) Export or Turnover:** The company had achieved an export turnover of Tk.15,039.73 million during the year 2020-2021. Last year's export turnover was Tk.9,764.78 million. The turnover had increased by 54.02% this financial year compared to financial year 2019-2020 due to increase of Sales quantity and Sales price also.

**(c) Gross Profit:** Gross Profit earned during the year 2020-2021 by 9.26% on sales as compared to 5.32% during the year 2019-2020. It was increased by 3.94% on sales due to cost of goods sold was decreased this year compared to the last year.

**(d) Net Profit/(Loss):** The company had incurred a Net Profit of Tk.652.41 million during the year 2020-2021 compared to the last year 2019-2020, was Net loss Tk. (332.24) million. The Net Profit was increased the year 2020-2021 due to increase of Sales, Gross Profit, Other Income and decrease of Financial Expenses.

**(e) Earnings Per Share (EPS):** EPS is increased from Tk. (1.68) to Tk. 3.36 during the financial year 2020-2021 compared to the financial year 2019-2020 due to increase of Net Profit this financial year Net Loss (332.24) million to Net Profit 652.41 million.

**41. INVESTMENT IN SUBSIDIARY COMPANY:**

Salek Textile Limited (3,900,100 Shares @Tk.100 and 825,870 Share of Tk. 460 each including Premium Tk.360)  
 Newasia Synthetics Limited (6,553,338 Shares of Tk.100/- each)  
 J.M. Fabrics Limited (3,999,900 Shares of Tk.100/- each)

**Total:**

769,910,000	769,910,000
655,333,800	496,465,000
399,990,000	399,990,000
<b>1,825,233,800</b>	<b>1,666,365,000</b>

Share holding position in Subsidiary Company 97.926% of Salek Textile Ltd., 99.293% of Newasia Synthetics Ltd. & 99.998% of J.M Fabrics Ltd.

As per decision of the Board of Directors Meeting of the company held on 24/11/2020 which was desiminated as price sensitive information the company invested Tk. 158,868,800 to its subsidiary company Newasia Synthetics Limited.

**42. CONTINGENT ASSET DISCLOSURE:**

During the year, a fire incident has been happened in one of the company's subsidiary factory premies (Salek Textile Limited-Fabrics unit). As a result, some of goods (inventory) of TK 58,346,808 and some Property, Plant and Equipment of TK 246,444,379 of said susidiary company has been destroyed by fire. Whole of these assets (inventory and Property, Plant and Equipment) are under comprehensive insurance coverage with Pioneer Insurance Company Limited. Till date of reporting an inspection has been done by surveyor. As per director's assessment, the insurance claim recovery shall not be less than that carrying amount.

# MALEK SPINNING MILLS LIMITED

## CONSOLIDATED FIXED ASSETS SCHEDULE AS AT 30<sup>TH</sup> JUNE 2021

ANNEXURE : 1

PARTICULARS	COST				RATE	DEPRECIATION				WRITTEN DOWN VALUE AS AT 30.06.2021
	As at 01.07.2020	Addition	Adjustment	As at 30.06.2021		As at 01.07.2020	This year	Adjustment	As at 30.06.2021	
<b>A. Malek Spinning Mills Ltd., Salek Textile, Newasia Synthetics Ltd. &amp; JM Fabrics Ltd.</b>										
1 Land and Land Development	1,145,698,888	926,682	-	1,146,625,570	0%	-	-	-	-	1,146,625,570
2 Factory Building	1,758,274,959	27,946,224	53,141,011	1,733,080,172	3.37%-5%	552,473,220	47,273,877	19,632,394	580,114,703	1,152,965,469
3 Plant and Machinery	6,370,403,758	995,556,006	522,741,429	6,843,218,336	5%-10.85%	3,049,216,051	310,650,812	299,597,260	3,060,269,603	3,782,948,732
4 Equipment/Electrical Installation	386,747,703	26,235,141	-	412,982,844	10%-19.75%	207,503,004	34,173,191	-	241,676,195	171,306,649
5 Tubewell and Water Pump	12,672,308	-	-	12,672,308	15%	9,729,536	441,416	-	10,170,952	2,501,356
6 Furniture and Fixtures	59,649,541	17,603,130	-	77,252,671	10%-20%	31,746,573	5,151,501	-	36,898,074	40,354,597
7 Office Equipments	42,576,134	24,499,729	-	67,075,863	15%-20%	23,095,696	3,034,951	-	26,130,647	40,945,216
8 Gas Line Installation	71,707,596	5,500,000	-	77,207,596	15%	31,857,443	6,108,773	-	37,966,216	39,241,380
9 Loose Tools and Equipment	26,828,013	-	-	26,828,013	10%-15%	8,607,698	2,733,047	-	11,340,745	15,487,268
10 Motor Vehicle	96,135,911	6,038,372	14,666,025	87,508,258	10%-20%	65,094,463	4,115,927	12,459,821	56,750,569	30,757,689
11 Telephone (PABX) Installation	801,975	-	-	801,975	15%	661,753	21,033	-	682,786	119,188
12 Crockeries and Cutlaries	50,777	-	-	50,777	15%	47,067	557	-	47,623	3,154
13 Generator	236,629,429	-	15,155,250	221,474,179	10%-15%	196,044,623	3,428,320	14,838,415	184,634,529	36,839,650
14 Fire Installation	12,150,609	5,804,640	-	17,955,249	15%	5,445,859	1,441,060	-	6,886,920	11,068,329
15 Right to use of Asset	206,481,234	-	-	206,481,234	56 month	44,245,979	44,245,979	-	88,491,957	117,989,277
<b>Total (A) as at 30.06.2021</b>	<b>10,426,808,834</b>	<b>1,110,109,925</b>	<b>605,703,715</b>	<b>10,931,215,044</b>		<b>4,225,768,966</b>	<b>462,820,444</b>	<b>346,527,890</b>	<b>4,342,061,520</b>	<b>6,589,153,524</b>
<b>Total (A) as at 30.06.2020</b>	<b>9,430,799,466</b>	<b>1,297,055,848</b>	<b>301,046,480</b>	<b>10,426,808,834</b>		<b>3,997,395,268</b>	<b>434,109,898</b>	<b>205,736,199</b>	<b>4,225,768,966</b>	<b>6,201,039,868</b>

## CONSOLIDATED REVALUATED ASSETS SCHEDULE AS AT 30<sup>TH</sup> JUNE 2021

PARTICULARS	RE-VALUED COST				RATE	DEPRECIATION				WRITTEN DOWN VALUE AS AT 30.06.2021
	As at 01.07.2020	Addition	Adjustment	As at 30.06.2021		As at 01.07.2020	This year	Adjustment	As at 30.06.2021	
<b>B. Malek Spinning Mills Ltd., Salek Textile, Newasia Synthetics Ltd. &amp; JM Fabrics Ltd.</b>										
1 Land and Land Development	2,859,354,760	-	-	2,859,354,760	0%	-	-	-	-	2,859,354,760
2 Factory Building	348,907,426	-	-	348,907,426	3.37%-5%	135,220,032	10,578,031	-	145,798,062	203,109,364
3 Machinery	1,448,886,907	-	772,664	1,448,114,243	7.5%-10%	830,103,375	51,975,703	551,741	881,527,337	566,586,906
4 Generator	157,730,295	-	13,178,400	144,551,895	10%-15%	104,230,357	4,380,718	10,190,486	98,420,589	46,131,305
<b>Total (B) as at 30.06.2021</b>	<b>4,814,879,388</b>	<b>-</b>	<b>13,951,064</b>	<b>4,800,928,324</b>	<b>-</b>	<b>1,069,553,764</b>	<b>66,934,452</b>	<b>10,742,227</b>	<b>1,125,745,989</b>	<b>3,675,182,335</b>
<b>Total (B) as at 30.06.2020</b>	<b>4,814,879,388</b>	<b>-</b>	<b>-</b>	<b>4,814,879,388</b>	<b>-</b>	<b>995,340,970</b>	<b>74,212,794</b>	<b>-</b>	<b>1,069,553,764</b>	<b>3,745,325,624</b>
<b>Total (A+B) as at 30.06.2021</b>	<b>15,241,688,222</b>	<b>1,110,109,925</b>	<b>619,654,779</b>	<b>15,732,143,368</b>		<b>5,295,322,730</b>	<b>529,754,896</b>	<b>357,270,117</b>	<b>5,467,807,509</b>	<b>10,264,335,859</b>
<b>Total (A+B) as at 30.06.2020</b>	<b>14,245,678,854</b>	<b>1,297,055,848</b>	<b>301,046,480</b>	<b>15,241,688,222</b>		<b>4,992,736,237</b>	<b>508,322,691</b>	<b>205,736,199</b>	<b>5,295,322,730</b>	<b>9,946,365,492</b>

**Depreciation Charges to:**

Factory Overhead:	520,615,898
Operating Expenses:	9,138,998
	Tk. 529,754,896



# MALEK SPINNING MILLS LIMITED

## STATEMENT OF FINANCIAL POSITION

AS AT 30<sup>TH</sup> JUNE 2021


Particulars	Notes	Amount in Taka	
		JUNE'21	JUNE'20
<b>ASSETS :</b>			
<b>Non-Current Assets:</b>			
Property, Plant and Equipment	1.1	2,148,334,220	2,222,870,289
Capital Work-in-Progress	2.1	-	18,967,377
Investment in Subsidiary Company	3.1	1,825,233,800	1,666,365,000
		<b>3,973,568,020</b>	<b>3,908,202,666</b>
<b>Current Assets :</b>			
Inventories	4.1	2,197,140,142	1,610,867,790
Accounts Receivable	5.1	1,249,627,547	1,114,245,430
Advances, Deposits and Pre-payments	6.1	170,930,084	319,985,811
Cash and Cash Equivalents	7.1	226,418,040	86,818,406
		<b>3,844,115,813</b>	<b>3,131,917,437</b>
<b>TOTAL ASSETS :</b>		<b>7,817,683,833</b>	<b>7,040,120,103</b>
<b>SHAREHOLDER'S EQUITY AND LIABILITIES :</b>			
<b>Shareholder's Equity :</b>			
Share Capital	8.1	1,936,000,000	1,936,000,000
Share Premium	9.1	1,500,000,000	1,500,000,000
Re-valuation Surplus	10.1	1,173,581,963	1,210,590,720
Retained Earnings	11.1	505,766,912	218,528,177
		<b>5,115,348,875</b>	<b>4,865,118,897</b>
<b>Non-Current Liabilities:</b>			
Long Term Loan	12.1	202,655,830	231,400,408
Deferred Tax Liabilities	13.1	267,931,811	271,935,179
		<b>470,587,641</b>	<b>503,335,587</b>
<b>Current Liabilities :</b>			
Short Term Loan	14.1	475,499,066	478,123,173
Current Portion of Long Term Loan	15.1	82,708,656	80,418,802
Acceptance Liabilities	16.1	1,313,728,331	701,556,557
Unclaimed Dividend with Interest	17.1	39,229,338	39,242,687
Creditors, Accruals & Provisions	18.1	320,581,926	372,324,401
		<b>2,231,747,317</b>	<b>1,671,665,619</b>
<b>TOTAL SHAREHOLDER'S EQUITY AND LIABILITIES :</b>		<b>7,817,683,833</b>	<b>7,040,120,103</b>
<b>Net Assets Value Per Share (NAV)</b>	28.1	<b>26.42</b>	<b>25.13</b>
Par Value Tk.10			

The annexed notes are integral part of these financial statement.

These financial statements were approved by the Board of Directors on October 27, 2021 and were signed on it's behalf by.


  
**A. Matin Chowdhury**  
 Managing Director

  
**Azizur Rahim Chowdhury**  
 Director

  
**B.K. Chaki**  
 Chief Financial Officer

  
**Syed Saiful Haque**  
 Company Secretary

As per our report of same date

  
**Malek Siddiqui Wali**  
 Chartered Accountants

Dhaka  
 October 27, 2021

**MALEK SPINNING MILLS LIMITED**  
**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED 30<sup>TH</sup> JUNE 2021**

Particulars	Notes	Amount in Taka	
		JUNE'21	JUNE'20
Sales	19.1	2,976,287,495	2,584,091,145
Cost of Goods Sold	20.1	(2,525,429,772)	(2,458,679,386)
<b>Gross Profit/(Loss) :</b>		<b>450,857,723</b>	<b>125,411,759</b>
Operating Expenses	21.1	(89,649,767)	(86,962,662)
Financial Expenses	22.1	(49,616,520)	(99,544,370)
<b>Operating Profit/(Loss) :</b>		<b>311,591,435</b>	<b>(61,095,273)</b>
Other Income/(Loss)	23.1	(2,606,995)	505,109
<b>Net Operating Profit/(Loss) :</b>		<b>308,984,441</b>	<b>(60,590,164)</b>
Contribution to WPPF	24.1	(14,713,545)	-
<b>Profit/(Loss) before Tax :</b>		<b>294,270,896</b>	<b>(60,590,164)</b>
<b>Income Tax :</b>		<b>(44,040,918)</b>	<b>(12,478,037)</b>
Current Tax	25.1	(48,044,286)	(15,630,824)
Deferred Tax	26.1	4,003,368	3,152,787
<b>Net Profit/(Loss) after Tax</b>		<b>250,229,978</b>	<b>(73,068,201)</b>
Other Comprehensive Income		-	-
<b>Total Comprehensive Income</b>		<b>250,229,978</b>	<b>(73,068,201)</b>
<b>Earnings Per Share (EPS)</b>	27.1	<b>1.29</b>	<b>(0.38)</b>
Par Value Tk.10			
<b>Number of Shares used to compute EPS</b>		<b>193,600,000</b>	<b>193,600,000</b>

The annexed notes are integral part of these financial statement.

These financial statements were approved by the Board of Directors on October 27, 2021 and were signed on it's behalf by.

  
**A. Matin Chowdhury**  
 Managing Director

  
**Azizur Rahim Chowdhury**  
 Director

  
**B.K. Chaki**  
 Chief Financial Officer

  
**Syed Saiful Haque**  
 Company Secretary

As per our report of same date

Dhaka  
 October 27, 2021

  
**Malek Siddiqui Wali**  
 Chartered Accountants

## MALEK SPINNING MILLS LIMITED

### STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30<sup>TH</sup> JUNE 2021

Particulars	Share Capital	Share Premium	Revaluation Surplus of Fixed Assets	Retained Earnings	Total
Balance as at 1st July 2020	1,936,000,000	1,500,000,000	1,210,590,720	218,528,177	4,865,118,897
Net Profit/(Loss) during the year				250,229,978	250,229,978
Adjustment of Revaluation Surplus of Fixed Assets			(2,987,914)	2,987,914	-
Transfer of excess depreciation of Revalued Assets			(34,020,844)	34,020,844	-
<b>As at 30th June 2021</b>	<b>1,936,000,000</b>	<b>1,500,000,000</b>	<b>1,173,581,963</b>	<b>505,766,912</b>	<b>5,115,348,875</b>

**FOR THE YEAR ENDED 30<sup>TH</sup> JUNE 2020**

Particulars	Share Capital	Share Premium	Revaluation Surplus of Fixed Assets	Retained Earnings	Total
Balance as at 1st July 2019	1,936,000,000	1,500,000,000	1,248,545,665	358,196,633	5,042,742,298
Net Profit/(Loss) during the year				(73,068,201)	(73,068,201)
Transfer of excess depreciation of Revalued Assets			(37,954,944)	37,954,944	-
Declared Cash Dividend for 2018-2019 financial year				(104,555,200)	(104,555,200)
<b>As at 30th June 2020</b>	<b>1,936,000,000</b>	<b>1,500,000,000</b>	<b>1,210,590,720</b>	<b>218,528,177</b>	<b>4,865,118,897</b>

The annexed notes are integral part of these financial statement.

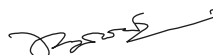
These financial statements were approved by the Board of Directors on October 27, 2021 and were signed on it's behalf by.



**A. Matin Chowdhury**  
Managing Director



**Azizur Rahim Chowdhury**  
Director



**B.K. Chaki**  
Chief Financial Officer



**Syed Saiful Haque**  
Company Secretary

As per our report of same date



**Malek Siddiqui Wali**  
Chartered Accountants

Dhaka  
October 27, 2021

# MALEK SPINNING MILLS LIMITED

## STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30<sup>TH</sup> JUNE 2021

PARTICULARS	Amount in Taka	
	JUNE'21	JUNE'20
<b>CASH FLOW FROM OPERATING ACTIVITIES :</b>		
Collection from Turnover & Accounts Receivable	2,840,905,378	2,607,169,106
Payment for Raw Materials, Indirect Materials and other expenses	(2,353,612,199)	(2,431,307,190)
Foreign currency exchange Gain/(Loss) realized	376,403	(13,727)
Other Income	21,351	440,281
Payment to Employee against contribution to WPPF	-	(46,792,240)
Payment for Operating Expenses	(87,857,190)	(85,104,594)
Payment for Financial Expenses	(40,275,451)	(72,343,786)
Payment for Income Tax	(20,180,504)	(15,633,952)
<b>Net Cash provided/(used) by Operating Activities</b>	<b>339,377,789</b>	<b>(43,586,103)</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES :</b>		
Acquisition of Fixed Assets	(12,117,176)	(6,651,410)
Acquisition of Capital work in progress	(0)	(22,548)
Disposal of Fixed Assets	300,000	650,000
Investment to Subsidiary Company	(158,868,800)	-
<b>Net cash used in Investing Activities</b>	<b>(170,685,976)</b>	<b>(6,023,958)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES :</b>		
Bank Loan Increase/(Decrease)	(29,078,831)	201,926,745
Dividend Paid	(13,349)	(102,458,834)
<b>Net Cash provided/(used) by Financing Activities</b>	<b>(29,092,179)</b>	<b>99,467,911</b>
<b>Increase/(Decrease) in Cash and Cash Equivalents</b>	<b>139,599,634</b>	<b>49,857,850</b>
Opening Cash & Cash Equivalents	86,818,406	36,830,503
Foreign Currency Bank deposit translation Gain/(Loss)	-	130,053
<b>Closing Cash and Cash Equivalents</b>	<b>226,418,040</b>	<b>86,818,406</b>
<b>Net Operating Cash Flow Per Share (NOCFPS)</b>	<b>1.75</b>	<b>(0.23)</b>
Par Value Tk.10		

The annexed notes are integral part of these financial statement.


These financial statements were approved by the Board of Directors on October 27, 2021 and were signed on it's behalf by.



**A. Matin Chowdhury**  
Managing Director



**Azizur Rahim Chowdhury**  
Director



**B.K. Chaki**  
Chief Financial Officer



**Syed Saiful Haque**  
Company Secretary

As per our report of same date

Dhaka  
October 27, 2021



**Malek Siddiqui Wali**  
Chartered Accountants

**MALEK SPINNING MILLS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENT**  
**FOR THE YEAR ENDED 30<sup>TH</sup> JUNE 2021**

	Amount in Taka	
	JUNE'21	JUNE'20
<b>1.1 PROPERTY, PLANT AND EQUIPMENT:</b>		
<b><u>COST:</u></b>		
Opening Balance	2,220,065,707	2,205,333,412
Addition during the year	21,166,216	16,592,295
	<b>2,241,231,923</b>	<b>2,221,925,707</b>
Sales/Adjustment during the year	15,155,250	1,860,000
<b>Closing Balance</b>	<b>2,226,076,673</b>	<b>2,220,065,707</b>
<b>Accumulated Depreciation:</b>		
Opening Balance	1,421,419,794	1,365,329,391
Depreciation during the year	52,373,015	57,248,905
Adjustment during the year	14,838,415	1,158,502
<b>Closing Balance</b>	<b>1,458,954,394</b>	<b>1,421,419,794</b>
<b>Written Down Value at cost:</b>	<b>767,122,279</b>	<b>798,645,913</b>
<b><u>REVALUATION:</u></b>		
Opening Balance	2,148,818,646	2,148,818,646
Addition of Revaluated Assets	-	-
Adjustment during the year	13,178,400	-
<b>Total Revaluated Assets</b>	<b>2,135,640,246</b>	<b>2,148,818,646</b>
<b>Accumulated Depreciation:</b>		
Opening Balance	724,594,269	679,941,394
Depreciation during the year	40,024,522	44,652,876
Adjustment during the year	10,190,486	-
<b>Closing Balance</b>	<b>754,428,305</b>	<b>724,594,269</b>
<b>Written Down Value of Revaluated Assets:</b>	<b>1,381,211,940</b>	<b>1,424,224,376</b>
<b>Total Written Down Value:</b>	<b>2,148,334,220</b>	<b>2,222,870,289</b>

Allocation of depreciation charges for the year has been made in the accounts as follows:

i) Factory Overhead	90,604,960	100,043,713
ii) Administrative Overhead	1,792,577	1,858,068
<b>Total</b>	<b>92,397,537</b>	<b>101,901,781</b>

Land, Building, Plant & Machinery are registered Mortgage (Pari Passu charges among the existing lender Bank, Eastern Bank Ltd., HSBC, Dhaka Bank Ltd. & One Bank Ltd.)

Details of Fixed Assets and Depreciation are shown in the **Annexure- 1.1**

<b>2.1 CAPITAL WORK-IN-PROGRESS:</b>		
Opening Balance	18,967,377	18,967,377
Addition during the year	-	22,548
Less: Transferred to Assets Schedule	18,967,377	22,548
<b>Closing Balance</b>	<b>-</b>	<b>18,967,377</b>

<b>3.1 INVESTMENT IN SHARE OF SUBSIDIARY COMPANY:</b>			
Salek Textile Limited (3,900,100 Shares @Tk.100 and 825,870 Share of Tk.460 each including Premium Tk.360)	42%	769,910,000	769,910,000
Newasia Synthetics Limited (6,553,338 Shares of Tk.100/- each)	36%	655,333,800	496,465,000
J.M. Fabrics Limited (3,999,900 Shares of Tk.100/- each)	22%	399,990,000	399,990,000
<b>Total:</b>		<b>1,825,233,800</b>	<b>1,666,365,000</b>

Share holding position in Subsidiary Company 97.926% of Salek Textile Ltd., 99.293% of Newasia Synthetics Ltd. & 99.998% of J.M Fabrics Ltd.

		June'21	June'20		June'21	June'20
<b>4.1 INVENTORIES:</b>						
Raw Materials	Kg	1,486,392	3,801,094		273,998,501	575,012,776
Stock-in-Transit	Kg	4,841,383	-		892,450,774	3,219,423
Work-in-Process	Kg	178,596	185,596		36,886,861	32,080,830
Finished Goods	Kg	2,622,684	3,608,432		821,003,426	829,461,631
Stores & Accessories: (Note: 4.1-A)					172,800,580	171,093,130
<b>Total:</b>					<b>2,197,140,142</b>	<b>1,610,867,790</b>

- (i) The inventory counting was taken place at the year end in the presence of company management.
- (ii) Inventories were hypothecated to Dhaka Bank Ltd., HSBC Ltd., Eastern Bank Ltd., Trust Bank Ltd. and One Bank Ltd. as security of workings capital loan.
- (iii) LC value in transit Tk.889,043,633 and LC opening and other charges in transit: Tk.3,407,141
- (iv) Inventories are valued at lower of cost and net realizable value. Net realizable value is based on estimated selling price less any other cost anticipated to be incurred to make the sale. Any obsolete stock or abnormal losses, if any, are recognized as expenses.

<b>4.1-A STORES &amp; ACCESSORIES:</b>		
Stores & Spares {Note: 4.1-A(i)}	136,616,509	141,828,678
Repairs and Maintenance Material {Note: 4.1-A(ii)}	24,131,313	24,819,008
Packing Material {Note: 4.1-A(iii)}	8,628,125	2,990,089
Fuel, Oil and Lubricant {Note: 4.1-A(iv)}	3,424,633	1,455,354
<b>Total:</b>	<b>172,800,580</b>	<b>171,093,130</b>

**4.1-A(i) STORES & SPARES:**

Opening Balance	141,828,678	122,480,428
Add: Purchase during the year	41,140,244	48,964,062
Less: Consumed	46,352,413	29,615,812
<b>Closing Balance</b>	<b>136,616,509</b>	<b>141,828,678</b>

**4.1-A(ii) REPAIRS AND MAINTENANCE MATERIALS:**

Opening Balance	24,819,008	7,813,589
Add: Purchase during the year	10,814,606	43,146,493
Less: Consumed	11,502,302	26,141,074
<b>Closing Balance</b>	<b>24,131,313</b>	<b>24,819,008</b>

**4.1-A(iii) PACKING MATERIALS:**

Opening Balance	2,990,089	2,373,804
Add: Purchase during the year	25,078,065	25,858,321
Less: Consumed	19,440,029	25,242,036
<b>Closing Balance</b>	<b>8,628,125</b>	<b>2,990,089</b>

**4.1-A(iv) FUEL, OIL AND LUBRICANT:**

Opening Balance	1,455,354	5,491,832
Add: Purchase during the year	11,507,806	6,901,006
Less: Consumed	9,538,527	10,937,484
<b>Closing Balance</b>	<b>3,424,633</b>	<b>1,455,354</b>

**5.1 ACCOUNTS RECEIVABLE:**

<b>1,249,627,547</b>	<b>1,114,245,430</b>
----------------------	----------------------

(i) A/C Receivable occurred in the ordinary course of business by selling of company's product. As per assessment of directors, the above receivable is considered as good & realizable within due course of business.

(ii) The A/C Receivable are secured against confirmed Export L/C (Deferred period is 120 days at the date of acceptance).

**(iii) Aging of the Receivables:**

Invoiced at 90 days L.C tenor:	124,962,755	111,424,543
Invoiced at 120 days L.C tenor:	999,702,038	1,002,820,887
Invoiced at 121 - 180 days L.C tenor:	124,962,755	-
Invoiced at 181 - 360 days L.C tenor:	-	-
Invoiced at above 360 days L.C tenor:	-	-
<b>Total:</b>	<b>1,249,627,547</b>	<b>1,114,245,430</b>

Disclosure as per Company Act-1994, Para (cho 4.5), Schedule-11

**(iv) Receivable from other company:**

Receivable from related party:-	920,290,127	737,789,611
Knit Asia Ltd:	84,551,468	136,464,969
Salek Textile Ltd.:	56,626,969	58,492,363
J.M. Fabrics Ltd.:	188,158,984	181,498,487
<b>Total:</b>	<b>1,249,627,547</b>	<b>1,114,245,430</b>

**6.1 ADVANCES, DEPOSITS & PRE-PAYMENTS:**

Advance against materials, suppliers and others	34,964,964	36,513,511
Advance to Newasia Synthatics Ltd.	-	129,200,000
Security Deposit to EBL	34,000,000	-
Security Deposit to OBL	12,500,000	-
Security Deposit to TBL	9,000,000	-
Security Deposit to REB	178,875	178,875
Security Deposit to Titas Gas T&D Co.	7,038,761	7,038,761
Advance Income Tax (Note-6.1-A)	72,747,485	146,554,664
Security Deposit to CDBL	500,000	500,000
<b>Total:</b>	<b>170,930,084</b>	<b>319,985,811</b>

**6.1-A. ADVANCE INCOME TAX:**

Opening Balance	146,554,664	130,920,712
Advance Income Tax paid (Against Export Proceeds)	14,204,533	15,306,943
Advance Income Tax paid (Against Import)	314,158	74,269
Advance Income Tax paid (Against Vehicle)	192,500	204,500
Advance Income Tax paid (Against F.Y 2016-2017)	5,468,828	-
Advance Income Tax paid (Against Interest Income)	485	48,241
<b>Total AIT paid for the year:</b>	<b>20,180,504</b>	<b>15,633,952</b>
Payment/Adjustment for prior year Income	93,987,683	-
<b>Closing Balance</b>	<b>72,747,485</b>	<b>146,554,664</b>

a) All the advances & deposits amount is considered good and recoverable within the ordinary course of business.

b) In the opinion of Directors, all current assets, investments, loans and advance have on realization in the ordinary course of business, a value at least equal to the amount at which they are stated in the Financial Position.

c) There is no amount due from Directors or officers of the Company.

**MATURITY ANALYSIS OF ADVANCES, DEPOSITS & PREPAYMENTS:**

(i) Realizable/Adjustable within 1 year:	107,712,448	36,513,511
(ii) Realizable/Adjustable after 1 year:	63,217,636	283,472,300
<b>Total:</b>	<b>170,930,084</b>	<b>319,985,811</b>

**7.1 CASH AND CASH EQUIVALENTS:****Cash in Hand:****239,481****183,304****Cash at Banks:**

AB Bank Ltd.-STD A/C: 4005-767482-430  
 BRAC Bank- STD A/C: 1505-101-762043001  
 BRAC Bank- CD A/C: 1501-201-762043001 (Dividend)  
 Dhaka Bank Ltd.- CD A/C: 207-175000000023  
 Dhaka Bank Ltd.- STD A/C: 207-150000000806 (Dividend)  
 Dhaka Bank Ltd.- Margin A/C: 207-130000000013  
 Dutch-Banla Bank- CD A/C: 227.110.0012931  
 Eastern Bank Ltd.-Margin A/C: 101-0100611  
 Eastern Bank Ltd.- FC A/C: (NRB IPO)  
 Eastern Bank Ltd.-STD A/C: 101-1230000068: BDT-(IPO)  
 HSBC Ltd.-Margin A/C: 001-007475-091  
 One Bank Ltd.- Margin A/C: 0016426-091  
 Shahjalal Islami Bank Ltd.-CD A/C: 4005 1110000252 8  
 Trust Bank Ltd.-CD A/C: 0003-0210006613  
 Trust Bank Ltd.-Margin A/C: 003-5025000082

256,269	248,930
42,811	43,762
10,336,539	2,814,081
28,536,940	-
28,892,799	9,527,606
122,520,591	39,885,838
474,754	349,813
22,010,428	8,069,740
1,210,823	1,213,250
3,378,153	3,361,648
7,471,658	13,789,112
887,395	7,007,262
8,868	9,558
-	163,969
150,531	150,531
<b>226,178,559</b>	<b>86,635,102</b>
<b>226,418,040</b>	<b>86,818,406</b>

**Sub-total:****Total:**

- a) It include Foreign Currency deposit amounting of US\$ 1,821,911.95 (2020: US\$ 820,267.66) equivalent to BDT 153,040,604 (2020: BDT 68,902,483).
- b) Cash balance was physically counted at the year ended and Bank balances were reconciled and found in order.
- c) Export proceeds are realised in the Margin A/C and is utilized for Payment of Deferred L/C Payment.

**8.1 SHARE CAPITAL:****8.1(A) AUTHORISED CAPITAL:**

300,000,000 Shares @ Tk. 10/- each

**3,000,000,000****3,000,000,000****8.1(B) ISSUED, SUBSCRIBED AND PAID-UP CAPITAL:**

193,600,000 Ordinary Shares @ Tk.10/- each issued and paid-up.

**1,936,000,000****1,936,000,000****8.1(B).(i) Yearwise break-up of Paid-up Capital:**

Year	Status	% of Bonus Share	Addition of Share	Paid-up Share	Paid-up Capital (Tk)
2009- 2010	After IPO			160,000,000	1,600,000,000
2010- 2011	Bonus	10%	16,000,000	176,000,000	1,760,000,000
2011- 2012	Bonus	10%	17,600,000	193,600,000	1,936,000,000

**8.1(B).(ii) Share Holding Composition of Malek Spinning Mills Ltd. as at 30.06.2021 are as follows:**

Shareholder's Group	No. of Shares held	% of Shares	No. of Shareholders
Sponsors & Directors	91,644,800	47.34%	6
Government	-	0.00%	0
Institutions	45,228,252	23.36%	329
Foreign Shareholders	-	0.00%	0
General Public	56,726,948	29.30%	13030
<b>Total</b>	<b>193,600,000</b>	<b>100%</b>	<b>13,365</b>

**8.1(B).(iii) Classification of shareholders by holding:**

Distribution schedule of each class of equity security setting out the number of holders and percentage as at 30.06.2021

Range of Holdings	No. of Holders	Holdings	Percentage
Less than 500 shares	3,415	610,994	0.32%
500 to 5,000 shares	8,371	10,225,170	5.28%
5,001 to 10,000 shares	611	4,850,465	2.51%
10,001 to 20,000 shares	403	6,070,941	3.14%
20,001 to 30,000 shares	177	4,532,704	2.34%
30,001 to 40,000 shares	81	2,878,956	1.49%
40,001 to 50,000 shares	74	3,491,065	1.80%
50,001 to 100,000 shares	113	8,789,475	4.54%
100,001 to 1,000,000 shares	100	27,027,988	13.96%
Over 1,000,000 shares	20	125,122,242	64.63%
<b>Total</b>	<b>13,365</b>	<b>193,600,000</b>	<b>100%</b>

**9.1 SHARE PREMIUM:****1,500,000,000****1,500,000,000**

This represents issuance of 10,000,000 ordinary shares in September 2008 for Tk.25 each including premium of Tk. 15/- each in compliance with The Securities and Exchange Commission (SEC) consent No.SEC/CI/CPLC (PVT.)-95/06/337 dated on 30.06.2008 and further Placement issuance of 50,000,000 ordinary shares in October 2009 for Tk.25/- each including premium of Tk.15 each in compliance with The Securities and Exchange Commission (SEC) consent No. SEC/CI/CPLC(PVT.)-95/ dated on June 03, 2009 and further issuance of IPO of 40,000,000 ordinary shares on July 2010 for Tk. 25/- each including Premium of Tk. 15/- each in compliance with the Securities and Exchange Commission (SEC) consent No. SEC/CI/IPO-118/2010/462 dated April 15, 2010

**10.1 RE-VALUATION SURPLUS:**

Opening Balance  
 Less: Adjustment of Revaluated Assets  
 Less: Transfer to Retained Earnings 85% of excess depreciation  
**Written Down Value:**

1,210,590,720  
 2,987,914  
 34,020,844  
**1,173,581,963**

1,248,545,665  
 -  
 37,954,944  
**1,210,590,720**

Details of Re-valuation Surplus of Fixed Assets is given in the **Annexure-1.1**



Calculation of deferred tax adjusted balance which has been transferred from revaluation surplus to retained earnings and changes in equity:

Total depreciation of revalued asset	100%	40,024,522
Deferred tax adjustment	15%	6,003,678
<b>Deferred tax adjusted balance of excess depreciation:</b>	<b>85%</b>	<b>34,020,844</b>

- a) Name of Revaluer: ASIAN SURVEYORS LTD.  
b) Last date of Revaluation: 30.06.2012  
c) **Methodology use for revaluation:**  
**(i) Valuation of Land:** Surveyors Physically examined the land and surroundings. The present value of the land have been taken into consideration according to the location, importance and convenience of the locality in terms of industrial, commercial and other related factors.  
**(ii) Valuation of building:** Surveyors taken into consideration the nature and quality of construction of the buildings, examined the present condition of the buidings as well as nature of maintenance. Relevant papers, documents and records were scrutinized and verified. Considering all allied factors they determined the correct present value.  
**(iii) Valuation of Machineries:** The value of the machineries of the project were assessed as a running concern. They have taken into account the practical utility of a machine in terms of present performance of the particular machine in working out the present value. They also taken into consideration erection or installation cost and other related details to determine the present value of the machineries. Copies of invoice and other related documents were scrutinised and verified accurately.  
d) **Total revaluation amount:** Revaluation amount as on 30.06.2012 is Tk. 2,148,818,646  
e) **Independency of valuation:** The surveyor and valuer was independent from the company and its management and employees.

#### 11.1 RETAINED EARNINGS:

Opening Balance	218,528,177	358,196,633
Add: Net Profit/(Loss) during the year	250,229,978	(73,068,201)
Add: Disposal of Revaluation Surplus of Fixed Assets	2,987,914	-
Add: Transfer 85% of excess depreciation of revaluated assets	34,020,844	37,954,944
Less: Declared Cash Dividend	-	104,555,200
<b>Total:</b>	<b>505,766,912</b>	<b>218,528,177</b>

#### 12.1 LONG TERM LOAN:

Eastern Bank Limited	-	1,131,526
One Bank Limited	285,364,486	310,687,684
<b>Total</b>	<b>285,364,486</b>	<b>311,819,210</b>
Less: Current Portion of Long Term Loan (Note-15.1)	82,708,656	80,418,802
<b>Total Long Term Loan:</b>	<b>202,655,830</b>	<b>231,400,408</b>

#### 12.1(j) Other information:

Particulars	JUNE' 2021		JUNE' 2020	
	EBL	OBL	EBL	OBL
Opening Loan facility	1,131,526	310,687,684	3,089,353	309,403,236
Addition Loan	-	-	-	6,000,000
Interest Charged	228,061	13,386,546	702,628	32,547,212
Loan Repayment:	1,131,526	25,323,198	2,660,454	37,262,764
Loan Balance:	-	285,364,486	1,131,526	310,687,684
Repayment Terms	Quarterly Installment	Quarterly Installment	Quarterly Installment	Quarterly Installment
Installment Size	565,762	20,677,164	565,762	23,010,500
Tenor	5 years	5 years	5 years	5 years
Interest Rate	8% - 9%	8% - 9%	8% - 9%	8% - 9%
Security	Pari-passue security of Land, Building, Stock & Book Debts sharing agreement.		Pari-passue security of Land, Building, Stock & Book Debts sharing agreement.	

#### 13.1 DEFERRED TAX LIABILITIES:

Opening Balance	271,935,179	275,087,967
Add: Provision for the year	(4,003,368)	(3,152,787)
<b>Total Liabilities:</b>	<b>267,931,811</b>	<b>271,935,179</b>

#### Deferred Tax Calculation:

Particulars	Accounts Base (WDV)	Tax Base (WDV)	Temporary difference	Temporary difference
Written Down Value of Fixed Assets at cost	767,122,279	362,122,145	405,000,134	388,676,820
WDV of Revaluation Surplus of Fixed Assets	1,381,211,940	-	1,381,211,940	1,424,224,376
<b>Total</b>	<b>2,148,334,220</b>	<b>362,122,145</b>	<b>1,786,212,074</b>	<b>1,812,901,196</b>
Deferred tax rate			15%	15%
<b>Deferred Tax Liability</b>			<b>267,931,811</b>	<b>271,935,179</b>

#### 14.1 SHORT TERM LOAN:

##### Working Capital Loan:

Eastern Bank Ltd (Stimulus)	33,459,865	-
Trust Bank Ltd. (Stimulus)	9,204,818	-
One Bank Ltd. (Stimulus)	12,500,000	-
<b>Sub-total:</b>	<b>55,164,683</b>	-
<b>Bank Overdraft:</b>		
Eastern Bank Ltd A/C:180, 011	76,489,043	43,740,068
Dhaka Bank Ltd OD A/C: 207.175.23	-	30,685,556
One Bank Ltd OD A/C: 0010016426008	30,312,249	20,469,561
HSBC OD A/C: 001-007475-011	43,101,442	20,027,072
TBL OD A/C:003- 0136000153	29,594,503	77,905,230
TBL CD A/C:003- 0210006613	8,989,600	-
<b>Sub-total:</b>	<b>188,486,836</b>	<b>192,827,487</b>

*Amount in Taka*

**Liability for Bill discounted:**

Dhaka Bank Ltd.  
Eastern Bank Ltd  
HSBC Ltd.

50,528,342	126,975,630
178,732,898	60,195,043
2,586,307	98,125,013
<b>231,847,546</b>	<b>285,295,686</b>
<b>475,499,066</b>	<b>478,123,173</b>

**Sub-total:**

**Total:**

The above Short Term loans are secured against hypothecation of Stocks and Book Debts.

Particulars	EBL	OBL	DBL	HSBC
Saction facility (W.C.)			-	
Saction facility (Overdraft)	45,000,000	20,000,000	30,000,000	20,000,000
Interest paid this year (OD)	5,117,357	5,035,974	1,708,095	3,577,735
Repayment Terms (W.C.)				
Repayment Terms (OD)	N/A	N/A	N/A	N/A
Installment Size (W.C.)				
Installment Size (OD)	N/A	N/A	N/A	N/A
Tenor	One year renewable	One year renewable	One year renewable	One year renewable
Interest Rate	8% - 9%	8% - 9%	8% - 9%	8% - 9%
Security	Pari-passue security of Stock & Book Debts sharing agreement.			

Particulars	TBL
Saction facility (W.C.)	
Saction facility (Overdraft)	30,000,000
Interest paid this year (OD)	3,220,999
Repayment Terms (W.C.)	
Repayment Terms (OD)	N/A
Installment Size (W.C.)	
Installment Size (OD)	N/A
Tenor	One year renewable
Interest Rate	8% - 9%
Security	Pari-passue security of Stock & Book Debts sharing agreement.

**15.1 CURRENT PORTION OF LONG TERM LOAN:**

Eastern Bank Limited  
One Bank Limited

-	1,131,526
82,708,656	79,287,276
<b>82,708,656</b>	<b>80,418,802</b>

**Total:**

**16.1 ACCEPTANCE LIABILITIES:**

**Raw Cotton:**

Eastern Bank Limited  
Dhaka Bank Limited  
One Bank Limited  
HSBC Limited

723,427,936	164,976,822
315,961,020	185,133,921
274,339,376	80,893,325
-	260,634,152
<b>1,313,728,331</b>	<b>691,638,220</b>

**Machinery:**

Dhaka Bank Limited

-	9,918,337
-	9,918,337
<b>1,313,728,331</b>	<b>701,556,557</b>

**Total:**

Acceptance liability represents the deferred payment of L/C for Imported Raw Materials for the period of 180 Days.

**17.1 UNCLAIMED DIVIDEND WITH INTEREST:**

Bankwise Details as follows:

Brac Bank (Principal):  
Brac Bank (Interest):  
Dhaka Bank (Principal):  
Dhaka Bank (Interest):

<b>39,229,338</b>	<b>39,242,687</b>
10,209,155	10,210,505
127,384	-
28,470,956	29,032,181
421,843	-
<b>39,229,338</b>	<b>39,242,687</b>

**Total-**

**18.1 CREDITORS, ACCRUALS & PROVISIONS:**

Gas Bill Payable  
Electricity Bill Payable  
Audit Fees Payable  
Salary, Wages & Other allowance Payable  
Tax Deduction at Source Payable  
Vat Deduction at Source Payable  
Income Tax Payable (Note:18.1-A)  
Contribution to WPPF Payable  
Directors Remuneration Payable  
Payable for Goods Supplies & Others  
Accrued Interest (Note:18.1-B)  
Refundable IPO Share money (Note-18.1-C)

46,049,951	58,313,860
76,831	133,487
189,750	189,750
16,972,304	16,281,271
1,113,428	956,750
1,031,603	1,166,517
100,995,890	159,597,980
85,083,059	70,369,514
173,125	173,125
19,675,645	25,052,902
36,331,678	27,200,584
12,888,661	12,888,661
<b>320,581,926</b>	<b>372,324,401</b>

**Total:**

- Payable for Goods Supplies and others represents regular suppliers of packing materials, Bearing, belts, fuel & lubricants, stationery items and others.
- Factory Salary and Wages payable for the month of 30<sup>th</sup> June 2021.
- Due to not having assesment of Income Tax is sattled by NBR 2017-2018, 2018-2019, 2019-2020 the above Income Tax payable is not adjusted with the advance income tax.

**18.1-A. INCOME TAX PAYABLE:**

Opening Balance 159,597,980 143,967,156  
 Provision for the year (Current Tax): (Note-25.1) 48,044,286 15,630,824

Payment/Adjustment for prior year balance: 207,642,266 159,597,980  
**Total Payment/Adjustment for prior year income:** 106,646,376 -  
**Total Payable-** 100,995,890 159,597,980

**18.1-B. ACCRUED INTEREST:**

Eastern Bank Ltd. - 9,477  
 One Bank Ltd. 36,331,678 27,191,108  
**Total:** 36,331,678 27,200,584

**18.1-C. REFUNDABLE IPO SHARE MONEY:**

Eastern Bank Ltd. NRB A/C (Principal): 1,218,777 1,218,777  
 Eastern Bank Ltd. STD A/C: (Principal): 11,669,885 11,669,885  
**Total-** 12,888,661 12,888,661

**19.1 SALES:**

Sales to other Customer 1,842,125,959 1,716,503,513  
 Sales to Related Party 1,134,161,536 867,587,632  
**Total Sales** 2,976,287,495 2,584,091,145

For the financial year 2020-2021 Finished Yarn sales 10,721,632 Kg.

**20.1 COST OF GOODS SOLD:**

	Quantity in Kg			
	2020-21	2019-20		
Raw Material Consumed (Note:20.1-A)	12,388,193	12,013,174	1,952,053,279	2,025,632,120
Direct Labour (Note:20.1-B)			123,377,126	118,056,645
Factory Overhead (Note:20.1-C)			446,347,193	444,801,705
<b>Total Manufacturing Cost</b>			<b>2,521,777,598</b>	<b>2,588,490,470</b>
Add: Work-in-Process- Opening	185,596	181,241	32,080,830	33,908,527
<b>Cost of Goods available for use</b>			<b>2,553,858,428</b>	<b>2,622,398,997</b>
Less: Work-in-Process- Closing	178,596	185,596	36,886,861	32,080,830
<b>Cost of Production</b>			<b>2,516,971,567</b>	<b>2,590,318,167</b>
Add: Finished Goods- Opening	3,608,432	3,034,304	829,461,631	697,822,850
<b>Cost of Goods Available for Sales</b>			<b>3,346,433,198</b>	<b>3,288,141,017</b>
Less: Finished Goods- Closing	2,622,684	3,608,432	821,003,426	829,461,631
<b>Cost of Goods Sold:</b>			<b>2,525,429,772</b>	<b>2,458,679,386</b>

**20.1-(A) RAW MATERIALS CONSUMED:**

Opening Inventory Raw Materials 575,012,776 329,749,072  
 Add: Purchase during the year 1,651,039,004 2,270,895,824  
 Less: Closing Inventory of Raw Materials 273,998,501 575,012,776  
**Raw Materials Consumed** 1,952,053,279 2,025,632,120

**20.1-(B) DIRECT LABOUR:**

**123,377,126 118,056,645**

**20.1-(C) FACTORY OVERHEAD:**

Factory Salary and Allowances	49,966,717	46,268,334
Overtime Wages for Worker	459,746	1,914,436
Festival Bonus Factory	15,733,355	15,293,365
Electricity Charges	811,832	793,352
Gas Charges	177,211,979	180,138,766
Repairs & Maintenance	31,746,490	26,141,074
Packing Materials	19,465,809	25,242,036
Fuel,Oil & Lubricant	9,787,900	10,937,484
Insurance Premium (Fire)	2,745,106	3,766,093
Insurance Premium (Group)	-	113,600
Stores & Accessories consumption	43,126,506	29,615,812
Entertainment Factory	422,861	635,369
Telephone, Mobile & Fax exp.	242,588	79,597
Stationery Charges	833,740	646,018
Printing Charges	58,086	20,810
Other Carrying Charges	75,190	149,830
Factory Office Expenses other	16,331	45,414
Vehicles Maintenance	1,667,191	1,584,195
Conveyances Factory Employee	151,250	104,435
Accommodation Facility for worker	805,740	796,040
Medical Expenses	86,794	150,052
Uniform & Leverage	46,913	62,850
Miscellaneous Exp.	280,110	259,030
Depreciation	90,604,960	100,043,713
<b>Total Factory Overhead-</b>	<b>446,347,193</b>	<b>444,801,705</b>

**21.1 OPERATING EXPENSES:**

Salaries & Allowances	39,616,788	36,705,314
Festival Bonus	3,590,133	3,341,626
Director's Remuneration	2,400,000	2,000,000
Fees, Forms & Others	2,877,183	4,371,360
Audit Fees	189,750	189,750

Printing & Stationery	631,679	508,979
Telephone, Mobile & Internet Expenses	1,228,243	1,642,711
Postage & Stamp	25,524	25,870
Vehicle Maintenance	7,774,615	5,325,014
Miscellaneous Expenses	2,288,655	2,355,231
Office Rent	12,348,358	11,067,408
Rate & Taxes	261,500	190,755
Carriage Outwards, Selling & Distribution exp.	5,508,050	6,235,520
Entertainment	909,778	975,219
Advertisement & Publicity Expenses	691,804	625,397
AGM Expenses	1,305,416	1,490,071
Security Service Charges	20,000	451,000
Travelling & Conveyance	1,403,420	2,006,229
Uniform & Leverages Security	54,855	35,110
Repairs & Maintenance	4,272,413	5,418,793
Donation & Subscription	186,396	2,300
Medical Expenses	106,440	18,437
Credit Rating Charges	53,750	57,500
Software Maintenance Expenditure	112,440	65,000
Depreciation	1,792,577	1,858,068
<b>Total Operating expenses:</b>	<b>89,649,767</b>	<b>86,962,662</b>

## 22.1 FINANCIAL EXPENSES:

### **EASTERN BANK LTD.:**

Interest on Long Term Loan	228,061	702,628
Interest on Short Term Loan	116,903	-
Interest on Overdraft	5,117,357	4,795,663
Bank Charges & Commission	1,038,128	491,066
Export L/C Negotiation Commission	1,759,979	1,264,469
Interest on Bill Discount	5,349,453	7,877,263
<b>Total:</b>	<b>13,609,882</b>	<b>15,131,088</b>

### **HSBC LTD.:**

Bank Charges & Commission	1,010,167	3,809,139
Export L/C Negotiation Commission	1,048,631	2,412,638
Interest on Overdraft	3,577,735	238,876
Interest on Bill Discount	2,848,883	15,053,322
<b>Total:</b>	<b>8,485,415</b>	<b>21,513,976</b>

### **DHAKA BANK LTD.:**

Interest on Short Term Loan	-	19,597,788
Interest on Overdraft	1,708,095	3,293,524
Bank Charges and Commission	622,671	1,222,709
Export L/C Negotiation Commission	565,079	69,312
Interest on Bill Discount	236,624	94,009
<b>Total:</b>	<b>3,132,468</b>	<b>24,277,341</b>

### **ONE BANK LTD.:**

Interest on Long Term Loan	13,386,546	32,547,212
Interest on Short Term Loan	2,031,348	-
Interest on Overdraft	5,035,974	2,614,069
Bank Charges & Commission	427,458	867,660
Export L/C Negotiation Commission	144,391	2,535
Interest on Bill Discount	35,039	-
<b>Total:</b>	<b>21,060,757</b>	<b>36,031,476</b>

### **TRUST BANK LTD.:**

Interest on Short Term Loan	66,991	-
Bank Charges and Commission	32,775	14,550
Interest on Overdraft	3,220,999	2,570,267
<b>Total:</b>	<b>3,320,766</b>	<b>2,584,817</b>

### **DUTCH-BANGLA BANK LTD.**

Bank Charges and Commission	4,093	873
<b>Total:</b>	<b>4,093</b>	<b>873</b>

### **SHAHJALAL ISLAMI BANK LTD.:**

Bank Charge and Commission	690	690
<b>Total:</b>	<b>690</b>	<b>690</b>

### **AB BANK LTD.**

Bank Charges and Commission	1,300	-
<b>Total:</b>	<b>1,300</b>	<b>-</b>

### **BRAC BANK LTD.**

Bank Charges and Commission	1,150	4,110
<b>Total:</b>	<b>1,150</b>	<b>4,110</b>

<b>Total Financial Expenses-</b>	<b>49,616,520</b>	<b>99,544,370</b>
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**23.1 OTHER INCOME/(LOSS):****CASH INCENTIVE:****OTHER INCOME/(LOSS):**

Interest Received from BRAC Bank Ltd., STD A/C (1501201 762043001)  
 Interest Received from Dhaka Bank Ltd., STD A/C (0207-150000000806)  
 Interest Received from AB Bank Ltd., STD A/C (4005-767482-430)  
 Interest Received from BRAC Bank Ltd., STD A/C (1505101 762043001)  
 Interest Received from Eastern Bank Ltd., STD A/C (101-1230000068)

Foreign currency exchange Gain/(Loss) against Import LC payment  
 Foreign currency exchange Gain/(Loss) against export realization  
 Foreign currency translation Gain/(Loss)  
 Gain/(Loss) on Sale of Assets {Note: 23.1(B)}

**Other Income/(Loss)****Total Other Income/(Loss) including Cash Incentive:**

-	-
-	84,247
-	322,024
4,626	-
221	411
16,505	33,599
<b>21,351</b>	<b>440,281</b>
(88,489)	(324,973)
464,892	311,245
-	130,053
(3,004,749)	(51,498)
<b>(2,628,346)</b>	<b>64,828</b>
<b>(2,606,995)</b>	<b>505,109</b>
<b>(2,606,995)</b>	<b>505,109</b>

**23.1(B). GAIN/(LOSS) ON SALE OF ASSETS:**

Sales Price  
 Less: Written down value of Motor Vehicle:

**Gain/(Loss) on Sale of Motor Vehicle**

Sales Price  
 Less: Written down value of Old Machine

**Gain/(Loss) on Sale of Machine****Total Gain/(Loss) on Sale of Assets:**

-	650,000
-	701,498
-	<b>(51,498)</b>
300,000	-
3,304,749	-
<b>(3,004,749)</b>	-
<b>(3,004,749)</b>	<b>(51,498)</b>

**24.1 WORKER'S PROFIT PARTICIPATION FUND:**

Contribution to WPPF for this period

14,713,545	-
<b>14,713,545</b>	-

This represents 5% of net profit before tax of the company and is payable to workers as per provision defined in the Labour Law Act-2006 (amendment 2013).

**25.1 CURRENT TAX EXPENSES:**

i) On Operating Income 15%  
 ii) On Other Income 22.50%

**Sub-Total**

Prior year under provision

**Total**

Income	Tax	Tax
320,295,242	48,044,286	15,504,547
(2,606,995)	-	126,277
<b>317,688,248</b>	<b>48,044,286</b>	<b>15,630,824</b>
N/A	-	-
<b>317,688,248</b>	<b>48,044,286</b>	<b>15,630,824</b>

**Table Operating Income Calculation:**

Operating Profit/(Loss) 311,591,435  
 Less: Contribution to WPPF 14,713,545  
**Net Operating Profit/(Loss) before Tax 296,877,890**  
 Add: Accounting Depreciation 92,397,537  
 Less: Tax Depreciation 68,980,185  
**Taxable Operating Income: 320,295,242**

**26.1 DEFERRED TAX:**

Details calculation of deferred tax is shown in the note no. 13.1

<b>(4,003,368)</b>	<b>(3,152,787)</b>
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**27.1 BASIC EARNINGS PER SHARE (EPS):**

EPS calculation	(a) Earning attributable to ordinary shareholders	(b) Weighted average number of Shares
	250,229,978	(73,068,201)
	193,600,000	193,600,000
<b>Basic Earnings per Share (a / b):</b>	<b>1.29</b>	<b>(0.38)</b>

Net Profit was increased the financial year 2020-2021 due to (a) Sales price is increased compared to previous year and as a result Sales Volume also increased. (b) Percentage of COGS is decreased compared to previous year due to Raw Material price is decreased and efficient utilisation overhead cost in this year. (c) As such EPS for the year is increased compared to previous year.

**28.1 NET ASSET VALUE (NAV) PER SHARE:**

NAV calculation	a) Equity attributable to owners of the company	b) Number of Shares outstanding this period end	JUN'21	JUN'20
			5,115,348,875	4,865,118,897
			193,600,000	193,600,000
<b>Net Assets Value Per Share (NAV) { a / b }:</b>			<b>26.42</b>	<b>25.13</b>

**29.1 CASH FLOW FROM OPERATING ACTIVITIES (INDIRECT METHOD):**

Operating Profit/(Loss)	311,591,435	(61,095,273)
Depreciation	92,397,537	101,901,781
Other Income/(Loss)	21,351	440,281
Foreign currency exchange Gain/(Loss)	376,403	(13,727)
Accounts Receivable (Increase)/Decrease	(135,382,117)	23,077,961
Inventories (Increase)/Decrease	(586,272,352)	(309,548,781)
Advance, Deposit & Prepaid expenses (Increase)/Decrease	62,589,854	(6,182,779)
Accounts Payable Increase/(Decrease)	614,236,181	270,260,627
Payment to Employee against contribution to WPPF	-	(46,792,240)
Payment for Income Tax	(20,180,504)	(15,633,952)
<b>Net Cash provided/(used) by Operating Activities</b>	<b>339,377,789</b>	<b>(43,586,103)</b>



**30.1 CALCULATION OF NET OPERATING CASH FLOW PER SHARE (NOCFPS):**

NOCFPS calculation	a) Net Cash provided/(used) by Operating Activities	339,377,789	(43,586,103)
	b) Number of Shares outstanding this period end	193,600,000	193,600,000
<b>Net Operating Cash Flow Per Share (NOCFPS) { a/b }:</b>		<b>1.75</b>	<b>(0.23)</b>

Net Operating Cash Flow Per Shares (NOCFPS) is increased due to increased of Collection from Turnover & Accounts Receivable and decrease payment of raw materials and decreased of financial expenses at the financial year 2020-2021 compared to the financial year 2019-2020.

**31.1 CONTINGENT LIABILITIES:**

The following Letter of Credit is outstanding due to the goods not shipped and no liabilities has made against the same as at 30th June 2021 but the said L.C goods still in transit as at 30th September 2021.

Serial No.	L/C No.	L/C Date	L/C Amount(US\$)
1	141421230003	09.02.2021	\$36,818.93
2	235421230039	07.06.2021	\$11,945.73

**32.1 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, on the same terms and conditions as applicable to the third parties. Details of transactions with related parties and balances with them as at 30th June 2021 were as follows:

Related Party	Nature of Relationship	Nature of Transaction	Transaction during the year		Balance as at 30.06.2021	Balance as at 30.06.2020
			Dr. (Sales or Advance)	Cr. (Realised)		
Knit Asia Limited	Common Director	Sales	635,904,893	687,818,394	84,551,468	136,464,969
Salek Textile Limited	Subsidiary	Sales	7,444,142	9,309,536	56,626,969	58,492,363
Newasia Synthetics Limited	Subsidiary	Advance	500,000	129,700,000	-	129,200,000
J.M. Fabrics Limited	Subsidiary	Sales	490,812,501	484,152,004	188,158,984	181,498,487
Hejaz Publication Ltd.	Common Director	Office Rent	12,348,358	12,348,358	-	-

**33.1 PRODUCTION CAPACITY:**

Production capacity of Malek Spinning Mills Ltd. is 35,000kg per day and annual production capacity is 1,26,00,000Kg During this period produced 1,03,23,494 Kg and Capacity utilized 81.93%.

Particulars	%	Quantity in Kg (2020-21)	%	Quantity in Kg (2019-20)
Capacity	100	12,600,000	100	12,600,000
Production	81.93	10,323,494	81.49	10,267,670
<b>Difference</b>		<b>2,276,506</b>		<b>2,332,330</b>

**34.1 WPPF:**

Provision for contribution to WPPF was made as per Section-234 of Labour Law-2013. The due amount is under process of payment.

**35.1 EVENTS AFTER THE REPORTING PERIOD:**

The board of directors of the company has approved the financial statements as on 27th October 2021 and recommended 10% Cash dividend for the financial year ended June 2021.

As per Bangladesh Securities and Exchange Commission (BSEC) Directive No. BSEC/CMRRCD/2021-386/03 dated 14 January 2021 and Letter No. SEC/SRMIC/165-2020/part-1/182 dated 19 July 2021 the company transferred the Un-claimed Cash Dividend Tk. 35,675,286.76 up to 2016-2017 and Non-refunded public subscription money against IPO Tk. 11,669,885.00 to the Capital Market Stabilization Fund (CMSF) on 13.09.2021.

Except the fact stated above, no circumstances have arisen that to be disclosed as note or adjusted in the financial statements.

**36.1 ATTENDANCE STATUS OF BOARD MEETING OF DIRECTORS:**

During the year 2020-2021 eight Board Meetings were held. The attendance status of all the meetings is as follows:

Name of Directors	Position	Meeting Held	Attended
1) Mr. A.F.M Zubair	Chairman	8	6
2) Mr. A. Matin Chowdhury	Managing Director	8	8
3) Dr. Shamim Matin Chowdhury	Director	8	8
4) Mr. Azizur Rahim Chowdhury	Director	8	8
5) Ms. Saima Matin Chowdhury	Director	8	3
6) Mr. Moshir Rahman	Director	8	8
7) Mr. Sultan Ahmed FCA	Independent Director	8	7
8) Dr. Sultan Hafeez Rahman	Independent Director	8	5

**37.1 EMPLOYEES SALARY STATUS & POSITION (AS PER 30TH JUNE 2021)**

Salary Range	Officer & Staff		Worker	Total Employee
	Head Office	Factory		
Below 4,500	-	-	-	-
Above 4,500	62	127	1,025	1,214
<b>Total</b>	<b>62</b>	<b>127</b>	<b>1,025</b>	<b>1,214</b>

**38.1 BENEFITS TO DIRECTORS:**

Mr. A. Matin Chowdhury	2020-2021	2019-2020
i) Basic	1,371,360	1,142,800
ii) House Rent	685,680	571,400
iii) Conveyance	205,824	171,520
iv) Medical Allowance	137,136	114,280
v) Bonus	200,000	100,000
<b>Total:</b>	<b>2,600,000</b>	<b>2,100,000</b>

In the financial year 2019-2020 Mr. A. Matin Chowdhury could not take 2 (Two) months Remuneration including Festival Bonus due to COVID-19 effect. As such, his remuneration was not increased during the financial year 2020-2021.

### 39.1 PURCHASE IN FOREIGN CURRENCY:

Particulars	2020-21		2019-20	
	In Foreign Currency	In BDT	In Foreign Currency	In BDT
Raw Cotton	\$ 19,655,226	1,651,039,004	\$ 27,034,474	2,270,895,824
Spare Parts	\$ 489,765	41,140,244	\$ 582,905	48,964,062
Capital Machinery	\$ -	-	\$ 119,653	10,050,857
<b>Total</b>	<b>\$ 20,144,991</b>	<b>1,692,179,248</b>	<b>\$ 27,737,033</b>	<b>2,329,910,743</b>

### 40.1 KEY MANAGEMENT PERSONNEL COMPENSATION:

Company has established following personnel compensation to the employee:

a) **Short-term employee benefits:** Company provide the following short-term benefit.

Particulars	2020-2021		2019-2020	
	Directors	Executives	Directors	Executives
Remuneration/ Salary	2,600,000	11,393,429	2,100,000	10,524,823
i) Basic	1,371,360	5,945,073	1,142,800	5,476,658
ii) House Rent	685,680	2,972,537	571,400	2,738,329
iii) Conveyance	205,824	892,281	171,520	821,978
iv) Medical Allowance	137,136	594,507	114,280	547,666
v) Bonus	200,000	989,031	100,000	940,192
Number of Person:	1	4	1	4

b) **Post-employment benefits:** Company provide contributory Provident fund and other benefits.

c) **Other long-term benefits:** Company provide the employee under which an employee is entitle to the benefit depending on length of service. The cost for Gratuity is accounted on cash basis.

d) **Share-based payment:** Company does not provide any share-based payment facilities to the employee.

### 41.1 FINANCIAL RISK MANAGEMENT:

The Board of Directors has overall responsibility for the establishment and oversight of the Company's financial risk management. The responsibility also includes developing and monitoring the Company's risk management policy. To assist the Board in discharging its oversight responsibility, management has been made responsible for identifying, monitoring and managing the company's financial risk exposure. The Company's exposure to the risks associated with the financial instruments and the risk management policies and procedures and summarized as follows.

#### CREDIT RISK:

Credit risk is the risk of financial loss to the company if a buyer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivable from customers and investment securities. The Company's sales are made to renowned RMG exporting company. Sales made to the entity are fully secured by Letter of Credit issued by local scheduled banks.

Credit risk of the Company arises principally from trade debts, loans and advances, and bank balances. The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date is as follows:

	2020-2021	2019-2020
Consolidated Accounts Receivable:	3,579,126,645	2,606,617,175
Consolidated Loans and Advances:	756,851,805	1,063,258,376
Consolidated Bank Balances:	1,101,119,490	587,921,411
	<u>5,437,097,941</u>	<u>4,257,796,962</u>

**LIQUIDITY RISK:** Liquidity risk is the risk that the company unable to meet its financial obligations as the fall due. The Company's approach to managing liquidity is to ensure, as far as possible' that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the company's reputation. In general, management ensures that it has sufficient cash and cash equivalent to meet expected operation expenses, including the servicing of financial obligation through preparation of cash forecast, prepared based on timeline of payment of the financial obligation and accordingly arranged for sufficient liquidity/fund to make the expected payment within due date. Moreover, the company seeks to maintain short term lines of credit with scheduled commercial banks to ensure payments of obligations in the events that there is sufficient cash to make the required payment. The requirement is determined in advance through cash flows projections and credit lines facilities with banks are negotiated accordingly. Seeks to maintain a balance between the higher returns that might be possible with the higher levels of borrowings and the advantages and security afforded by a sound capital position. The board also monitors dividend trend to ordinary shareholders.

**MARKET RISK:** Market risk is the risk that changes in market prices such as foreign exchange rates and interest rates will affect the company's income or the value of its holding of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

**PRICE RISK:** Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The company does not have any financial instrument that expose the price risk.

**INTEREST RISK:** Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Majority of the interest rate risk arises from long and short-term borrowings from financial institutions. At the reporting date, the company does not hold any interest bearing financial instrument.

**CURRENCY RISK:** Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Currency risk arises mainly where receivables and payables exist due to transactions entered in foreign currencies. The Company is exposed to foreign currency risk on sales, purchases and Foreign Currency loan, which, are entered in a currency other than BDT. The foreign currency transactions are mainly occurred in USD and conversion rate of USD into BDT does not fluctuate materially.

**CAPITAL RISK MANAGEMENT:** The objective of the Company when managing capital, i.e., its shareholders' equity is to safeguard its ability to continue as a going concern so that it can continue to provide returns for shareholders and benefits for other stakeholders; and to maintain a strong capital base to support the sustained development of its businesses. The Company manages its capital structure by monitoring return on net assets and makes adjustments to it in the light of changes in economic conditions. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividend paid to shareholders or issue new shares.



# MALEK SPINNING MILLS LIMITED

## FIXED ASSETS SCHEDULE AS AT 30<sup>TH</sup> JUNE 2021

Annexure: 1.1

PARTICULARS	COST				RATE	DEPRECIATION			WRITTEN DOWN VALUE AS AT 30.06.2021
	As at 01.07.2020	Addition	Adjustment	As at 30.06.2021		As at 01.07.2020	This year	Adjustment	
<b>(A)</b>									
1 Land and Land Development	84,647,187	-		84,647,187	0%	-	-		84,647,187
2 Factory Building	364,063,124	1,950,929		366,014,053	5%	252,163,163	5,594,998		108,255,892
3 Plant and Machinery	1,514,599,303	-		1,514,599,303	7.5%	970,044,104	40,841,640		503,713,559
4 Electrical Installation	47,925,076	-		47,925,076	15%	43,953,129	595,792		3,376,155
5 Tubewell and Water Pump	2,463,406	-		2,463,406	15%	2,335,597	19,171		108,638
6 Furniture and Fixtures	3,471,554	-		3,471,554	10%	2,583,598	88,796		799,160
7 Office Equipments	14,633,405	19,215,287		33,848,692	15%	10,689,156	600,278		22,559,258
8 Gas Line Installation	10,618,384	-		10,618,384	15%	9,117,104	225,192		1,276,089
9 Loose Tools and Equipment	24,501,813	-		24,501,813	15%	7,644,182	2,528,645		14,328,986
10 Motor Vehicle	25,644,992	-		25,644,992	15%	18,342,212	1,095,417		6,207,363
11 Telephone (PABX) Installation	501,000	-		501,000	15%	450,797	7,530		42,673
12 Crockeries and Cutlaries	50,777	-		50,777	15%	47,067	557		3,154
13 Generator	126,692,586	-	15,155,250	111,537,336	10%	103,815,074	772,226	14,838,415	21,788,451
14 Fire Installation	253,100	-		253,100	15%	234,612	2,773		15,715
<b>Total (A) as at 30.06.2021</b>	<b>2,220,065,707</b>	<b>21,166,216</b>	<b>15,155,250</b>	<b>2,226,076,673</b>		<b>1,421,419,794</b>	<b>52,373,015</b>	<b>14,838,415</b>	<b>1,458,954,394</b>
<b>Total (A) as at 30.06.2020</b>	<b>2,205,333,412</b>	<b>16,592,295</b>	<b>1,860,000</b>	<b>2,220,065,707</b>		<b>1,365,329,391</b>	<b>57,248,905</b>	<b>1,158,502</b>	<b>798,645,913</b>

## REVALUATED FIXED ASSETS SCHEDULE AS AT 30<sup>TH</sup> JUNE 2021

PARTICULARS	Re-valued cost				RATE	DEPRECIATION			WRITTEN DOWN VALUE AS AT 30.06.2021
	As at 01.07.2020	Addition	Adjustment	As at 30.06.2021		As at 01.07.2020	This year	Adjustment	
<b>(B)- Revaluation of fixed assets :</b>									
1 Land and Land Development	846,018,824		-	846,018,824	-	-	-	-	846,018,824
2 Factory Building	219,355,567		-	219,355,567	5%	91,904,750	6,372,541	-	121,078,277
3 Plant and Machinery	951,297,577		-	951,297,577	7.5%	547,071,486	30,316,957	-	373,909,134
4 Generator	132,146,678		13,178,400	118,968,278	10%	85,618,033	3,335,024	10,190,486	40,205,706
<b>Total (B) as at 30.06.2021</b>	<b>2,148,818,646</b>	<b>-</b>	<b>13,178,400</b>	<b>2,135,640,246</b>	<b>-</b>	<b>724,594,269</b>	<b>40,024,522</b>	<b>10,190,486</b>	<b>1,381,211,940</b>
<b>Total (B) as at 30.06.2020</b>	<b>2,148,818,646</b>	<b>-</b>	<b>-</b>	<b>2,148,818,646</b>	<b>-</b>	<b>679,941,394</b>	<b>44,652,876</b>	<b>-</b>	<b>1,424,224,376</b>
<b>Total (A+B) as at 30.06.2021</b>	<b>4,368,884,353</b>	<b>21,166,216</b>	<b>28,333,650</b>	<b>4,361,716,919</b>		<b>2,146,014,063</b>	<b>92,397,537</b>	<b>25,028,901</b>	<b>2,213,382,699</b>
<b>Total (A+B) as at 30.06.2020</b>	<b>4,354,152,058</b>	<b>16,592,295</b>	<b>1,860,000</b>	<b>4,368,884,353</b>		<b>2,045,270,784</b>	<b>101,901,781</b>	<b>1,158,502</b>	<b>2,222,870,289</b>

### Depreciation Charged to:

Operating Expenses:	1,792,577
Factory Overhead:	90,604,960
	Tk. 92,397,537

# SALEK TEXTILE LIMITED

## DIRECTORS' REPORT

### TO THE SHAREHOLDERS FOR THE YEAR ENDED 30TH JUNE, 2021

#### Dear Shareholders,

In terms of provisions of section 184 of the Companies Act'1994 and IAS (International Accounting Standards) codes as adopted by the Institute of Chartered Accountants of Bangladesh (ICAB), the Board of Directors is pleased to submit its Report to the Shareholders together with Audited Accounts and Auditors' Report thereon, containing Statement of Financial Position, Statement of Profit or Loss and other Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year ended 30 June 2021.

#### BACKGROUND:

The Company was incorporated with RJSC on 9th day of September 2007 as a Private Limited Company. The Authorized Share Capital of the company was increased from Tk.500,000,000.00 divided into 5,000,000 ordinary shares of Tk.100.00 each to Tk.3,000,000,000.00 divided into 30,000,000 ordinary shares of Tk.100.00 each on 14th August, 2013. Subsequently the par value of share has been changed from Tk.100.00 per share to Tk.10.00 per share. The paid-up capital as on 30th June, 2021 stood at Tk.482,608,700.00 consisting of 48,260,870 ordinary shares of Tk.10.00 each.

The Company obtained Consent for raising of Paid-up Capital from Bangladesh Securities and Exchange Commission (BSEC) vide their letter No. BSEC/CI/CPLC (Pvt)-333/2011/446 dated June 24, 2014. To comply the condition No. 9 of the Consent Letter of Bangladesh Securities and Exchange Commission (BSEC) dated June 24, 2014 and to comply the provisions of the Commission's Notification No.SEC/CMRRCD/2006-159/Admin/03-44 dated 05-05-2010 published in the Bangladesh Gazette dated 01-06-2010 though the paid up capital of the company exceeds Tk.400,000,000.00 (Forty crore) the status of the Company has been converted from Private Limited Company to Public Limited Company on 23rd August, 2014 and the face value of per share of the Company also changed from Tk.100.00 each to Tk.10.00 each per share.

The Company is a subsidiary company of Malek Spinning Mills Limited which holds 97.925% share & other sponsors of Malek Spinning Mills Ltd. hold 2.08% share of the company as on 30th June 2021.

Mr. A. F. M. Zubair has been elected as Chairman by the Board of Directors and Mr. A. Matin Chowdhury has been retained as the Managing Director of the company. Mr. Sultan Ahmed FCA, Independent Director of Malek Spinning Mills Limited has been appointed as Independent Director (Non Shareholding).

#### COMMERCIAL OPERATION:

Salek Textile Limited started its commercial operation on 1st day of April 2009. The production capacity of the project is 14,621,000 kgs of yarn, 9,600,000 yards fabric and 6,600,000 Pcs RMG products per annum. The Company manufactures open end yarn for denim and home textile markets and denim RMG.

#### SEGMENT REPORTING:

Salek Textile Limited has geographic and product segment by Spinning, Fabrics & RMG unit and the financial statement has reported showing result and Financial Position each segment according to IFRS-8.

#### COMPANY'S OPERATIONS:

The position of its operating performance for the year ended 30th June, 2021 compared to previous year are given below:

Sl. No. Description	2020-2021 (Kg.)	2019-2020 (Kg.)
01 Production capacity (Yarn)	14,621,000	14,621,000
02 Production capacity (Fabric) yds	9,600,000	9,600,000
03 Production capacity (RMG) Pcs	6,600,000	6,600,000
04 Actual Production (Yarn)	10,184,475	6,526,379
05 Actual Production (Fabric) yds	8,232,314	9,161,793
06 Actual Production (RMG) Pcs	4,206,571	3,897,231
07 Capacity Utilization (Yarn)	69.66%	44.64%

08	Capacity Utilization (Fabric)	85.75%	95.44%
09	Capacity Utilization (RMG)	63.73%	59.05%
10	Quantity Sold (kg) Yarn	10,682,160	6,056,121
11	Quantity Sold (yds) Fabric	7,608,628	9,189,466
12	Quantity Sold (RMG) Pcs	3,932,075	3,677,868
13	Sales Revenue (Tk.) Yarn	2,156,254,099	1,051,014,087
14	Sales Revenue (Tk.) Fabric	1,373,548,572	1,562,855,002
15	Sales Revenue (Tk.) RMG	1,985,649,745	1,875,248,659
16	Average selling price (Tk.) Yarn	201.87	173.55
17	Average selling price (Tk.) Fab.	180.53	170.07
18	Average selling price (Tk.) RMG	504.99	509.87

- RMG production capacity included 2 shift operation

#### CAPITAL EXPENDITURES:

The following Capital Expenditure was incurred during the last two years:

Description	2020-2021 (Tk.)	2019-2020 (Tk.)
Land and Land Development	--	--
Factory Building	25,995,295	93,067,151
Plant and Machinery	360,349,596	605,347,161
Motor Vehicle	--	--
Office Equipments	5,284,442	2,927,173
Furniture & Fixtures	253,740	4,548,449
Electrical Installation	9,116,047	5,036,745
Gas Line Installation	5,500,000	12,286,942
Fire Installation	5,804,640	374,000
Tools and Equipment	--	261,200
Right to use of Asset	--	206,481,234
<b>Total</b>	<b>412,303,761</b>	<b>930,330,055</b>

#### SHAREHOLDING:

The Shareholding Position of different shareholders as at 30th June 2021 are as follows:

Name of Shareholders	No. of share hold	% of Holding
Malek Spinning Mills Limited	47,259,700 shares	97.9255%
Mr. A. Matin Chowdhury	489,780 shares	1.0149%
Dr. Shamim Matin Chowdhury	339,340 shares	0.7031%
Mr. A.F.M. Zubair	169,830 shares	0.3519%
Ms. Saima Matin Chowdhury	410 shares	0.0008%
Mr. Azizur R. Chowdhury	510 shares	0.0011%
Mr. Moshiur Rahman	650 shares	0.0013%
Mr. Shyan Zubair	650 shares	0.0013%
<b>Total</b>	<b>48,260,870 shares</b>	<b>100%</b>

#### FINANCIAL RESULTS:

The company's operating financial results, as compared to the previous year are summarized as follows:

*Tk. in million*

Description	2020-2021	2019-2020
Sales	4,565.98	3,878.85
Cost of goods sold	4,142.31	3,721.02
<b>Gross profit</b>	<b>423.67</b>	<b>157.82</b>
Operating expenses	118.69	94.64
Financial Expenses	255.19	279.44
<b>Operating profit</b>	<b>49.79</b>	<b>(216.25)</b>
Contribution to WPPF	5.36	--
Provision for Income Tax	26.91	28.61
<b>Net profit</b>	<b>60.85</b>	<b>(294.65)</b>
Gross Margin Ratio	9.28%	4.07%
Net Margin Ratio	1.33%	(7.60%)
Earnings per share (Tk.)	1.26	(6.11)

**APPROPRIATION OF PROFIT:**

The Board of Directors recommended for appropriation of profit as follows:

Net Profit during the year 2020-2021	Tk. 60,854,435
Add: Balance of profit B/F from previous year	Tk. 862,157,251
Add: Transfer of excess depreciation of revalued assets	Tk. 13,332,760
<b>Total net free surplus available for appropriation</b>	<b>Tk. 936,344,446</b>
<b>Appropriation Proposed:</b>	
Proposed Dividend	Nil
<b>Balance carried forward to Balance Sheet as Retained Earnings</b>	<b>Tk. 936,344,446</b>

**DECLARATION OF DIVIDEND:**

In order to strengthen the financial position of the company during the year 2020-2021 no dividend be and is recommended by the Board of Directors. The entire net profit will be transferred to general reserves and the balance of general reserve amounting Tk.936,344,446.00 be and is transferred as Retained Earnings in the Statement of Financial Position.

**APPOINTMENT OF DIRECTORS:****Rotation of Directors:**

Pursuant to Article 117 of the Articles of Association of the Company Dr. Shamim Matin Chowdhury, Director and Mr. Azizur R. Chowdhury, Director will retire by rotation and being eligible as per Article 119 of the Articles of Association of the Company they offered themselves for re-election.

**APPOINTMENT OF AUDITORS:**

The existing Auditor, M/s Malek Siddiqui Wali, Chartered Accountants would retire at the 14th Annual General Meeting and being eligible, they offered themselves for re-appointment as Auditors for the year 2021-2022 with re-fixation of their remuneration.

**BOARD MEETINGS:**

During the period 2020-2021, Seven (07) Board meetings were held. The attendance record of the Directors are as follows:

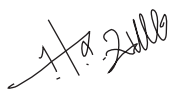
Name of Directors	Position	Meeting held	Attended
Mr. A.F.M. Zubair	Chairman	07	05
Mr. A. Matin Chowdhury	Managing Director	07	07
Dr. Shamim Matin Chowdhury	Director	07	07
Mr. Azizur R. Chowdhury	Director	07	07
Ms. Saima Matin Chowdhury	Director	07	03
Mr. Shyan Zubair	Director	07	03
Mr. Moshir Rahman	Director	07	07
Mr. Sultan Ahmed FCA	Independent Director (Non Shareholding)	07	06

**ACKNOWLEDGEMENT:**

The Directors are pleased to record with appreciation and gratitude the co-operation and support provided by Shareholders, Customers, Bankers, Suppliers, Workers and Employees of the company without whose active support the result would not have been possible.

Looking forward for a bright future for all of us.

On behalf of the Board of Directors,



**A.F.M. Zubair**  
Chairman



**Malek Siddiqui Wali**  
CHARTERED ACCOUNTANTS  
9-G, Motijheel C/A, 2<sup>nd</sup> Floor,  
Dhaka-1000, Bangladesh.

মালেক সিদ্দিকী ওয়ালী, চার্টার্ড একাউন্টেন্টস

৯-জি, মতিঝিল বানিজ্যিক এলাকা, ঢাকা-১০০০

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## **Independent Auditors' Report To the shareholders of Salek Textile Limited Report on the Audit of the Financial Statements**

### **Opinion**

We have audited the financial statements of **Salek Textile Limited** which comprise the financial position as at June 30, 2021, the Statement of Profit or Loss and Other Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements present fairly, in all material respects, of the financial position of the company as at June 30, 2021, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs), the Companies Act 1994 and other applicable laws and regulations.

### **Basis for Opinion**

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Emphasis Matter of Paragraph:**

With reference to the no. 34.2, a contingent asset of Tk. 304,791,187 in respect of fire insurance claim as result of fire incident happened at company's factory premises (Fabrics Unit). The effect of fire incident, some of company's Inventory of Tk. 58,346,808 and Property, Plant & Equipment of Tk. 246,444,379 at carrying value/written down value has been destroyed. All of these assets (Inventory and Property, Plant & Equipment) are under the comprehensive insurance coverage. An inspection has been completed by surveyor. As per directors' assessment, the insurance claim recover through shall be at least equal to the carrying value. No other information come to our attention. Our report is not qualified in this respect.

### **Responsibilities of Management and Those Charged with Governance for the Financial Statements and Internal Controls:**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards (IFRSs), the Companies Act 1994 and other applicable laws and regulations and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

### **Auditors' Responsibilities for the Audit of the Financial Statements:**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

### **Report on other Legal and Regulatory Requirements:**

In accordance with the Companies Act 1994, we also report that:

- a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit and made due verification thereof;
- b) In our opinion, proper books of accounts, records and other statutory books as required by law have been kept by the Company so far as it appeared from our examinations of those books;
- c) The Statement of Financial Position and Statement of profit and loss and other comprehensive Income, of the Company dealt with by the report are in agreement with the books of account and returns; and
- d) The expenditures incurred and payments made were for the purpose of the company's business.

**Malek Siddiqui Wali**, Chartered Accountants

Dated, Dhaka  
October 27, 2021



Md. Waliullah, FCA  
Enrolment No: 0247

**Data Verification Code (DVC) No.**

**2110280247AS501334**



**SALEK TEXTILE LIMITED**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT 30<sup>TH</sup> JUNE 2021**

	Amount in Taka	
Particulars	JUNE'21	JUNE'20
<b>ASSETS :</b>		
Non-Current Assets:		
Property, Plant and Equipment	3,423,599,553	3,509,690,830
Capital Work-in-Progress	-	3,414,308
Goodwill	168,600,020	168,600,020
	<b><u>3,592,199,573</u></b>	<b><u>3,681,705,158</u></b>
<b>Current Assets :</b>		
Inventories	1,996,816,179	1,957,768,818
Advance, Deposit and Pre-Payments	623,391,835	579,234,375
Accounts Receivable	1,551,091,902	1,285,416,244
Fire Insurance Claimed Receivable	304,791,187	-
Cash and Cash Equivalents	571,758,986	174,110,740
	<b><u>5,047,850,089</u></b>	<b><u>3,996,530,177</u></b>
<b>TOTAL ASSETS :</b>	<b><u>8,640,049,662</u></b>	<b><u>7,678,235,335</u></b>
<b>SHAREHOLDER'S EQUITY AND LIABILITIES:</b>		
<b>Shareholder's Equity :</b>		
Share Capital	482,608,700	482,608,700
Share Premium	601,754,814	601,754,814
Re-valuation Surplus	366,470,108	379,802,868
Tax Holiday Reserve	215,491,736	215,491,736
Retained Earnings	936,344,446	862,157,251
	<b><u>2,602,669,804</u></b>	<b><u>2,541,815,369</u></b>
<b>Non-Current Liabilities:</b>		
Long Term Loan	1,823,505,722	1,369,290,722
Deferred Tax Liabilities	150,664,478	128,847,001
	<b><u>1,974,170,200</u></b>	<b><u>1,498,137,723</u></b>
<b>Current Liabilities :</b>		
Short Term Loan	1,074,628,132	664,420,041
Current Portion of Long Term Loan	319,774,303	317,628,423
Acceptance Liabilities	1,744,081,698	1,668,224,189
Creditors, Accruals & Provisions	924,725,525	988,009,590
	<b><u>4,063,209,658</u></b>	<b><u>3,638,282,243</u></b>
<b>TOTAL SHAREHOLDER'S EQUITY AND LIABILITIES :</b>	<b><u>8,640,049,662</u></b>	<b><u>7,678,235,335</u></b>
<b>Net Assets Value Per Share (NAV)</b>	<b>53.93</b>	<b>52.67</b>
Par Value Tk.10		

These financial statements were approved by the Board of Directors on October 27, 2021 and were signed on it's behalf by.

  
**A. Matin Chowdhury**  
 Managing Director

  
**Azizur R. Chowdhury**  
 Director

  
**B.K. Chaki**  
 Chief Financial Officer

  
**Syed Saiful Haque**  
 Company Secretary

As per our report of same date

Dhaka  
 October 27, 2021

  
**Malek Siddiqui Wali**  
 Chartered Accountants

**SALEK TEXTILE LIMITED**  
**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED 30<sup>TH</sup> JUNE 2021**


Amount in Taka

<u>Particulars</u>	<u>Spinning Unit</u>	<u>Fabrics Unit</u>	<u>RMG Unit</u>	<u>JUNE'21</u>	<u>JUNE'20</u>
Sales	2,156,254,099	1,373,548,572	1,985,649,745	4,565,984,130	3,878,848,444
Cost of Goods Sold	(1,948,379,721)	(1,234,112,550)	(1,909,284,936)	(4,142,308,921)	(3,721,020,413)
<b>Gross Profit/(Loss) :</b>	<b>207,874,378</b>	<b>139,436,022</b>	<b>76,364,809</b>	<b>423,675,209</b>	<b>157,828,030</b>
Operating Expenses	(55,893,333)	(32,117,457)	(30,681,262)	(118,692,052)	(94,640,378)
Financial Expenses	(45,611,751)	(125,653,869)	(83,927,098)	(255,192,718)	(279,436,627)
<b>Operating Profit/(Loss) :</b>	<b>106,369,294</b>	<b>(18,335,304)</b>	<b>(38,243,551)</b>	<b>49,790,439</b>	<b>(216,248,974)</b>
Other Income/(Loss)	(498,342)	25,073,681	18,760,907	43,336,246	(49,797,561)
<b>Net Operating Profit/(Loss) :</b>	<b>105,870,952</b>	<b>6,738,377</b>	<b>(19,482,644)</b>	<b>93,126,685</b>	<b>(266,046,535)</b>
Contribution to WPPF	(5,041,474)	(320,875)	-	(5,362,349)	-
<b>Profit/(Loss) before Tax :</b>	<b>100,829,478</b>	<b>6,417,502</b>	<b>(19,482,644)</b>	<b>87,764,336</b>	<b>(266,046,535)</b>
<b>Income Tax :</b>	<b>(15,130,202)</b>	<b>(6,829,366)</b>	<b>(4,950,332)</b>	<b>(26,909,901)</b>	<b>(28,608,226)</b>
Current Tax	(614,002)	(2,600,411)	(1,878,012)	(5,092,424)	(25,929,549)
Deferred Tax	(14,516,201)	(4,228,956)	(3,072,320)	(21,817,477)	(2,678,677)
<b>Net Profit/(Loss) after tax</b>	<b>85,699,275</b>	<b>(411,864)</b>	<b>(24,432,976)</b>	<b>60,854,435</b>	<b>(294,654,761)</b>
Other Comprehensive Income	-	-	-	-	-
<b>Total Comprehensive Income</b>	<b>85,699,275</b>	<b>(411,864)</b>	<b>(24,432,976)</b>	<b>60,854,435</b>	<b>(294,654,761)</b>
<b>Earnings Per Share (EPS)</b>				<b>1.26</b>	<b>(6.11)</b>
Par Value Tk.10					
<b>Number of Shares used to compute EPS</b>				<b>48,260,870</b>	<b>48,260,870</b>

These financial statements were approved by the Board of Directors on October 27, 2021 and were signed on it's behalf by.

  
**A. Matin Chowdhury**  
 Managing Director

  
**Azizur R. Chowdhury**  
 Director

  
**B.K. Chaki**  
 Chief Financial Officer

  
**Syed Saiful Haque**  
 Company Secretary

As per our report of same date

Dhaka  
 October 27, 2021

  
**Malek Siddiqui Wali**  
 Chartered Accountants

**SALEK TEXTILE LIMITED**  
**STATEMENT OF CHANGES IN EQUITY**

**FOR THE YEAR ENDED 30<sup>TH</sup> JUNE 2021**

Particulars	Share Capital	Share Premium	Tax Holiday Reserve	Revaluation Surplus of Fixed Assets	Retained Earnings	Total
Balance as at 1st July 2020	482,608,700	601,754,814	215,491,736	379,802,868	862,157,251	2,541,815,369
Net Profit/(Loss) during the year					60,854,435	60,854,435
Transfer of excess depreciation of Revalued Assets				(13,332,760)	13,332,760	-
<b>As at 30th June 2021</b>	<b>482,608,700</b>	<b>601,754,814</b>	<b>215,491,736</b>	<b>366,470,108</b>	<b>936,344,446</b>	<b>2,602,669,804</b>

**FOR THE YEAR ENDED 30<sup>TH</sup> JUNE 2020**

Particulars	Share Capital	Share Premium	Tax Holiday Reserve	Revaluation Surplus of Fixed Assets	Retained Earnings	Total
Balance as at 1st July 2019	482,608,700	601,754,814	215,491,736	394,496,839	1,142,118,041	2,836,470,130
Net Profit/(Loss) during the year					(294,654,761)	(294,654,761)
Transfer of excess depreciation of Revalued Assets				(14,693,971)	14,693,971	-
<b>As at 30th June 2020</b>	<b>482,608,700</b>	<b>601,754,814</b>	<b>215,491,736</b>	<b>379,802,868</b>	<b>862,157,251</b>	<b>2,541,815,369</b>


These financial statements were approved by the Board of Directors on October 27, 2021 and were signed on it's behalf by.



**A. Matin Chowdhury**  
Managing Director



**Azizur R. Chowdhury**  
Director



**B.K. Chaki**  
Chief Financial Officer



**Syed Saiful Haque**  
Company Secretary

As per our report of same date



**Malek Siddiqui Wali**  
Chartered Accountants

Dhaka  
October 27, 2021

**SALEK TEXTILE LIMITED**  
**STATEMENT OF CASH FLOWS**

**FOR THE YEAR ENDED 30<sup>TH</sup> JUNE 2021**

<u>PARTICULARS</u>	Amount in Taka	
	<u>JUNE'21</u>	<u>JUNE'20</u>
<b>CASH FLOW FROM OPERATING ACTIVITIES :</b>		
Collection from Turnover & Bills Receivable	4,300,308,472	3,955,536,543
Payment for Raw Materials, Indirect Materials and other expenses	(4,010,879,802)	(3,440,798,381)
Foreign currency exchange Gain/(Loss) realized	125,723	(48,161)
Other Income	43,864,315	31,346,170
Payment to Employee against contribution to WPPF	-	(51,911,736)
Payment for Operating Expenses	(112,810,706)	(87,504,580)
Payment of Financial Expenses	(254,598,890)	(258,632,757)
Payment for Income Tax	(26,440,384)	(22,967,815)
<b>Net Cash provided/(used) by Operating Activities</b>	<b>(60,431,272)</b>	<b>125,019,284</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES :</b>		
Acquisition of Fixed Assets	(384,385,741)	(394,748,138)
Aquisition of Capital work in progress	(24,503,711)	(36,851,468)
Disposal of Fixed Assets	400,000	10,000,000
<b>Net cash used in Investing Activities</b>	<b>(408,489,452)</b>	<b>(421,599,606)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES :</b>		
Bank Loan Increase/(Decrease)	866,568,971	291,857,269
<b>Net cash provided/(used) by Financing Activities</b>	<b>866,568,971</b>	<b>291,857,269</b>
<b>Increase/(Decrease) in Cash and Cash Equivalents</b>	<b>397,648,246</b>	<b>(4,723,053)</b>
Opening Cash and Cash Equivalents	174,110,740	178,700,383
Foreign Currency Bank deposit translation Gain/(Loss)	-	133,410
<b>Closing Cash and Cash Equivalents</b>	<b>571,758,986</b>	<b>174,110,740</b>
<b>Net Operating Cash Flow Per Share (NOCFPS)</b>	<b>(1.25)</b>	<b>2.59</b>

Par Value Tk.10

These financial statements were approved by the Board of Directors on October 27, 2021 and were signed on it's behalf by.



**A. Matin Chowdhury**  
Managing Director



**Azizur R. Chowdhury**  
Director



**B.K. Chaki**  
Chief Financial Officer



**Syed Saiful Haque**  
Company Secretary

As per our report of same date



**Malek Siddiqui Wali**  
Chartered Accountants

Dhaka  
October 27, 2021

# NEWASIA SYNTHETICS LIMITED

## DIRECTORS' REPORT TO THE SHAREHOLDERS FOR THE YEAR ENDED 30TH JUNE, 2021

### Dear Shareholders,

The directors are pleased to present their report on the activities of the company together with the Audited Accounts and Auditors' Report thereon containing Statement of Financial Position, Statement of Profit or Loss and other Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year ended 30 June 2021.

### REFERRAL:

In terms of the provisions of section 184 of the Companies Act'1994 and IAS (International Accounting Standards) codes as adopted by the Institute of Chartered Accountants of Bangladesh (ICAB), it is the pleasure of the Board of Directors to submit its report to the Shareholders for the year ended 30 June 2021 in the following paragraphs:

### BACKGROUND:

The Company was incorporated with RJSC on 30th day of July 2008 as a Private Limited Company and subsequently on October 24, 2009 it was converted into a Public Limited Company. The Authorized Share Capital of the company has also been increased from Tk. 500,000,000.00 to Tk.5,000,000,000.00 divided into 50,000,000 ordinary shares of Tk.100.00 each. The paid-up capital as on 30th June, 2021 stood at Tk.660,000,000.00 consisting of 6,600,000 ordinary shares of Tk.100.00 each. The company had increased its paid up capital from Tk.500,000,000.00 to Tk.660,000,000.00 on 20th December 2020.

The Company is a subsidiary company of Malek Spinning Mills Limited which holds 99.293% share & other sponsors of Malek Spinning Mills Ltd. hold 0.707% share of the company.

Mr. A. Matin Chowdhury is the Chairman of the Company and Dr. Shamim Matin Chowdhury is the Managing Director of the Company. Mr. Sultan Ahmed FCA, Independent Director of Malek Spinning Mills Limited has been appointed as Independent Director (Non Shareholding) of the Company.

### COMPANY'S OPERATION AND FINANCIAL RESULTS:

The following capital expenditure was incurred in the year 2020-2021 & 2019-2020.

Description	2020-2021 (Tk.)	2019-2020 (Tk.)
Land and Land Development	926,682	24,798,369
<b>Total</b>	<b>926,682</b>	<b>24,798,369</b>

### IMPLEMENTATION SCHEDULE:

The project was undertaken to set up a PET Granule (Bottle grade & Industrial grade) and Polyester Staple Fibre manufacturing unit in the name of Newasia Synthetics Ltd. As on 30th June 2021, MSML is the holder of 99.293% shares of Newasia Synthetics Limited i.e. 6,553,338 shares of Tk.100.00 each total Tk.655,333,800.00 out of 6,600,000 shares of Tk.100.00 each total Tk.660,000,000.00. The project could not started due to failure of Gas connection by Titas Gas Transmission & Distribution Company Ltd., the project has been shelved until the Gas connection is provided.

### APPOINTMENT OF DIRECTORS:

#### Rotation of Directors:

Pursuant to Article 117 of the Articles of Association of the Company Dr. Shamim Matin Chowdhury, Director and Mr. Moshir Rahman, Director will retire by rotation and being eligible as per Article 119 of the Articles of Association of the Company they offered themselves for re-election.

**APPOINTMENT OF AUDITORS:**

The existing Auditor, M/s. Malek Siddiqui Wali, Chartered Accountants would retire at the 13th Annual General Meeting and being eligible, have offered themselves for re-appointment as Auditors for the year 2021-2022 with re-fixation of their remuneration.

**BOARD MEETINGS:**

During the year 2020-2021, Seven (07) Board meetings were held. The attendance record of the Directors are as follows:

Name of Directors	Position	Meeting held	Attended
Mr. A. Matin Chowdhury	Chairman	07	07
Dr. Shamim Matin Chowdhury	Managing Director	07	07
Mr. A. F. M. Zubair	Director	07	05
Mr. Moshiur Rahman	Director	07	07
Mr. Sultan Ahmed FCA	Independent Director (Non Shareholding)	07	07

**FINANCIAL ACCOUNTS:**

As the Company did not commence production & marketing but Tk.2,840,344 collected from Agriculture as other income. On the other hand operating and financial expenses stood at Tk.3,617,881. As a result Net Loss incurred Tk.777,537 in the Statement of Profit or Loss and other Comprehensive Income for the year ended on 30th June, 2021.

**ACKNOWLEDGEMENT:**

The Directors are pleased to record with appreciation and gratitude the co-operation and support provided by Shareholders of the company.

Looking forward for a bright future for all of us.

On behalf of the Board of Directors,



**A. Matin Chowdhury**

Chairman





**Malek Siddiqui Wali**  
CHARTERED ACCOUNTANTS  
9-G, Motijheel C/A, 2<sup>nd</sup> Floor,  
Dhaka-1000, Bangladesh.

মালেক সিদ্দিকী ওয়ালী, চার্টার্ড একাউন্টেন্টস  
৯-জি, মতিঝিল বানিজ্যিক এলাকা, ঢাকা-১০০০

Phone : 9513471, 9569867  
PABX : 9576118-9, 9576128  
Fax : +88-02-9516236  
E-mail : wali@satcombd.com  
Web : www.msw-bd.com

## **Independent Auditor's Report** **To the shareholders of Newasia Synthetics Limited** **Report on the Audit of the Financial Statements**

### **Opinion**

We have audited the financial statements of **Newasia Synthetics Limited** which comprise the financial position as at June 30, 2021, the Statement of Profit or Loss and Other Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements present fairly, in all material respects, of the financial position of the company as at June 30, 2021, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs), the Companies Act 1994 and other applicable laws and regulations.

### **Basis for Opinion**

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our Opinion.

### **Responsibilities of Management and Those Charged with Governance for the Financial Statements and Internal Controls:**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards (IFRSs), the Companies Act 1994 and other applicable laws and regulations and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

### **Auditors' Responsibilities for the Audit of the Financial Statements:**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

#### **Report on other Legal and Regulatory Requirements:**

In accordance with the Companies Act 1994, we also report that:

- a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit and made due verification thereof;
- b) In our opinion, proper books of accounts, records and other statutory books as required by law have been kept by the Company so far as it appeared from our examinations of those books;
- c) The Statement of Financial Position and Statement of profit and loss and other comprehensive Income, of the Company dealt with by the report are in agreement with the books of account and returns; and
- d) The expenditures incurred and payments made were for the purpose of the company's business.

**Malek Siddiqui Wali**, Chartered Accountants

Dated, Dhaka  
October 27, 2021

**Data Verification Code (DVC) No.**

  
Md. Waliullah, FCA  
Enrolment No: 0247  
**2110280247AS561246**

# NEWASIA SYNTHETICS LIMITED

## STATEMENT OF FINANCIAL POSITION

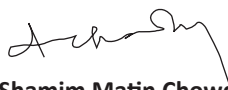
AS AT 30<sup>TH</sup> JUNE 2021

Particulars	Amount in Taka	
	JUNE'21	JUNE'20
<b>ASSETS :</b>		
<b>Non-Current Assets :</b>		
Property Plant & Equipment	2,139,379,345	2,139,166,366
	<b>2,139,379,345</b>	<b>2,139,166,366</b>
<b>Current Assets :</b>		
Advance, Deposit and Pre-Payments	5,003,073	891,843
Cash and Cash Equivalents	26,524,430	788,751
	<b>31,527,503</b>	<b>1,680,594</b>
<b>TOTAL ASSETS :</b>	<b>2,170,906,848</b>	<b>2,140,846,960</b>
<b>SHAREHOLDER'S EQUITY AND LIABILITIES:</b>		
<b>Shareholder's Equity :</b>		
Share Capital	660,000,000	500,000,000
Re-valuation Surplus	1,341,650,365	1,341,650,365
Retained Earnings	(22,537,317)	(21,759,780)
	<b>1,979,113,048</b>	<b>1,819,890,585</b>
<b>Current Liabilities :</b>		
Creditors & Accruals	191,793,800	320,956,375
	<b>191,793,800</b>	<b>320,956,375</b>
<b>TOTAL SHAREHOLDER'S EQUITY AND LIABILITIES :</b>	<b>2,170,906,848</b>	<b>2,140,846,960</b>
<b>Net Assets Value Per Share (NAV)</b>	<b>299.87</b>	<b>363.98</b>
Par Value Tk.100		

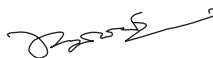
These financial statements were approved by the Board of Directors on October 27, 2021 and were signed on it's behalf by.



**A. Matin Chowdhury**  
Chairman



**Dr. Shamim Matin Chowdhury**  
Managing Director



**B.K. Chaki**  
Chief Financial Officer



**Syed Saiful Haque**  
Company Secretary

As per our report of same date



**Malek Siddiqui Wali**  
Chartered Accountants

Dhaka  
October 27, 2021

**NEWASIA SYNTHETICS LIMITED**  
**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED 30<sup>TH</sup> JUNE 2021**

Particulars	Amount in Taka	
	JUNE'21	JUNE'20
Sales	-	-
Cost of Goods Sold	-	-
<b>Gross Profit/(Loss) :</b>	<b>-</b>	<b>-</b>
Operating Expenses	(3,573,151)	(2,582,341)
Financial Expenses	(44,730)	(8,120)
<b>Operating Profit/(Loss) :</b>	<b>(3,617,881)</b>	<b>(2,590,461)</b>
Other Income/(Loss)	2,840,344	-
<b>Net Operating Profit/(Loss) :</b>	<b>(777,537)</b>	<b>(2,590,461)</b>
Provision for Contribution to WPPF	-	-
<b>Profit/(Loss) before Tax :</b>	<b>(777,537)</b>	<b>(2,590,461)</b>
<b>Income Tax :</b>	<b>-</b>	<b>-</b>
Current Tax	-	-
Deferred Tax	-	-
<b>Net Profit/(Loss) after tax</b>	<b>(777,537)</b>	<b>(2,590,461)</b>
Other Comprehensive Income	-	-
<b>Total Comprehensive Income</b>	<b>(777,537)</b>	<b>(2,590,461)</b>
<b>Earnings Per Share (EPS)</b>	<b>(0.12)</b>	<b>(0.52)</b>
Par Value Tk.100		
<b>Number of Shares used to compute EPS</b>	<b>6,600,000</b>	<b>5,000,000</b>

These financial statements were approved by the Board of Directors on October 27, 2021 and were signed on it's behalf by.

  
**A. Matin Chowdhury**  
Chairman

  
**Dr. Shamim Matin Chowdhury**  
Managing Director

  
**B.K. Chaki**  
Chief Financial Officer

  
**Syed Saiful Haque**  
Company Secretary

As per our report of same date

Dhaka  
October 27, 2021

  
**Malek Siddiqui Wali**  
Chartered Accountants

**NEWASIA SYNTHETICS LIMITED**  
**STATEMENT OF CHANGES IN EQUITY**  
**FOR THE YEAR ENDED 30<sup>TH</sup> JUNE 2021**

Particulars	Share Capital	Revaluation Surplus of Fixed Assets	Share Money Deposit	Retained Earnings	Total
Balance as on 1st July 2020	500,000,000	1,341,650,365	-	(21,759,780)	1,819,890,585
Issuance of Share Capital	160,000,000	-	-	-	160,000,000
Net Profit/(Loss) during the year				(777,537)	(777,537)
<b>As at 30th June 2021</b>	<b>660,000,000</b>	<b>1,341,650,365</b>	<b>-</b>	<b>(22,537,317)</b>	<b>1,979,113,048</b>

**FOR THE YEAR ENDED 30<sup>TH</sup> JUNE 2020**

Particulars	Share Capital	Revaluation Surplus of Fixed Assets	Share Money Deposit	Retained Earnings	Total
Balance as on 1st July 2019	500,000,000	1,341,650,365	-	(19,169,319)	1,822,481,046
Net Profit/(Loss) during the year				(2,590,461)	(2,590,461)
<b>As at 30th June 2020</b>	<b>500,000,000</b>	<b>1,341,650,365</b>	<b>-</b>	<b>(21,759,780)</b>	<b>1,819,890,585</b>

These financial statements were approved by the Board of Directors on October 27, 2021 and were signed on it's behalf by.

  
**A. Matin Chowdhury**  
Chairman

  
**Dr. Shamim Matin Chowdhury**  
Managing Director

  
**B.K. Chaki**  
Chief Financial Officer

  
**Syed Saiful Haque**  
Company Secretary

As per our report of same date

  
**Malek Siddiqui Wali**  
Chartered Accountants

Dhaka  
October 27, 2021

**NEWASIA SYNTHETICS LIMITED**  
**STATEMENT OF CASH FLOWS**

FOR THE YEAR ENDED 30<sup>TH</sup> JUNE 2021

PARTICULARS	Amount in Taka	
	JUNE'21	JUNE'20
<b>CASH FLOW FROM OPERATING ACTIVITIES :</b>		
Other Income/(Loss)	2,857,339	-
Payment for Operating Expenses	(3,276,443)	(2,107,208)
Accounts Payable Increased/(Decreased)	37,425	(1,831)
Payment for Financial Expenses	(44,730)	(8,120)
<b>Net Cash provided/(used) by Operating Activities</b>	<b>(426,409)</b>	<b>(2,117,159)</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES :</b>		
Acquisition of Fixed Assets	(5,037,912)	(13,833,215)
Disposal of Fixed Assets	400,000	-
<b>Net Cash used in Investing Activities</b>	<b>(4,637,912)</b>	<b>(13,833,215)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES :</b>		
Issuance Share Capital	160,000,000	-
Advance received/payment from Malek Spinning Mills Ltd	(129,200,000)	16,100,000
<b>Net cash provided/(used) by Financing Activities</b>	<b>30,800,000</b>	<b>16,100,000</b>
<b>Increase/(Decrease) in Cash and Cash Equivalents</b>	<b>25,735,679</b>	<b>149,626</b>
Opening Cash and Cash Equivalents	788,751	639,125
<b>Closing Cash and Cash Equivalents</b>	<b>26,524,430</b>	<b>788,751</b>
<b>Net Operating Cash Flow Per Share (NOCFPS)</b>	<b>(0.06)</b>	<b>(0.42)</b>
Par Value Tk.100		

These financial statements were approved by the Board of Directors on October 27, 2021 and were signed on it's behalf by.

  
**A. Matin Chowdhury**  
Chairman

  
**Dr. Shamim Matin Chowdhury**  
Managing Director

  
**B.K. Chaki**  
Chief Financial Officer

  
**Syed Saiful Haque**  
Company Secretary

As per our report of same date



Dhaka  
October 27, 2021

**Malek Siddiqui Wali**  
Chartered Accountants



**J.M. FABRICS LIMITED**  
**DIRECTORS' REPORT**  
**TO THE SHAREHOLDERS FOR THE YEAR ENDED 30TH JUNE, 2021**

**Dear Shareholders,**

In terms of provisions of section 184 of Companies Act'1994 and IAS (International Accounting Standards) codes as adopted by the Institute of Chartered Accountants of Bangladesh (ICAB), the Board of Directors is pleased to submit its Report to the Shareholders together with Audited Accounts and Auditors' Report thereon, containing Statement of Financial Position, Statement of Profit or Loss and Other Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year ended 30 June 2021.

**BACKGROUND:**

The Company was incorporated with RJSC on 25th day of May 2005 as a Private Limited Company. The Authorized Share Capital of the company is Tk.500,000,000.00 divided into 5,000,000 ordinary shares of Tk.100.00 each. The paid-up capital as on 30th June, 2021 stood at Tk.400,000,000.00 consisting of 4,000,000 ordinary shares of Tk.100.00 each of which 3,999,900 shares of Tk.100.00 each was held by Malek Spinning Mills Limited.

The Company is a subsidiary company of Malek Spinning Mills Limited which holds 99.998% share & another sponsor of Malek Spinning Mills Ltd. holds 0.002% share of the company as on 30th June 2021.

Mr. A. Matin Chowdhury is the Chairman of the Company and Mr. Azizur R. Chowdhury is the Managing Director of the Company. Mr. Sultan Ahmed FCA, Independent Director of Malek Spinning Mills Limited has been appointed as Independent Director (Non Shareholding).

**COMMERCIAL OPERATION:**

J. M. Fabrics Limited started its commercial operation on 18th day of August 2007. The Company is engaged in the production of 100% export oriented garments and knit fabric with a production capacity of 18 Metric Tons dyed fabric and 74 (seventy four) lines of cutting and sewing operation with all necessary facilities, storage etc. The company has set up a project named "Seamless Garments" within the same premises in 2018-2019 and this has been started in commercial operation in the year 2019-2020.

**COMPANY'S OPERATIONS:**

The position of its operating performance for the year ended 30th June, 2021 is given below:

**( 1 ) CAPACITY/PRODUCTION**

The Company's installed estimated production capacity is 54,475,200 Pcs. of Basic T-Shirt, Polo-Shirt & Intimate Seamless Garments per annum. Due to increase of RMG products order quantity, we had to increase production line. As a result total number of production quantity increased. A comparative position of its operating performance is given below:

<b>Sl. No. Description</b>	<b>2020-2021 (Pcs.)</b>	<b>2019-2020 (Pcs.)</b>
01 Production capacity	54,475,200	44,880,000
02 Actual Production	42,475,688	30,302,781
03 Capacity Utilization	77.97%	67.52%
04 Quantity Sold (Pcs.)	48,026,980	27,676,319
05 Sales Revenue (Tk.)	7,995,720,932	3,599,525,545
06 Average selling price (Tk.)	166.48	130.06

**CAPITAL EXPENDITURES:**

The following Capital Expenditure was incurred during the year 2020-2021 as compared to the previous year:

<b>Description</b>	<b>2020-2021 (Tk.)</b>	<b>2019-2020 (Tk.)</b>
Factory Building	--	132,506,772
Plant and Machinery	615,139,323	121,479,090
Office Equipments	17,119,094	19,010,707
Furniture & Fixtures	17,349,390	1,609,581
Utilities Facility	20,067,087	50,728,977
Transport Facility	6,038,372	--
<b>Total</b>	<b>675,713,266</b>	<b>325,335,129</b>

**SHAREHOLDING:**

The Shareholding Position of different shareholders as at 30th June 2021 are as follows:

Name of Shareholders	No. of share held
Malek Spinning Mills Limited	3,999,900 shares
Mr. A.F.M. Zubair	100 shares
<b>Total</b>	<b>4,000,000 shares</b>

**FINANCIAL RESULTS:**

The company's operating financial results, as compared to the previous year are summarized as follows:

*Tk. in million*

Description	2020-2021	2019-2020
Turnover	7,995.72	3,599.53
Cost of goods sold	7,477.99	3,363.61
<b>Gross profit</b>	<b>517.73</b>	<b>235.92</b>
General and Administrative Expenses	51.86	42.28
<b>Operating profit</b>	<b>465.87</b>	<b>193.64</b>
Other income	55.99	50.82
Financial Cost	144.87	166.52
<b>Net Profit before provision of WPPF</b>	<b>376.99</b>	<b>77.95</b>
<b>Net Profit before tax</b>	<b>376.99</b>	<b>77.95</b>
Provision for Income Tax	34.88	39.88
<b>Net profit after tax</b>	<b>342.10</b>	<b>38.07</b>
Gross Margin Ratio	6.48%	6.55%
Net Margin Ratio	4.28%	1.06%
Earnings per share (Tk.)	85.53	9.52

**APPROPRIATION OF PROFIT:**

The Board of Directors recommended for appropriation of profit as follows:

Net Profit (after tax provision) during the year 2020-2021	Tk.342,104,520
Add: Profit brought forward from previous year balance sheet	Tk.426,022,705
Add: Adjustment of disposal of revalued fixed assets	Tk. 220,923
Add: Adjustment of excess depreciation of revalued assets	Tk. 1,564,558
<b>Total net free surplus available for appropriation</b>	<b>Tk. 769,912,706</b>
<b>Appropriation Proposed:</b>	
Proposed Dividend	<u>Nil</u>
<b>Balance carried forward to Balance Sheet as Retained earnings</b>	<b><u>Tk. 769,912,706</u></b>

**DECLARATION OF DIVIDEND:**

In order to strengthen the financial position of the company no dividend be and is recommended by the Board for the year ended 30th June, 2021.

**APPOINTMENT OF AUDITORS:**

The existing Auditor, M/s. Das Chowdhury Dutta & Co., Chartered Accountants would retire at the 16th Annual General Meeting and being eligible, have offered themselves for re-appointment as Auditors for the year 2021-2022 with re-fixation of their remuneration.

**ACKNOWLEDGEMENT:**

The Directors are pleased to record with appreciation and gratitude the co-operation and support provided by Shareholders, Customers, Bankers, Suppliers, Workers and Employees of the company without whose active support the result would not have been possible.

Looking forward for a bright future for all of us.

On behalf of the Board of Directors,



**A. Matin Chowdhury**  
Chairman



দাশ চৌধুরী দত্ত এন্ড কোং  
**DAS CHOWDHURY DUTTA & CO.**  
Chartered Accountants

**Offices:**

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Jahan Building No. 5 (2<sup>nd</sup> Floor)  
74, Agrabad Com. Area, Chittagong  
Tel : 088-031-725955  
Fax : 088-031-714312  
E-mail : dcdctg@outlook.com

Website : [www.daschowdhurydutta.com](http://www.daschowdhurydutta.com)

**INDEPENDENT AUDITORS' REPORT**

**To the Shareholders of J. M. Fabrics Limited**

**Report on the Audit of the Financial Statements**

**Opinion**

We have audited the financial statements of **J. M. Fabrics Limited** which comprise the statement of financial position as at **30 June 2021**, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the company as at **30 June 2021**, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) and the requirements of the Companies Act 1994 and other applicable laws and regulations.

**Basis for Opinion**

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the audit of the financial statements section of our report. We are independent auditors of the company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Bangladesh and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained which is sufficient and appropriate to provide a basis for our opinion.

**Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements for the year ended 30 June 2021. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have fulfilled the responsibilities described in the auditor's responsibilities for the audit of the financial statements section of our report including in relation to these matters.

Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatements of the financial statements. These results of our audit procedures including the procedures performed to address the matters below provide the basis for our audit opinion on the accompanying financial statements.

<b>Risk</b>	<b>Our responses to the risk</b>
<b>Revenue Recognition</b> Company's total revenue of Tk. 7,995,720,932 as reported herein is measured at net of discounts, incentives and rebates being allowed to number of customers which has material effect in revenue recognition due to inherent complex and judgmental nature. As such, risk associated in revenue recognition with respect to estimation of discount, incentives and rebates which is expected to be influenced by the management for fulfilling the performance target.	We have tested the design and operating effectiveness of calculation of discounts, incentives and rebates having checked the invoices raised from time to time for revenue recognition. We have also applied substantive procedure to check the current year's revenue, agreeing to sample claims, rebates and accruals to the recorded transactions with bank deposit reconciliation and necessary documentation and also presentation of disclosures in accordance with respective accounting standards.

Risk	Our responses to the risk
<p><b>Valuation of Inventories</b></p> <p>Inventories of Tk. 1,940,510,010 as at 30 June 2021 is measured at the lower of cost and net realizable value considering the appropriate values of slow moving or obsolete items.</p>	<p>We were present at the time of physical inventory to check and compare the results between maintained records with physical existence and to identify the slow and obsolete items. Short/excess found have been reconciled and adjusted. Net realizable value has been recalculated for disclosing in accordance with respective accounting standards.</p>
<p><b>Deferred Tax Liabilities</b></p> <p>Deferred tax liability of Tk. 60,521,483 as at 30 June 2021 is neither payable nor to be paid in future. This is measured and recognized at the value of difference between accounting base and tax base. This requires a significant assessment procedure for determining such liabilities.</p>	<p>The company has recognized deferred tax liabilities by using assumptions between recorded transactions of accounting base and tax base. We have evaluated the operational effectiveness with respect to recognition and measurement of deferred tax liabilities. However, the measured amount is nothing but an estimate subject to discretionary provisions of income tax law.</p>

### Other Information

Management is responsible for the other information. The other information comprises the information included in the Annual Report but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information which we are required to report the fact but we have nothing to report in this regard.

### Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards (IFRSs) and the requirements of the Companies Act 1994, and other applicable laws and regulations and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so and those charged with governance are responsible for overseeing the Company's financial reporting process.

### Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is high level of assurance, but is not a guarantee that an audit conducted in accordance with International Standard on Auditing (ISAs) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatements of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that

is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from errors, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosures about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### **Report on other Legal and Regulatory Requirements**

In accordance with the requirements of the Companies Act 1994 and other applicable laws and regulations, we also report that:

- (a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit and made due verification thereof.
- (b) In our opinion, proper books of accounts as required by law have been kept by the Company so far as it appeared from our examination of those books.
- (c) The Company's statement of financial position, statement of profit or loss and other comprehensive income together with the notes to the financial statements dealt with by the report are in agreement with the books of accounts and returns.
- (d) The expenditure incurred was for the purpose of the Company's business.



**Sunirmal Chowdhury FCA (500)**  
**Partner**  
**Das Chowdhury Dutta & Co.**  
**Chartered Accountants**  
**DVC No. 2110070500AS530824**

Dhaka, 04 October 2021

# J.M. Fabrics Limited

## Statement of Financial Position as at 30 June 2021

Particulars	Taka	
	30.06.2021	30.06.2020
<b>ASSETS:</b>		
<b>Non-Current Assets</b>	<b>2,686,516,859</b>	<b>2,310,229,227</b>
Property, plant and equipment	2,389,051,041	1,908,604,727
Revalued fixed assets	163,971,700	166,033,280
Capital work in progress	133,494,118	235,591,220
<b>Current Assets</b>	<b>3,391,715,355</b>	<b>2,209,688,720</b>
Inventories	1,940,510,010	951,357,300
Advances, deposits and pre-payments	149,026,814	483,846,347
Accounts receivable	1,023,193,148	446,946,351
Cash and cash equivalents	278,985,383	327,538,722
<b>Total</b>	<b>6,078,232,214</b>	<b>4,519,917,947</b>
<b>SHARE HOLDERS' EQUITY AND LIABILITIES:</b>		
<b>Shareholders' Equity</b>	<b>1,309,255,514</b>	<b>967,150,994</b>
Share capital	400,000,000	400,000,000
Revaluation reserve	139,342,808	141,128,289
General reserve and surplus	769,912,706	426,022,705
<b>Non-Current Liabilities</b>	<b>884,458,792</b>	<b>1,115,785,834</b>
Long term loan from bank	823,937,309	1,046,002,448
Deferred tax liabilities	60,521,483	69,783,386
<b>Current Liabilities</b>	<b>3,884,517,908</b>	<b>2,436,981,119</b>
Short term loan	1,528,962,313	1,288,200,277
Current portion of long term loan	317,616,952	392,855,387
Accounts payable	142,954,508	273,460,316
Loan from director	34,000,000	34,000,000
Bank acceptance liabilities	1,596,959,146	297,485,732
Liabilities for expenditure	264,024,989	150,979,407
<b>Total</b>	<b>6,078,232,214</b>	<b>4,519,917,947</b>
<b>Net Assets Value (NAV) Per Share (Including Revaluation surplus)</b>	<b>327.31</b>	<b>241.79</b>



**A. Matin Chowdhury**  
Chairman



**Azizur R. Chowdhury**  
Managing Director



**Amit Kumar Saha**  
Chief Financial Officer



**Syed Saiful Haque**  
Company Secretary

Signed in terms of our report of even date annexed.



**Sunirmal Chowdhury FCA (500)**  
Partner  
Das Chowdhury Dutta & Co  
Chartered Accountants

Dhaka, 04 October 2021



# J.M. Fabrics Limited

## Statement of Profit or Loss and Other Comprehensive Income for the year ended on 30 June 2021

Particulars	Taka	
	30.06.2021	30.06.2020
<b>Turnover - Export earnings</b>	7,995,720,932	3,599,525,545
<b>Less: Cost of goods sold</b>	7,477,990,727	3,363,605,197
Gross Profit / (Loss)	<b>517,730,205</b>	<b>235,920,348</b>
<b>Less: General and Administrative Expenses</b>	<b>51,863,569</b>	<b>42,276,697</b>
Administrative expenses	38,091,512	35,725,164
Selling and distribution expenses	9,926,209	4,249,817
Bank charges and commission	3,845,848	2,301,716
Operating Profit / (Loss)	<b>465,866,636</b>	<b>193,643,651</b>
<b>Other Income</b>	<b>(88,877,725)</b>	<b>(115,692,031)</b>
Financial cost	(144,870,893)	(166,517,029)
Other income/(loss)	55,993,168	50,824,998
<b>Net Profit Before Provision of WPPF</b>	<b>376,988,911</b>	<b>77,951,620</b>
Provision for WPPF	0	0
<b>Net Profit Before Tax</b>	<b>376,988,911</b>	<b>77,951,620</b>
<b>Provision for Income Tax</b>	<b>34,884,391</b>	<b>39,884,689</b>
Provision for tax - current year	44,146,294	21,189,540
Provision for deferred tax	(9,261,903)	18,695,149
<b>Net Profit After Tax</b>	<b>342,104,520</b>	<b>38,066,931</b>
<b>Earnings Per Share (EPS)</b>	<b>85.53</b>	<b>9.52</b>
<b>Number of shares used to compute earning per share (EPS)</b>	<b>4,000,000</b>	<b>4,000,000</b>



**A. Matin Chowdhury**  
Chairman



**Azizur R. Chowdhury**  
Managing Director



**Amit Kumar Saha**  
Chief Financial Officer



**Syed Saiful Haque**  
Company Secretary

Signed in terms of our report of even date annexed.



**Sunirmal Chowdhury FCA (500)**  
Partner  
Das Chowdhury Dutta & Co  
Chartered Accountants

Dhaka, 04 October 2021

## J.M. Fabrics Limited

### Statement of Changes in Equity For the year ended 30 June 2021

Particulars	Share Capital	Revaluation Reserve	General Reserve and Surplus	Total
<b>Balance as at 01 July 2020</b>	400,000,000	141,128,289	426,022,705	967,150,994
Net profit / (loss) for the year	0	0	342,104,520	342,104,520
Adjustment for Disposal of Revalued Fixed Asset	0	(220,923)	220,923	-
Adjustment of revaluation surplus with general reserve and surplus for depreciation charged on revalued assets	0	(1,564,558)	1,564,558	-
<b>Balance as at 30 June 2021</b>	<b>400,000,000</b>	<b>139,342,808</b>	<b>769,912,706</b>	<b>1,309,255,514</b>

### For the year ended 30 June 2020

Particulars	Share Capital	Revaluation Reserve	General Reserve and Surplus	Total
<b>Balance as at 01 July 2019</b>	400,000,000	142,705,342	386,378,721	929,084,063
Net profit / (loss) for the year	0	0	38,066,931	38,066,931
Adjustment of revaluation surplus with general reserve and surplus for depreciation charged on revalued assets	0	(1,577,053)	1,577,053	0
<b>Balance as at 30 June 2020</b>	<b>400,000,000</b>	<b>141,128,289</b>	<b>426,022,705</b>	<b>967,150,994</b>



**A. Matin Chowdhury**  
Chairman



**Azizur R. Chowdhury**  
Managing Director



**Amit Kumar Saha**  
Chief Financial Officer



**Syed Saiful Haque**  
Company Secretary

Signed in terms of our report of even date annexed.



**Sunirmal Chowdhury FCA (500)**  
Partner  
Das Chowdhury Dutta & Co  
Chartered Accountants

Dhaka, 04 October 2021

# J. M. Fabrics Limited

## Statement of Cash Flows for the year ended on 30 June 2021

Particular	Taka	
	30.06.2021	30.06.2020
<b>Cash Flows from Operating Activities:</b>		
Collection from turnover and accounts receivable	7,419,474,135	3,577,093,177
Collection from other income	63,503,406	53,773,554
Foreign currency gain / (loss)	(16,714)	(228,753)
Payment for purchase of raw materials	(8,282,148,020)	(3,170,545,797)
Payment for operating expenses	(46,849,353)	(38,961,599)
Payment for financial expenses	(148,716,741)	(168,818,745)
Increase in advances, deposits and prepayments	334,819,532	(113,993,206)
Increase/(Decrease) in liabilities	946,463,800	114,310,133
Tax paid	(44,146,294)	(21,189,540)
<b>Net Cash Provided/ (Used) by Operating Activities</b>	<b>242,383,751</b>	<b>231,439,224</b>
<b>Cash Flows from Investing Activities:</b>		
Acquisition of fixed assets including CWIP	(238,066,776)	(444,428,595)
Disposal of fixed assets	3,671,224	660,000
<b>Net Cash Provided/(Used) by Investing Activities</b>	<b>(234,395,552)</b>	<b>(443,768,595)</b>
<b>Cash Flows from Financing Activities:</b>		
Loan received from bank	(56,541,538)	468,432,043
Loan received from directors	0	0
<b>Net Cash Provided/(Used) by Financing Activities</b>	<b>(56,541,538)</b>	<b>468,432,043</b>
<b>Increase/(Decrease) in Cash and Cash Equivalents</b>	<b>(48,553,339)</b>	<b>256,102,672</b>
<b>Opening balance of Cash and Cash Equivalents</b>	<b>327,538,722</b>	<b>71,436,050</b>
<b>Closing balance of Cash and Cash Equivalents</b>	<b>278,985,383</b>	<b>327,538,722</b>
<b>Net Operating Cash Flows Per Share (NOCFPS)</b>	<b>60.60</b>	<b>57.86</b>



**A. Matin Chowdhury**  
Chairman



**Azizur R. Chowdhury**  
Managing Director



**Amit Kumar Saha**  
Chief Financial Officer



**Syed Saiful Haque**  
Company Secretary

Signed in terms of our report of even date annexed.

Dhaka, 04 October 2021



**Sunirmal Chowdhury FCA (500)**  
Partner  
Das Chowdhury Dutta & Co  
Chartered Accountants