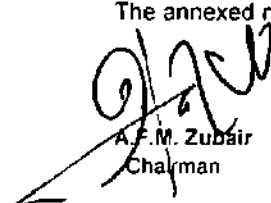



**MALEK SPINNING MILLS LIMITED**  
**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS AT 31<sup>ST</sup> DECEMBER 2021**  
**Un-Audited**

Particulars	Notes	Amount in Taka	
		DEC'21	JUN'21
<b>ASSETS :</b>			
<b>Non-Current Assets :</b>			
Property, Plant and Equipment	4	10,191,028,312	10,264,335,859
Capital Work-in-Progress	5	398,234,006	133,494,119
		<b>10,589,262,318</b>	<b>10,397,829,978</b>
<b>Current Assets :</b>			
Inventories	6	5,619,997,810	6,134,466,331
Accounts Receivable	7	4,718,677,194	3,579,126,645
Fire Insurance Claimed Receivable	8	602,087,307	304,791,187
Advances, Deposits and Pre-payments	9	833,842,625	756,851,805
Cash and Cash Equivalents	10	1,409,259,635	1,103,686,839
		<b>13,183,864,571</b>	<b>11,878,922,807</b>
<b>TOTAL ASSETS :</b>		<b>23,773,126,889</b>	<b>22,276,752,785</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	3,444,752,330	3,467,782,367
Retained Earnings	15	2,237,223,129	1,842,353,215
		<b>9,328,859,330</b>	<b>8,957,019,453</b>
<b>Non Controlling Interest</b>	16	<b>56,189,722</b>	<b>55,533,970</b>
<b>Total Equity :</b>		<b>9,385,049,052</b>	<b>9,012,553,423</b>
<b>Non Current Liabilities:</b>			
Long Term Loan	17	2,688,322,150	2,850,098,862
Deferred Tax Liabilities	18	504,564,926	479,117,771
		<b>3,192,887,076</b>	<b>3,329,216,633</b>
<b>Current Liabilities :</b>			
Short Term Loan	19	3,416,371,011	3,079,089,510
Current Portion of Long Term Loan	20	798,454,574	720,099,910
Loan from Director	21	34,000,000	34,000,000
Acceptance Liabilities	22	5,490,331,798	4,654,769,176
Unclaimed Dividend	23	3,655,331	39,229,338
Creditors, Accruals & Provisions	24	1,452,378,047	1,407,794,795
		<b>11,195,190,761</b>	<b>9,934,982,729</b>
<b>TOTAL SHAREHOLDER'S EQUITY AND LIABILITIES :</b>		<b>23,773,126,889</b>	<b>22,276,752,785</b>
<b>Net Assets Value Per Share (NAV)</b>	37	<b>48.19</b>	<b>46.27</b>
Par Value Tk.10			

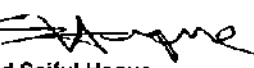
The annexed notes are integral part of these financial statement.

  
A.F.M. Zubair  
Chairman

  
A. Martin Chowdhury  
Managing Director

  
Azizu Raheem Chowdhury  
Director

  
B.K. Chaki  
Chief Financial Officer

  
Syed Saiful Haque  
Company Secretary

**MALEK SPINNING MILLS LIMITED**  
**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**  
**FOR THE PERIOD FROM 1<sup>ST</sup> JULY 2021 TO 31<sup>ST</sup> DECEMBER 2021**  
**Un-Audited**


Particulars	Notes	Amount in Taka			
		JUL'21-DEC'21	JUL'20-DEC'20	OCT'21-DEC'21	OCT'20-DEC'20
Sales	25	9,358,116,611	7,080,006,016	5,282,316,785	3,715,890,892
Cost of Goods Sold	28	(8,576,988,291)	(6,494,946,869)	(4,860,072,283)	(3,392,986,719)
<b>Gross Profit :</b>		<b>781,128,320</b>	<b>585,059,147</b>	<b>422,244,502</b>	<b>322,902,172</b>
Operating Expenses	27	(130,718,798)	(128,464,565)	(85,192,372)	(87,160,628)
Financial Expenses	28	(220,531,123)	(223,077,695)	(119,425,466)	(110,305,967)
<b>Operating Profit/(Loss) :</b>		<b>429,878,399</b>	<b>233,516,887</b>	<b>238,626,665</b>	<b>145,435,577</b>
Other Income/(Loss)	29	63,320,140	44,512,553	35,566,332	20,767,439
<b>Net Operating Profit/(Loss) :</b>		<b>493,198,539</b>	<b>278,029,440</b>	<b>274,192,997</b>	<b>166,193,016</b>
Contribution to WPPF	30	(15,664,906)	(7,097,063)	-	-
<b>Profit/(Loss) before Tax :</b>		<b>475,533,633</b>	<b>270,932,377</b>	<b>274,192,997</b>	<b>166,193,016</b>
Income Tax :		(104,038,004)	(72,082,358)	(60,193,532)	(46,010,690)
Current Tax	31	(78,590,849)	(52,468,033)	(43,906,957)	(32,785,410)
Deferred Tax	32	(25,447,155)	(19,614,325)	(16,286,576)	(13,225,281)
<b>Net Profit/(Loss) after tax</b>		<b>372,495,629</b>	<b>198,850,019</b>	<b>213,999,464</b>	<b>120,182,326</b>
Other Comprehensive Income		-	-	-	-
<b>Total Comprehensive Income</b>		<b>372,495,629</b>	<b>198,850,019</b>	<b>213,999,464</b>	<b>120,182,326</b>
<b>Profit attributable to:</b>					
Owners of the company		371,839,876	198,302,033	213,575,319	119,892,417
Non-controlling interest	33	655,752	547,987	424,145	289,909
		<b>372,495,629</b>	<b>198,850,019</b>	<b>213,999,464</b>	<b>120,182,326</b>
<b>Total comprehensive income attributable to:</b>					
Owners of the company		371,839,876	198,302,033	213,575,319	119,892,417
Non-controlling interest	33	655,752	547,987	424,145	289,909
		<b>372,495,629</b>	<b>198,850,019</b>	<b>213,999,464</b>	<b>120,182,326</b>
<b>Earnings Per Share (EPS)</b>	34	<b>1.92</b>	<b>1.02</b>	<b>1.10</b>	<b>0.62</b>
Par Value Tk. 10					
<b>Number of Shares used to compute EPS</b>		<b>193,600,000</b>	<b>193,600,000</b>	<b>193,600,000</b>	<b>193,600,000</b>

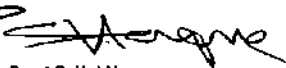
The annexed notes are integral part of these financial statement.

  
A.M.M. Zabair  
Chairman

  
A. Masin Chowdhury  
Managing Director

  
Asifur Rahman Chowdhury  
Director

  
B.K. Chaki  
Chief Financial Officer

  
Syed Saiful Haque  
Company Secretary

**MALEK SPINNING MILLS LIMITED**  
**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
Un-Audited

FOR THE PERIOD FROM 1<sup>ST</sup> JULY 2021 TO 31<sup>ST</sup> DECEMBER 2021

Particulars	Share Capital	Share Premium	Revaluation Surplus of Fixed Assets	Tax holiday Reserve	Retained Earnings	Non Controlling Interest	Total
Balance as at 1 <sup>st</sup> July 2021	1,936,000,000	1,500,000,000	3,467,782,367	210,883,871	1,842,353,215	55,533,970	9,012,553,423
Total Comprehensive Income					371,839,876	655,752	372,495,629
Transfer of excess depreciation of Revalued Assets			(23,030,037)		23,030,037		-
<b>As at 31st December 2021</b>	<b>1,936,000,000</b>	<b>1,500,000,000</b>	<b>3,444,752,330</b>	<b>210,883,871</b>	<b>2,237,223,129</b>	<b>56,189,722</b>	<b>9,385,049,052</b>


FOR THE PERIOD FROM 1<sup>ST</sup> JULY 2020 TO 31<sup>ST</sup> DECEMBER 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 2020	1,936,000,000	1,500,000,000	3,519,909,366	210,883,871	1,139,060,298	53,137,291	8,359,010,826
Total Comprehensive Income					198,302,033	547,987	198,850,019
Transfer of excess depreciation of Revalued Assets			(25,029,720)		25,029,720		-
Adjustment Non Controlling Interest						1,131,200	1,131,200
<b>As at 31st December 2020</b>	<b>1,936,000,000</b>	<b>1,500,000,000</b>	<b>3,494,879,646</b>	<b>210,883,871</b>	<b>1,382,412,051</b>	<b>54,816,478</b>	<b>8,558,992,046</b>

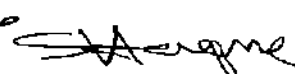
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A.F.M. Zuber  
Chairman

  
A. Matin Chowdhury  
Managing Director

  
Azizur Rahim Chowdhury  
Director

  
B.K. Chaki  
Chief Financial Officer


  
Syed Saiful Haque  
Company Secretary

**MALEK SPINNING MILLS LIMITED**  
**CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE PERIOD FROM 1<sup>ST</sup> JULY 2021 TO 31<sup>ST</sup> DECEMBER 2021**  
**Un-Audited**

PARTICULARS	Amount in Taka	
	DEC'21	DEC'20
<b>CASH FLOW FROM OPERATING ACTIVITIES :</b>		
Collection from Turnover & Bills Receivable	8,218,566,062	6,229,629,612
Other Income	62,008,310	45,440,705
Payment for Raw Materials, Indirect Materials and other expenses	(7,134,700,971)	(6,183,795,568)
Foreign currency exchange Gain/(Loss) realized	342,237	(143,176)
Payment to Employee against contribution to WPPF	-	(10,211,279)
Payment for Operating Expenses	(124,586,619)	(124,071,907)
Payment for Financial Expenses	(207,027,226)	(223,077,695)
Payment for Income Tax	(51,177,911)	(42,338,084)
<b>Net Cash provided/(used) by Operating Activities</b>	<b>763,423,883</b>	<b>(308,567,392)</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES :</b>		
Acquisition of Fixed Assets	343,002,763	38,385,854
Acquisition of Capital work in progress	(951,175,470)	(300,661,428)
Disposal of Fixed Assets	(57,570,509)	1,570,053
<b>Net cash provided/(used) in Investing Activities</b>	<b>(665,743,216)</b>	<b>(260,705,521)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES :</b>		
Bank Loan Increase/(Decrease)	253,859,453	545,550,742
Non Controlling Interest	-	1,131,200
Refundable IPO Share Money paid	(11,669,885)	-
Dividend Paid	(35,574,007)	(472,845)
<b>Net cash provided/(used) in Financing Activities</b>	<b>206,615,561</b>	<b>546,209,096</b>
<b>Increase/(Decrease) in Cash and Cash Equivalents</b>	<b>304,296,228</b>	<b>(23,063,816)</b>
Opening Cash & Cash Equivalents	1,103,686,839	589,256,619
Foreign Currency Bank deposit translation Gain/(Loss)	1,276,568	-
<b>Closing Cash and Cash Equivalents</b>	<b>1,409,259,635</b>	<b>566,192,803</b>
<b>Net Operating Cash Flow Per Share (NOCFPS)</b>	<b>3.94</b>	<b>(1.59)</b>
Par Value Tk.10		

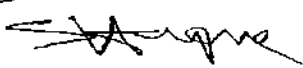
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A.F.M. Zubair  
Chairman

  
A. Matin Chowdhury  
Managing Director

  
Azizur Rahim Chowdhury  
Director

  
B.K. Chaki  
Chief Financial Officer

  
Syed Saiful Haque  
Company Secretary

**MALEK SPINNING MILLS LIMITED**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT**  
**FOR THE PERIOD ENDED 31<sup>ST</sup> DECEMBER 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.

**MALEK SPINNING MILLS LIMITED**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT**  
**FOR THE PERIOD ENDED 31<sup>ST</sup> DECEMBER 2021**

These consolidated financial statements have been prepared in consolidation with the un-audited accounts of the company and the un-audited accounts of Salek Textile Limited, Newasia Synthetics Limited and J.M. Fabrics Limited for the period ended December 31, 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.

**MALEK SPINNING MILLS LIMITED**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT**  
**FOR THE PERIOD ENDED 31<sup>ST</sup> DECEMBER 2021**

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 in 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.

**MALEK SPINNING MILLS LIMITED**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT**  
**FOR THE PERIOD ENDED 31<sup>ST</sup> DECEMBER 2021**

**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 Period:**

Financial statements of the company cover from 1st July 2021 to 31st December 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 previous year (1st Jul' 2020 to 31st Dec' 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 year (1st Jul' 2021 to 31st Dec' 2021) financial statements. Figures of the previous year 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-monitory 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.



**MALEK SPINNING MILLS LIMITED**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT**  
**FOR THE PERIOD ENDED 31<sup>ST</sup> DECEMBER 2021**

**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 31st December 2021.
- (ii) Statement of Profit or Loss and other Comprehensive Income for the period from 1st July 2021 to 31st December 2021.
- (iii) Statement of Cash flows for the period from 1st July 2021 to 31st December 2021.
- (iv) Statement of changes in Equity for the period from 1st July 2021 to 31st December 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:

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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.

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	DEC'21	JUN'21
<b>4. CONSOLIDATED PROPERTY, PLANT AND EQUIPMENT:</b>		
<b><u>COST:</u></b>		
Opening Balance	10,931,215,044	10,426,808,834
Addition during this period	182,811,050	1,110,109,925
	<b>11,114,026,094</b>	<b>11,536,918,759</b>
Sales/Adjustment during this period	43,938,918	605,703,715
<b>Closing Balance</b>	<b>11,070,087,176</b>	<b>10,931,215,044</b>
<b>Accumulated Depreciation:</b>		
Opening Balance	4,342,061,520	4,225,768,966
Adjustments during this period	81,252,452	346,527,890
Depreciation during this period	262,111,569	462,820,444
<b>Closing Balance</b>	<b>4,522,920,636</b>	<b>4,342,061,520</b>
<b>Written Down Value at cost:</b>	<b>6,547,166,539</b>	<b>6,589,153,524</b>
<b><u>REVALUATION:</u></b>		
Opening Balance	4,800,928,324	4,814,879,388
Addition of Revaluated Assets	-	-
Adjustment during this period	-	13,951,064
<b>Total Revaluated Assets:</b>	<b>4,800,928,324</b>	<b>4,800,928,324</b>
<b>Accumulated Depreciation:</b>		
Opening Balance	1,125,745,989	1,069,553,764
Depreciation during this period	31,320,562	66,934,452
Adjustments during this period	-	10,742,227
<b>Closing Balance</b>	<b>1,157,066,551</b>	<b>1,125,745,989</b>
<b>Written Down Value of Revaluated Assets:</b>	<b>3,643,861,773</b>	<b>3,675,182,335</b>
<b>Total Written Down Value:</b>	<b>10,191,028,312</b>	<b>10,264,335,859</b>
Allocation of depreciation charges for this period has been made in the accounts as follows:		
Factory Overhead	287,299,952	520,615,898
Administrative Overhead	6,132,179	9,138,998
	<b>293,432,131</b>	<b>529,754,896</b>
Details of Fixed Assets and Depreciation are shown in the <b>Annexure-1</b>		
<b>5. CONSOLIDATED CAPITAL WORK-IN-PROGRESS:</b>	<b>398,234,006</b>	<b>133,494,119</b>
Opening Balance	133,494,119	257,972,906
Addition for this period	381,397,335	578,475,819
<u>Less: Transferred to Assets Schedule</u>	116,657,448	702,954,807
<b>Closing Balance</b>	<b>398,234,006</b>	<b>133,494,119</b>
<b>6. CONSOLIDATED INVENTORIES :</b>		
Raw Materials	2,752,382,532	1,622,063,187
Stock-in-Transit	652,667,493	1,319,515,688
Work-in-Process	652,858,650	1,353,604,778
Finished Goods	1,240,772,792	1,491,398,445
Stores & Accessories:	321,316,343	347,884,232
<b>Total:</b>	<b>5,619,997,810</b>	<b>6,134,466,331</b>

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JUN'21

(i) The inventory counting was taken place at this period 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.

**7. CONSOLIDATED ACCOUNTS RECEIVABLE :**

i) Malek Spinning Mills Limited	1,652,077,210	1,249,627,547
ii) Salek Textile Limited	2,517,198,221	1,551,091,902
iii) J.M. Fabrics Limited	801,250,376	1,023,193,148
	<b>4,970,525,807</b>	<b>3,823,912,597</b>
Less: Inter Company Receivable	251,848,614	244,785,953
<b>Total:</b>	<b>4,718,677,194</b>	<b>3,579,126,645</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) Aging of the Receivables:**

Invoiced at 90 days L.C tenor:	471,867,719	357,912,665
Invoiced at 120 days L.C tenor:	3,774,941,755	2,863,301,316
Invoiced at 121 - 180 days L.C tenor:	471,867,719	357,912,665
Invoiced at 181 - 360 days L.C tenor:	-	-
Invoiced at above 360 days L.C tenor:	-	-
<b>Total:</b>	<b>4,718,677,194</b>	<b>3,579,126,645</b>

**8. CONSOLIDATED FIRE INSURANCE CLAIMED RECEIVABLE: 602,087,307 304,791,187**  
**(Contingent Asset)**

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 & Others	357,893,871	277,168,421
Security Deposit to REB	178,875	1,178,875
Security Deposit to Titas Gas T&D Co.	40,397,026	49,001,852
Advance against Income Tax (Note: 9-A)	386,290,186	335,112,275
Security Deposit to CDBL	500,000	500,000
Security deposit to Peoples Insurance Company Ltd.	500,000	-
Security deposit to Asia Pacific General Insurance Company Ltd.	500,000	-
Security deposit to Eastern Insurance Company Ltd.	-	500,000
Security deposit to Palli Bidyut Samity	3,000,000	-
Advance to M/S Maznu Traders (For Land purchase)	73,073	73,073
Advance to M/S Sowa Enterprise	-	500,000
Advance to WASO Engineers & Consultants (BD) Ltd.	600,000	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	1,283,645	1,991,360
Advance to M/S MR Traders (Land purchase-Ashugonj)	10,900,000	3,000,000
<b>Total:</b>	<b>833,842,625</b>	<b>756,851,805</b>

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	DEC'21	JUN'21
<b>9-A. CONSOLIDATED ADVANCE INCOME TAX:</b>		
Opening Balance	335,112,275	359,447,316
Advance Income Tax paid (Against Export Proceeds)	44,488,167	72,679,216
Advance Income Tax paid (Against Import)	421,673	1,668,600
Advance Income Tax paid (Against Interest Income)	240,560	81,803
Advance Income Tax paid (Against Cash Incentive)	5,959,759	10,479,235
Advance Income Tax paid (Against Yearly Income)	-	5,468,828
Advance Income Tax paid (Against Vehicle)	67,752	464,500
<b>Total AIT paid for this period:</b>	<b>51,177,911</b>	<b>90,842,182</b>
Payment/Adjustment for prior year Income	-	115,177,223
<b>Total:</b>	<b>386,290,186</b>	<b>335,112,275</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.

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

(i) Realizable/Adjustable within 1 year:	630,977,221	541,793,906
(ii) Realizable/Adjustable after 1 year:	202,865,404	215,057,899
<b>Total:</b>	<b>833,842,625</b>	<b>756,851,805</b>

**10. CONSOLIDATED CASH AND CASH EQUIVALENTS:**

	1,184,956	2,567,349
<b>Cash in Hand:</b>		
<b>Cash at Banks :</b>		
AB Bank Ltd. STD A/C: 4005-767482-430 (MSML)	256,269	256,269
Brac Bank STD A/C: 150510 (MSML)	42,811	42,811
Brac Bank A/C: 150120 (MSML)	161,965	10,336,539
The City Bank Ltd.-CD A/C: (JM)	17,329,288	858,155
The City Bank Ltd.-FBPAR A/C: (JM)	168,793,370	153,900,486
The City Bank Ltd.-ERQ A/C: (JM)	14,984,949	1,082,859
Dhaka Bank Ltd A/C: 207.100.6276 (STL)	4,459,767	71,423,629
Dhaka Bank USD Margin A/C:0032 (STL)	20,372,681	39,720,752
Dhaka Bank Ltd A/C: 207.100.6643 (NSL)	17,294,240	25,904,830
Dhaka Bank Ltd. CD A/C: 207-17500000023(MSML)	677,899	28,536,940
Dhaka Bank Ltd. STD A/C: 207-150000000806(MSML)	3,493,366	28,892,799
Dhaka Bank Ltd.- Margin A/C: (MSML)	85,811,405	122,520,591
Dutch Bangla Bank Ltd. CD A/C: (MSML)	137,828	474,754
Dutch Bangla Bank Ltd. CD A/C: (STL)	245,973	442,575
Dutch Bangla Bank Ltd. CD A/C: (JMF)	261,598	1,298,387
Eastern Bank CD A/C: 5745 (NSL)	85,771	86,116
Eastern Bank Ltd.- Margin A/C: USD (MSML)	203,543,040	22,010,428
Eastern Bank Margin A/C:0311738 (STL)	48,766,748	102,576
Eastern Bank CD A/C: 01011060020990 (STL)	166,295	-
Eastern Bank Ltd. ERQ A/C:1043100255781(STL)	53,039	48,691
Eastern Bank FC A/C: (Deposit-NRB IPO) MSML	1,208,424	1,210,823
Eastern Bank STD A/C: BDT (Deposit IPO) MSML	16,203	3,378,153
HSBC Bank USD Margin A/C: 091 (STL)	4,530,050	-
HSBC Bank USD Margin A/C: 047 (STL)	41,097	203,438
HSBC Bank-Margin A/C:091 USD (MSML)	5,699,338	7,471,658
Meghna Bank Ltd. FC A/C:1101-17600000017(STL)	17,279,767	-
Meghna Bank Ltd. CD A/C:1039(STL)	2,899,532	56,107
Meghna Bank Ltd. CD A/C:0007(STL)	1,911,818	355,119,467
Islami Bank-CD A/C: 010049410(STL)	24,606	24,951

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Islami Bank-CD A/C: 0100222810(STL)	1,916	2,761
Islami Bank-FDR A/C: 3301(STL)	1,615,445	1,618,445
One Bank Ltd CD A/C: 16426008 (MSML)	608,157	-
One Bank- USD A/C:(MSML)	18,920,000	887,395
Pubali Bank-CD A/C: 3311-901-12209 (STL)	10,488,952	-
Shahjalal Islami Bank A/C: 11100000252 8 (MSML)	8,868	8,868
Trust Bank CD A/C: 0003-0210006613 (MSML)	481,036	-
Trust Bank Ltd A/C: 0003-0210009816 (STL)	-	65,324,884
Trust Bank Ltd - Margin A/C: 5025000082(MSML)	154,115	150,531
Trust Bank Ltd - Margin A/C: 5025000028(STL)	18,331,329	9,965,222
Trust Bank Ltd. SND A/C: 003-0320001302(STL)	34,103,738	23,623,654
Trust Bank Ltd. ERQ A/C: 003-5101000526(STL)	64,537	3,239,442
Trust Bank Ltd.- CD A/C: (NSL)	531,828	531,828
Eastern Bank Ltd. CD A/C: 64055 (JM)	250,475	270,859
Eastern Bank Ltd. ERQ A/C: (JM)	50	50
Prime Bank Ltd. CD A/C (JM)	4,445,466	-
Prime Bank Ltd. Margin A/C	51,517,484	20,058,806
Prime Bank Ltd. ERQ A/C	3,630,057	527,104
UCBL- FC Margin: (JM)	574,160,673	97,966,912
UCBL- Banani Branch(JM)	1,284,498	222,857
UCBL- ERQ A/C: (JM)	66,926,918	1,315,087
<b>Cash at Bank Total:</b>	<b>1,408,074,679</b>	<b>1,101,119,490</b>
<b>Total:</b>	<b>1,409,259,635</b>	<b>1,103,686,839</b>

a) Cash balance was physically counted at this period 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: Provided during this period	-	-
<b>Closing Balance</b>	<b>210,883,871</b>	<b>210,883,871</b>

<b>14. CONSOLIDATED RE-VALUATION SURPLUS:</b>		
Opening Balance	3,467,782,367	3,519,909,366
Less: Adjustment of Revaluated Assers	-	3,208,837
Less: Transfer to Retained Earnings of excess depreciation	23,030,037	48,918,162
<b>Net Written Down Value:</b>	<b>3,444,752,330</b>	<b>3,467,782,367</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%	27,094,161
Deferred tax adjustment	15%	4,064,124
<b>Deferred tax adjusted balance of excess depreciation:</b>	<b>85%</b>	<b>23,030,037</b>

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	Amount in Taka	
	DEC'21	JUN'21
<b>15. CONSOLIDATED RETAINED EARNINGS:</b>		
Opening Balance	1,842,353,215	1,139,080,298
Add: Net Profit/(Loss) during this period	371,839,876	651,145,918
	<b>2,214,193,092</b>	<b>1,790,226,216</b>
Add: Transfer of excess depreciation of revaluated assets	23,030,037	48,918,162
Add: Adjustment of Revaluation Surplus of Fixed Assets	-	3,208,837
<b>Total:</b>	<b>2,237,223,129</b>	<b>1,842,353,215</b>
<b>16. NON CONTROLLING INTEREST:</b>		
<b>Non Controlling Interest details as follows:</b>		
<b><u>Paid-up Capital-</u></b>		
(i) Salek Textile Ltd. 2.0745%	10,011,700	10,011,700
(ii) Newasia Synthetics Ltd. 0.7070%	4,666,200	4,666,200
(iii) J.M Fabrics Ltd. 0.0025%	10,000	10,000
<b>Total:</b>	<b>14,687,900</b>	<b>14,687,900</b>
<b><u>Retained Earnings-</u></b>		
(i) Salek Textile Ltd. 2.0745%	20,209,146	19,424,432
(ii) Newasia Synthetics Ltd. 0.7070%	(167,809)	(159,339)
(iii) J.M Fabrics Ltd. 0.0025%	24,360	19,248
<b>Total:</b>	<b>20,065,697</b>	<b>19,284,341</b>
<b><u>Tax Holiday reserve-</u></b>		
(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>
<b><u>Revaluation Surplus-</u></b>		
(i) Salek Textile Ltd. 2.0745%	7,476,824	7,602,409
(ii) Newasia Synthetics Ltd. 0.7070%	9,485,468	9,485,468
(iii) J.M Fabrics Ltd. 0.0025%	3,464	3,484
<b>Total:</b>	<b>16,965,757</b>	<b>17,091,361</b>
<b>Total Non Controlling Interest:</b>	<b>56,189,722</b>	<b>55,533,970</b>

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

<b>17. CONSOLIDATED LONG TERM LOAN:</b>		
Trust Bank Limited	1,466,919,666	1,528,174,578
Meghna Bank Ltd.	219,560,376	162,500,000
HSBC Limited	288,435,530	331,996,364
One Bank Limited	246,165,415	285,364,486
The City Bank Ltd.	40,254,034	10,775,822
IDLC Finance Ltd.	98,306,883	115,729,338
Prime Bank Ltd.	470,973,665	262,254,580
United Commercial Bank Ltd.	556,363,322	752,794,521
United Leasing Co. Ltd.	-	406,476
Lease Liability	99,797,834	120,202,607
	<b>3,486,776,725</b>	<b>3,570,198,772</b>
Less: Current Portion of Long Term Loan Note: 20	798,454,574	720,099,910
<b>Total Long Term Loan:</b>	<b>2,688,322,150</b>	<b>2,850,098,862</b>

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**18. DEFERRED TAX LIABILITIES:**

	DEC'21	JUN'21
Opening Balance	479,117,771	470,565,565
Add: Provision for this period	25,447,155	8,552,205
<b>Total:</b>	<b>504,564,926</b>	<b>479,117,771</b>

**Deferred Tax Calculation:**

Particulars	Accounts Base (WDV)	Tax Base (WDV)	Temporary difference	Temporary difference
Written Down Value of Fixed Assets at cost	6,547,166,540	5,462,360,804	1,084,805,736	881,399,865
WDV of Revaluation Surplus of Fixed Assets	3,643,861,773	1,341,650,365	2,302,211,408	2,333,531,970
Lease Contract	(3,931,547)	12,300,000	(16,231,547)	(14,513,330)
<b>Total</b>	<b>10,187,096,766</b>	<b>6,816,311,169</b>	<b>3,370,785,597</b>	<b>3,200,418,504</b>
Deferred tax rate			12% - 15%	12% - 15%
<b>Closing Deferred Tax Liability</b>			<b>504,564,926</b>	<b>479,117,771</b>

**19. CONSOLIDATED SHORT TERM LOAN:**

**Import Loan & Working Capital:**

Dutch-Bangla Bank Ltd.	-	400,000,000
Eastern Bank Ltd.	-	76,300,042
HSBC Ltd.	219,500,000	151,793,029
Meghna Bank Ltd.	263,799,139	355,000,000
Trust Bank Ltd.	76,701,359	132,304,991
IDLC Finance Ltd.	-	150,755,208
Prime Bank Ltd.	222,488,161	55,606,153
One Bank Ltd.	-	12,500,000
The City Bank Ltd.	637,340,468	456,295,116
United Commercial Bank Ltd.	1,260,156,767	588,690,673
<b>Sub-total:</b>	<b>2,879,985,894</b>	<b>2,379,245,212</b>

**Bank Overdraft:**

Eastern Bank Ltd A/C: 01012050000180 & 11 (MSML)	3,405,232	76,489,043
Eastern Bank Ltd A/C: 01012040000780 (STL)	3,223,855	154,385
The city Bank Ltd. A/C:(JM)	-	4,973,153
Prime Bank Ltd. (JM)	-	44,842,349
United Commercial Bank Ltd.(JM)	8,571,686	20,705,361
Pubali Bank Ltd.(STL)	-	714,884
Trust Bank Ltd. A/C: 0210009816 (STL)	20,876,183	-
Trust Bank Ltd. A/C: 0136000171 (STL)	27,881,119	823,560
Meghna Bank Ltd.(STL)	50,289,656	50,077,777
One Bank Ltd A/C: 16426 008 (MSML)	-	30,312,249
TBL OD A/C:003- 0136000153 (MSML)	507,820	29,594,503
TBL CD/OD A/C: 0210006613 (MSML)	-	8,989,600
HSBC OD A/C : 001-007475-011(MSML)	15,195,047	43,101,442
HSBC A/C: 001-241389-011 (STL)	3,642,495	8,383,140
<b>Sub-total:</b>	<b>133,593,093</b>	<b>319,161,445</b>



**MALEK SPINNING MILLS LIMITED**  
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Amount in Taka

	DEC'21	JUN'21
<b>Liability for Bill discounted</b>		
Dhaka Bank Ltd.	249,487,421	119,111,477
Eastern Bank Ltd	100,909,202	178,732,898
Meghna Bank Ltd.	18,541,772	-
HSBC Ltd.	4,339,607	2,586,307
Trust Bank Ltd.	29,514,023	80,252,172
<b>Sub-total:</b>	<b>402,792,025</b>	<b>380,682,854</b>
<b>Total:</b>	<b>3,416,371,011</b>	<b>3,079,089,510</b>

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

HSBC Ltd.	86,955,528	86,955,528
One Bank Ltd.	82,188,273	82,708,656
Trust Bank Ltd.	222,666,951	190,750,508
The City Bank Ltd.	2,389,492	-
IDLC Finance Ltd.	36,260,620	34,241,919
Prime Bank Ltd.	193,501,575	131,966,598
United Commercial Bank Ltd.	130,832,877	151,408,435
Lease Liability	43,659,259	42,068,267
<b>Total:</b>	<b>798,454,574</b>	<b>720,099,910</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	1,127,311,069	1,123,798,278
HSBC Ltd.	-	343,854,507
The City Bank Ltd.	362,404,003	359,277,853
One Bank Ltd.	532,458,576	274,339,376
Meghna Bank Ltd.	191,659,917	-
Trust Bank Ltd	1,018,305,636	659,144,278
Prime Bank Ltd.	145,360,081	35,013,575
United Commercial Bank Ltd.	378,829,718	632,889,583
Dhaka Bank Limited	1,324,846,434	656,673,592
<b>Sub-total:</b>	<b>5,081,175,433</b>	<b>4,084,991,041</b>

**Capital Work-in-progress**

	-	569,778,135
<b>Total:</b>	<b>5,490,331,798</b>	<b>4,654,769,176</b>

**23. UNCLAIMED DIVIDEND WITH INTEREST:**

**Bankwise Details as follows:**

Brac Bank (Principal):	-	10,209,155
Brac Bank (Interest):	161,965	127,384
Dhaka Bank (Principal):	2,949,949	28,470,956
Dhaka Bank (Interest):	543,416	421,843
<b>Total-</b>	<b>3,655,331</b>	<b>39,229,338</b>

**MALEK SPINNING MILLS LIMITED**  
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Amount in Taka

	DEC'21	JUN'21
<b>24. CONSOLIDATED CREDITORS, ACCRUALS &amp; PROVISIONS:</b>		
Gas Bill Payable	90,615,873	65,216,014
Electricity Bill Payable	56,070	1,390,261
Audit Fee Payable	-	417,450
Tax Deduction at Source	10,966,599	12,660,568
Vat Deduction at Source	2,777,493	2,753,641
Income Tax Payable (Note: 24-A)	393,420,871	314,830,022
Salary & Wages Payable	202,675,963	206,693,109
Contribution to WPPF Payable	120,162,039	103,497,133
Director's Remuneration Payable	979,792	979,792
Payable for Goods Suppliers & Others	312,199,115	366,383,290
Payable for Waste Cotton Purchase	519,318,494	527,945,301
Interest accrued (Note: 24-B)	49,835,575	36,925,506
Refundable IPO Share money	1,218,777	12,888,661
	<b>1,704,226,660</b>	<b>1,652,580,748</b>
Less: Inter Company Payable	<b>251,848,614</b>	<b>244,785,953</b>
<b>Total:</b>	<b>1,452,378,047</b>	<b>1,407,794,795</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 31st December 2021.

**24-A. CONSOLIDATED TAX PAYABLE:**

Opening Balance	314,830,022	345,382,933
Provision for this period (Current Tax): (Note: 31)	78,590,849	97,283,005
	<b>393,420,871</b>	<b>442,665,938</b>
Payment/Adjustment for prior year balance:	-	127,835,916
<b>Total Payment/Adjustment for last year Income:</b>	<b>-</b>	<b>127,835,916</b>
<b>Total Payable-</b>	<b>393,420,871</b>	<b>314,830,022</b>

**24-B. INTEREST ACCRUED:**

Dutch Bangla Bank Ltd.	11,276,604	-
Meghna Bank Ltd.	-	450,902
One Bank Limited	38,558,971	36,331,678
HSBC Ltd.	-	142,926
<b>Total:</b>	<b>49,835,575</b>	<b>36,925,506</b>

**MALEK SPINNING MILLS LIMITED**  
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Amount In Taka

	<u>DEC'21</u>	<u>DEC'20</u>
<b>25. CONSOLIDATED SALES:</b>		
Export Sales	9,704,720,869	7,334,063,523
Less: Inter Co. Sales	346,604,258	254,057,507
<b>Total:</b>	<b>9,358,116,611</b>	<b>7,080,006,016</b>
<b>26. CONSOLIDATED COST OF GOODS SOLD:</b>		
Raw Material Consumed (Note: 26-A)	6,319,100,169	5,005,457,778
Direct Expenses (Note: 26-B)	1,041,901,354	967,169,481
Factory Overhead (Note: 26-C)	888,565,364	1,183,050,143
<b>Total Manufacturing Cost</b>	<b>8,249,566,888</b>	<b>7,135,677,402</b>
Add: Work-in-Process- Opening	1,353,604,778	648,228,673
<b>Cost of Goods available for use</b>	<b>9,603,171,666</b>	<b>7,783,906,074</b>
Less: Work-in-Process- Closing	652,858,650	1,062,240,701
<b>Cost of Production</b>	<b>8,950,313,015</b>	<b>6,721,665,373</b>
Add: Finished Goods- Opening	1,491,398,445	1,522,642,684
<b>Cost of Goods Available for Sales</b>	<b>10,441,711,461</b>	<b>8,244,308,057</b>
Less: Finished Goods- Closing	1,240,772,792	1,495,303,681
Less: Finished Goods Closing- Inter Company	346,604,258	254,057,507
Less: Goods destroyed by fire {Note-29.A(ii)}	277,346,120	-
<b>Cost of Goods Sold:</b>	<b>8,576,988,291</b>	<b>6,494,946,869</b>
<b>26-A. CONSOLIDATED RAW MATERIALS CONSUMED:</b>		
Opening Inventory of Raw Materials	1,622,063,187	1,996,488,196
Add: Purchase of Raw Materials	7,449,419,514	4,451,281,137
Less: Closing Stock of Raw Materials	2,752,382,532	1,442,311,555
<b>Total Raw Materials Consumption:</b>	<b>6,319,100,169</b>	<b>5,005,457,778</b>
<b>26-B. CONSOLIDATED DIRECT LABOUR:</b>	<b>1,041,901,354</b>	<b>967,169,481</b>
<b>26-C. CONSOLIDATED FACTORY OVERHEAD:</b>		
Factory Salary and Allowances	137,368,538	355,924,263
Overtime Wages for Worker	11,209,600	26,118,557
Festival Bonus	14,124,673	20,963,259
Electricity Charges	4,003,552	21,722,682
Gas Charges	183,841,984	201,074,567
Gardening Expenses	7,926	23,220
Repairs & Maintenance	78,963,371	81,100,968
Air Freight, Courier charges	32,400	34,620
Packing Materials	27,054,598	37,689,933
Fuel, Oil & Lubricant	21,729,502	20,603,064
Insurance Premium- Fire	2,239,418	2,534,293
Stores & Accessories consumption	71,135,046	56,808,610
Entertainment	12,535,955	9,667,154
Telephone, Mobile & Fax	1,710,329	1,270,723
Stationery expenses	3,585,740	8,252,481
Printing Charges	-	1,003,967
Other Carrying Charges	2,604,617	2,172,781
Factory Office Expenses others	951,637	797,079
Dyeing, Printing, Washing, Embroidary, Finishing Exp.	-	737,985

**MALEK SPINNING MILLS LIMITED**  
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Amount in Taka

	DEC'21	DEC'20
C&F and others expenses	1,463,171	4,187,109
Lab test & Inspection charges	11,941,879	11,467,378
Security Service charges	115,940	133,170
Factory Rent	-	6,525,830
Vehicles Maintenance	6,032,051	7,042,289
Medical Expenses	579,164	1,007,350
Uniform & Leverage	93,150	68,988
Central Fund expenses for RMG sector	1,664,728	1,336,067
Miscellaneous	2,373,996	1,919,226
Conveyances	2,989,917	1,869,317
Accommodation Facility for worker	912,531	1,101,771
Depreciation	287,299,952	277,891,442
<b>Total:</b>	<b>888,565,364</b>	<b>1,163,050,143</b>

**27. CONSOLIDATED OPERATING EXPENSES:**

Salaries & Allowances	45,197,832	43,813,333
Festival Bonus	3,209,064	3,340,809
Director's Remuneration	7,500,000	7,500,000
Fees, Forms & Others	3,510,040	4,029,197
Printing & Stationery	940,049	480,577
Telephone, Mobile & Internet Expenses	1,296,786	1,548,950
Postage & Stamp	558,685	693,529
Vehicle Maintenance	5,722,494	5,536,258
Miscellaneous Expenses	9,461,770	4,163,645
Office Rent	18,043,594	19,021,758
Rates & Taxes	272,844	1,006,943
Carriage Outward, Selling & Distribution, C&F, Sample expense	9,904,321	16,668,138
Travelling & Conveyance	1,531,878	1,124,661
Entertainments	1,123,588	1,410,492
Office Expenses	-	1,006,689
Advertisement/ Publicity Expenses	354,150	328,121
AGM Expenses	240,000	109,250
Marketing Expenses	10,875,370	4,881,469
Security Charges	49,200	4,000
Uniform & Leverage Security	-	380,305
Repairs & Maintenance	4,469,226	6,713,782
Medical Expenses	6,500	120,061
Donation & Subscription	134,824	-
Software Maintenance Expenditure	76,904	82,440
Credit Rating Charges	107,500	107,500
Depreciation	6,132,179	4,392,658
<b>Total:</b>	<b>130,718,798</b>	<b>128,464,565</b>

**28. CONSOLIDATED FINANCIAL EXPENSES :**

**EASTERN BANK LTD.:**

Interest on Long Term Loan	-	9,128,036
Interest on Short Term Loan	11,642	2,488,713
Interest on Overdraft	783,592	2,406,422
Bank Charges & Commission	620,135	1,245,366
Export L/C Negotiation Commission	1,606,831	2,114,132
Interest on Bill Discount	3,074,588	2,493,222
<b>Total:</b>	<b>6,096,788</b>	<b>19,875,890</b>

**MALEK SPINNING MILLS LIMITED**  
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	Amount in Taka	
	DEC'21	DEC'20
<b><u>HSBC LTD.:</u></b>		
Interest on Long Term Loan	10,790,006	10,545,470
Interest on Short Term Loan	4,064,305	11,033,180
Interest on Overdraft	1,553,897	2,012,344
Bank Charges & Commission	496,495	2,052,120
Export L/C Negotiation Commission	36,587	7,695,066
Interest on Bill Discount	-	5,351,294
<b>Total:</b>	<b>16,941,290</b>	<b>38,689,473</b>
<b><u>DHAKA BANK LTD. :</u></b>		
Interest on Short Term Loan	-	183,894
Interest on Overdraft	635,875	702,849
Bank Charges & Commission	615,954	1,062,369
Export L/C Negotiation Commission	1,570,662	875,255
Interest on Bill Discount	1,603,954	21,757
<b>Total:</b>	<b>4,426,445</b>	<b>2,846,124</b>
<b><u>MEGHNA BANK LTD.:</u></b>		
Interest on Short Term Loan	9,663,489	-
Interest on Long Term Loan	7,966,170	-
Bank Charges and Commission	431,198	-
Export L/C Negotiation Commission	39,004	-
Interest on Overdraft	2,044,758	-
<b>Total-</b>	<b>20,144,619</b>	-
<b><u>ONE BANK LTD. :</u></b>		
Interest on Long Term Loan	6,316,235	2,385,943
Interest on Short Term Loan	684,769	-
Interest on Overdraft	1,718,706	1,902,325
Bank Charges & Commission	493,060	243,019
Export L/C Negotiation Commission	20,250	84,848
<b>Total:</b>	<b>9,233,019</b>	<b>4,616,135</b>
<b><u>TRUST BANK LTD. :</u></b>		
Interest on Long Term Loan	70,673,809	47,814,736
Interest on Short Term Loan	365,542	297,613
Bank Charges & Commission	1,902,828	2,779,908
Export L/C Negotiation Commission	2,320,089	3,125,779
Interest on Overdraft	1,972,279	3,798,062
Interest on Bill Discount	1,578,209	3,372,409
<b>Total:</b>	<b>78,812,755</b>	<b>61,188,507</b>
<b><u>ISLAMI BANK BANGLADESH LTD.:</u></b>		
Bank Charges & Commission	4,190	245,081
<b>Total:</b>	<b>4,190</b>	<b>245,081</b>

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	<u>Amount in Taka</u>	
	<u>DEC'21</u>	<u>DEC'20</u>
<b><u>DUTCH BANGLA BANK LTD. :</u></b>		
Interest on Short Term Loan	11,078,790	-
Bank Charges & Commission	95,954	47,066
<b>Total:</b>	<b>11,174,744</b>	<b>47,066</b>
<b><u>BRAC BANK LTD. :</u></b>		
Bank Charges & Commission	-	1,945
<b>Total:</b>	-	<b>1,945</b>
<b><u>THE CITY BANK LTD. :</u></b>		
Bank Charges and Commission	1,148,301	852,505
Interest on Long Term Loan	740,995	6,795,739
Interest on Short Term Loan	7,634,986	12,544,772
<b>Total:</b>	<b>9,524,282</b>	<b>20,193,016</b>
<b><u>PUBALI BANK LTD. :</u></b>		
Bank Charges & Commission	15,933	3,805
<b>Total:</b>	<b>15,933</b>	<b>3,805</b>
<b><u>IDLC FINANCE LTD. :</u></b>		
Bank Charges and Commission	40,000	-
Interest on Long Term Loan	4,256,941	11,737,836
<b>Total:</b>	<b>4,296,941</b>	<b>11,737,836</b>
<b><u>PRIME BANK LTD.</u></b>		
Interest on Long Term Loan	15,847,574	4,308,420
Interest on Short Term Loan	2,479,725	-
Bank Charges and Commission	1,024,598	297,458
<b>Total:</b>	<b>19,351,897</b>	<b>4,605,878</b>
<b><u>UCBL. :</u></b>		
Interest on Short Term Loan	11,810,938	17,916,031
Interest on Term Loan	23,164,399	32,848,054
Bank Charges & Commission	503,019	1,483,039
<b>Total:</b>	<b>35,478,356</b>	<b>52,247,124</b>
<b><u>FINANCIAL EXPENSES ON LEASE LIABILITY</u></b>	<b>5,029,863</b>	<b>6,779,814</b>
<b>TOTAL FINANCIAL EXPENSES:</b>	<b>220,531,123</b>	<b>223,077,695</b>

**MALEK SPINNING MILLS LIMITED**  
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	Amount in Taka	
	DEC'21	DEC'20
<b>29. OTHER INCOME/(LOSS):</b>		
<b>CASH INCENTIVE:</b>	<b>59,602,700</b>	<b>41,198,875</b>
<b>OTHER INCOME/(LOSS):</b>		
Interest Received from Dividend A/C with BRAC Bank Ltd.	-	65,931
Interest Received from Dividend A/C with Dhaka Bank Ltd.	-	190,289
Interest Income from STD A/C with BRAC Bank Ltd.	-	112
Interest Income from STD A/C with Eastern Bank Ltd.	9,650	17,182
Interest Received from FDR A/C-Islami Bank	108,571	1,040,608
Interest Received from CD A/C-Meghna Bank	2,203,473	-
Interest Received from SND A/C	83,916	70,370
	<b>2,405,610</b>	<b>1,384,491</b>
Income from Agriculture	-	2,857,339
	-	<b>2,857,339</b>
Foreign currency exchange Gain/(Loss) against Import LC payment	(602,622)	(355,552)
Foreign currency exchange Gain/(Loss) against export realization	944,859	212,376
Foreign currency translation Gain/(Loss)	1,276,568	-
Gain/(Loss) on Sale of Assets	(306,875)	(784,976)
	<b>1,311,830</b>	<b>(928,152)</b>
Other Income/(Loss)	<b>3,717,440</b>	<b>3,313,678</b>
<b>Total Non-operating Income/(Loss)</b>	<b>63,320,140</b>	<b>44,512,553</b>
<b>29.A(i). LOSS ON FIRE OF ASSETS:</b>		
Fire Insurance claimed	19,950,000	-
Written down value	19,950,000	-
<b>Loss on fire of Assets</b>	<b>-</b>	<b>-</b>
<b>29.A(ii). LOSS ON FIRE OF GOODS:</b>		
Fire Insurance claimed	277,346,120	-
Goods destroyed by fire	277,346,120	-
<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)	8,486,657	4,872,486
Provision for Contribution to WPPF(STL)	8,178,248	2,224,577
<b>Total:</b>	<b>16,664,906</b>	<b>7,097,063</b>
<b>31. CONSOLIDATED CURRENT TAX EXPENSES:</b>		
<b>On Operating Income:</b>		
Malek Spinning Mills Ltd.	28,024,777	16,856,690
Salek Textile Ltd.	16,773,396	13,990,969
J.M Fabrics Ltd.	26,711,961	17,114,586
<b>Sub-total:</b>	<b>71,510,134</b>	<b>47,962,245</b>
<b>On Cash Incentive:</b>		
Salek Textile Ltd.	1,306,159	1,740,568
J.M Fabrics Ltd.	4,653,600	2,260,110
<b>Sub-total:</b>	<b>5,959,759</b>	<b>4,000,678</b>

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	DEC'21	DEC'20
<b>On Other Income:</b>		
Malek Spinning Mills Ltd.	183,582	75,356
Salek Textile Ltd.	937,374	121,580
J.M Fabrics Ltd.	-	308,175
<b>Sub-total:</b>	<b>1,120,956</b>	<b>505,110</b>
<b>Grand Total:</b>	<b>78,590,849</b>	<b>52,468,033</b>

**32. CONSOLIDATED DEFERRED TAX:**

Malek Spinning Mills Limited	3,301,209	(2,284,446)
Salek Textile Limited	11,544,453	15,453,329
J.M Fabrics Limited	10,601,493	6,445,441
<b>Total:</b>	<b>25,447,155</b>	<b>19,614,325</b>

**33. NON CONTROLLING INTEREST:**

<b>On Net Profit/(Loss) after tax:</b>			
Salek Textile Limited	2.0745%	659,130	534,049
Newasia Synthetics Limited	0.7070%	(8,470)	11,721
J.M. Fabrics Limited	0.0025%	5,092	2,216
<b>Total:</b>		<b>655,752</b>	<b>547,987</b>

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

(a) Consolidated Net Profit/(Loss) after tax	372,495,629	198,850,019
(b) Less: Non Controlling Interest	655,752	547,987
<b>Consolidated Net Profit/(Loss): (a-b)</b>	<b>371,839,876</b>	<b>198,302,033</b>
(c) Number of total share	193,600,000	193,600,000
<b>Basic Earnings per Share (EPS): [(a-b)/c]</b>	<b>1.92</b>	<b>1.02</b>

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

PARTICULARS	DEC'21	DEC'20
Operating Profit/(Loss)	429,878,399	233,516,887
Depreciation	293,432,131	282,284,100
Other Income/(Loss)	62,008,310	45,440,705
Foreign currency exchange Gain/(Loss)	342,237	(143,176)
Accounts Receivable (Increase)/Decrease	(1,139,550,549)	(850,376,404)
Inventories (Increase)/Decrease	237,122,400	(234,076,621)
Advance, Deposit & Prepaid expenses (Increase)/Decrease	(25,812,909)	(284,426,244)
Accounts Payable Increase/(Decrease)	957,181,775	551,762,724
Payment to Employee against contribution to WPPF	-	(10,211,279)
Payment for Income Tax	(51,177,911)	(42,338,084)
<b>Net Cash provided/(used) by Operating Activities</b>	<b>763,423,883</b>	<b>(308,567,392)</b>



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		DEC'21	DEC'20
<b>36. NET OPERATING CASH FLOW PER SHARE (NOCFPS):</b>			
<b>Calculation of Net Operating Cash Flow per Share (NOCFPS):</b>		<b>DEC'21</b>	<b>DEC'20</b>
<b>NOCFPS</b>	a) Net Cash provided/(used) by Operating Activities	763,423,883	(308,567,392)
	b) Number of total Shares	193,600,000	193,600,000
<b>Net Operating Cash Flow Per Share (NOCFPS) { a/b }</b>		<b>3.94</b>	<b>(1.59)</b>

**Net Operating Cash Flow per Share significantly decreased due to as follows:**

a) Collection against turnover are increased Tk. 1,988.93 million for the financial period 1st Jul'2021 to 31st Dec'2021 compared to the last financial period 1st Jul'2020 to 31st Dec'2020 and other income increased Tk. 16.56 million for the financial period 1st Jul'2021 to 31st Dec'2021 compared to the last financial period 1st Jul'2020 to 31st Dec'2021.

b) Payment to Material suppliers and other supplier is increased Tk. 950.90 million, payment for operating expenses increased Tk. 0.51 million, payment for financial expenses decreased Tk. 16.05 million, payment for income tax increased Tk. 8.83 million for the financial period 1st Jul'2021 to 31st Dec'2021 compared to the last financial period 1st Jul'2020 to 31st Dec'2020.

<b>CASH FLOW FROM OPERATING ACTIVITIES :</b>	DEC'21	DEC'20	DEFERENCE
Collection from Turnover & Bills Receivable	8,218,566,062	6,229,629,612	1,988,936,450
Other Income	62,008,310	45,440,705	16,567,605
Payment for Raw Materials, Indirect Materials and other expenses	(7,134,700,971)	(6,183,795,568)	(950,905,403)
Foreign currency exchange Gain/(Loss) realized	342,237	(143,176)	485,413
Payment to Employee against contribution to WPPF	-	(10,211,279)	10,211,279
Payment for Operating Expenses	(124,586,619)	(124,071,907)	(514,712)
Payment for Financial Expenses	(207,027,226)	(223,077,695)	16,050,469
Payment for Income Tax	(51,177,911)	(42,338,084)	(8,839,827)
<b>Net Cash provided by Operating Activities</b>	<b>763,423,883</b>	<b>(308,567,392)</b>	<b>1,071,991,275</b>

<b>37. NET ASSET VALUE (NAV) PER SHARE:</b>		DEC'21	JUN'21
<b>NAV calculation</b>	a) Equity attributable to owners of the company	9,328,859,330	8,957,019,453
	b) Number of total Shares	193,600,000	193,600,000
<b>Net Assets Value Per Share (NAV) { a/b }</b>		<b>48.19</b>	<b>46.27</b>

**MALEK SPINNING MILLS LIMITED**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT**  
**FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER 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 31st December 2021 were as follows:

Related Party	Nature of Relationship	Nature of Transaction	Transaction during this period		Balance as at 31.12.2021	Balance as at 30.06.2021
			Dr. (Sales or Advance)	Cr. (Realised)		
Knit Asia Limited	Common Director	Sales	522,488,523	408,613,721	198,426,270	84,551,468
Salek Textile Limited	Subsidiary	Sales	11,185,514	11,725,125	56,087,358	56,626,969
Newasia Synthetics Limited	Subsidiary	Advance	-	-	-	-
J.M. Fabrics Limited	Subsidiary	Sales	335,418,744	327,816,472	195,761,256	188,158,984
Hejaz Publication Ltd.	Common Director	Office Rent	5,533,704	5,533,704	-	-

**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	Jul'21 to Dec'21		Jul'20 to Dec'20	
	Directors	Executives	Directors	Executives
Remuneration/ Salary	1,300,000	5,894,535	1,300,000	5,467,406
i) Basic	685,680	3,074,817	685,680	2,852,257
ii) House Rent	342,840	1,537,408	342,840	1,426,129
iii) Conveyance	102,912	461,491	102,912	428,089
iv) Medical Allowance	68,568	307,482	68,568	285,226
v) Bonus	100,000	513,338	100,000	475,705
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.

**MALEK SPINNING MILLS LIMITED**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT**  
**FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER 2021**

**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 91.65% on sales during the financial period 1st Jul'2021 to 31st Dec'2021 compared to 91.74% for the financial period 1st Jul'2020 to Dec'2020 on sales, COGS is decreased on 0.09% this financial period was due to increased of Sales price for this financial period compared to the financial period 1st Jul'2020 to 31st Dec'2020.

(b) **Export or Turnover:** The company had achieved an export turnover of Tk.9,358.11 million during the financial period 1st Jul'2021 to 31st Dec'2021. Last year financial period 1st Jul'2020 to 31st Dec'2020 turnover was Tk.7,080.00 million. The turnover had increased by 32.18% this financial period compared to last year financial period 1st Jul'2020 to 31st Dec'2020 due to increase of Sales quantity and Sales price also.

(c) **Gross Profit:** Gross Profit earned during the financial period 1st Jul'2021 to 31st Dec'2021 by 8.35% on sales as compared to 8.26% during the financial period 1st Jul'2020 to 31st Dec'2020. It was increased by 0.09% on sales due to percentage of cost of goods sold on sales was decreased this financial period 1st Jul'2021 to 31st Dec'2021 compared to the last year financial period 1st Jul'2020 to 31st Dec'2020.

(d) **Net Profit/(Loss):** The company had incurred a Net Profit of Tk.372.49 million during the financial period 1st Jul'2021 to 31st Dec'2021 compared to the last year financial period 1st Jul'2020 to 31st Dec'2020, was Net Profit Tk. 198.85 million. The Net Profit was increased this financial period 1st Jul'2021 to 31st Dec'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. 1.02 to Tk. 1.92 during the financial period 1st Jul'2021 to 31st Dec'2021 compared to the financial period 1st Jul'2020 to 31st Dec'2020 due to increase of Net Profit this financial period 198.85 million to Net Profit 372.49 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.350)

Newasia Synthetics Limited (6,553,338 Shares of Tk.100/- each)

J.M. Fabrics Limited (3,999,900 Shares of Tk.100/- each)

**Total:**

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.

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

**42. CONTINGENT ASSET DISCLOSURE:**

(i) During the financial period 1st July' 2021 to 31st December' 2021, a fire incident has been happened in the factory premises of Malek Spinning Mills Limited. As a result, some of goods (inventory) of TK 277,346,120 and some Property, Factory Building of TK 19,950,000 has been destroyed by fire. Whole of these assets (Inventory and Property, Factory Building) 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.

(ii) For the year 2020-2021, a fire incident has been happened in one of the company's subsidiary factory premises (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 subsidiary 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 31ST DECEMBER 2021**

ANNEXURE : 1

SL	PARTICULARS	COST			RATE	DEPRECIATION			WRITTEN DOWN VALUE AS AT 31.12.2021
		As at 01.07.2021	Addition	Adjustment		As at 31.12.2021	This period	Adjustment	
<b>A. Malek Spinning Mills Ltd., Salek Textile, Newasia Synthetics Ltd. &amp; JM Fabrics Ltd.</b>									
1	Land and Land Development	1,146,625,570	45,773,200	-	1,192,398,770	0%	-	-	1,192,398,770
2	Factory Building	1,733,090,172	874,102	19,950,000	1,714,004,274	3.37%-5%	24,020,312	57,900,509	1,667,099,768
3	Plant and Machinery	6,843,218,336	17,082,424	23,986,918	6,935,311,942	5%-10.85%	182,265,199	23,351,943	3,717,428,982
4	Equipment/Electrical Installation	412,982,844	15,135,926	-	428,118,770	10%-19.75%	18,107,170	-	188,935,405
5	Tubewell and Water Pump	12,672,308	-	-	12,672,308	15%	187,602	-	2,313,754
6	Furniture and Fixtures	77,252,671	2,514,418	-	79,767,089	10%-20%	2,829,738	-	40,039,277
7	Office Equipments	67,075,863	1,430,980	-	68,506,843	15%-20%	3,086,798	-	39,289,397
8	Gas Line Installation	77,207,596	-	-	77,207,596	15%	2,843,103	-	36,298,276
9	Loose Tools and Equipment	26,828,013	-	-	26,828,013	10%-15%	1,161,545	-	14,325,723
10	Motor Vehicle	87,508,258	-	-	87,508,258	10%-20%	2,329,549	-	28,428,140
11	Telephone (PABX) Installation	801,975	-	-	801,975	15%	8,939	-	110,249
12	Crockeries and Cullinies	50,777	-	-	50,777	15%	47,623	-	47,850
13	Generator	221,474,179	-	-	221,474,179	10%-15%	2,218,263	-	186,852,791
14	Fire Installation	17,955,249	-	-	17,955,249	15%	830,125	-	10,238,205
15	Right to use of Asset	206,481,234	-	-	206,481,234	56 month	22,122,989	-	95,866,287
	<b>Total (A) as at 31.12.2021</b>	<b>10,931,215,044</b>	<b>182,611,050</b>	<b>43,638,618</b>	<b>11,070,087,176</b>		<b>262,111,569</b>	<b>81,252,452</b>	<b>6,547,166,540</b>
	<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>462,820,444</b>	<b>346,527,890</b>	<b>6,589,153,524</b>

**CONSOLIDATED REVALUATED ASSETS SCHEDULE AS AT 31ST DECEMBER 2021**

SL	PARTICULARS	RE-VALUED COST			RATE	DEPRECIATION			WRITTEN DOWN VALUE AS AT 31.12.2021
		As at 01.07.2021	Addition	Adjustment		As at 31.12.2021	This period	Adjustment	
<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%	5,060,129	-	198,049,235
3	Machinery	1,448,114,243	-	-	1,448,114,243	7.5%-10%	23,805,728	-	542,781,178
4	Generator	144,551,895	-	-	144,551,895	10%-15%	2,454,705	-	43,676,600
	<b>Total (B) as at 31.12.2021</b>	<b>4,800,928,324</b>	<b>-</b>	<b>-</b>	<b>4,800,928,324</b>		<b>31,320,562</b>	<b>-</b>	<b>3,643,661,773</b>
	<b>Total (B) as at 30.06.2021</b>	<b>4,614,879,388</b>	<b>-</b>	<b>13,951,084</b>	<b>4,800,928,324</b>		<b>66,534,452</b>	<b>10,742,227</b>	<b>3,675,182,335</b>
	<b>Total (A+B) as at 31.12.2021</b>	<b>15,732,143,368</b>	<b>182,811,050</b>	<b>43,638,618</b>	<b>16,871,015,500</b>		<b>293,432,131</b>	<b>81,252,452</b>	<b>10,191,028,312</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>16,732,143,368</b>		<b>529,754,896</b>	<b>357,270,117</b>	<b>10,264,335,859</b>

Depreciation Charges to:  
 Factory Overhead: 287,299,952  
 Operating Expenses: 6,132,179  
**Tk. 293,432,131**

# MALEK SPINNING MILLS LIMITED

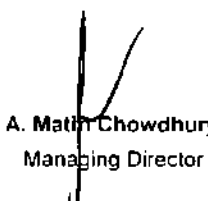
## STATEMENT OF FINANCIAL POSITION

AS AT 31<sup>ST</sup> DECEMBER 2021


Un-Audited

Particulars	Amount in Taka	
	DEC'21	JUN'21
<b>ASSETS :</b>		
<b>Non-Current Assets:</b>		
Property, Plant and Equipment	2,142,008,260	2,148,334,220
Investment in Subsidiary Company	1,825,233,800	1,825,233,800
	<b>3,967,242,060</b>	<b>3,973,568,020</b>
<b>Current Assets :</b>		
Inventories	1,772,009,879	2,197,140,142
Accounts Receivable	1,652,077,210	1,249,627,547
Fire Insurance Claimed Receivable	297,296,120	-
Advances, Deposits and Pre-payments	144,721,460	170,930,084
Cash and Cash Equivalents	321,424,417	226,418,040
	<b>4,187,529,086</b>	<b>3,844,115,813</b>
<b>TOTAL ASSETS :</b>	<b>8,154,771,146</b>	<b>7,817,683,833</b>
<b>SHAREHOLDER'S EQUITY AND LIABILITIES :</b>		
<b>Shareholder's Equity :</b>		
Share Capital	1,936,000,000	1,936,000,000
Share Premium	1,500,000,000	1,500,000,000
Re-valuation Surplus	1,157,381,953	1,173,581,963
Retained Earnings	660,190,502	505,766,912
	<b>5,253,572,455</b>	<b>5,115,348,875</b>
<b>Non-Current Liabilities:</b>		
Long Term Loan	163,977,142	202,655,830
Deferred Tax Liabilities	271,233,020	267,931,811
	<b>435,210,162</b>	<b>470,587,641</b>
<b>Current Liabilities :</b>		
Short Term Loan	124,299,482	475,499,066
Current Portion of Long Term Loan	82,188,273	82,708,656
Acceptance Liabilities	1,883,173,183	1,313,728,331
Unclaimed Dividend with Interest	3,655,331	39,229,338
Creditors, Accruals & Provisions	372,672,260	320,581,926
	<b>2,465,988,529</b>	<b>2,231,747,317</b>
<b>TOTAL SHAREHOLDER'S EQUITY AND LIABILITIES :</b>	<b>8,154,771,146</b>	<b>7,817,683,833</b>
<b>Net Assets Value Per Share (NAV)</b>	<b>27.14</b>	<b>26.42</b>
Par Value Tk.10		

  
A.F.M. Zubair  
Chairman

  
A. Matin Chowdhury  
Managing Director

  
Azizur Rahim Chowdhury  
Director

  
B.K. Chaki  
Chief Financial Officer

  
Syed Saiful Haque  
Company Secretary

**MALEK SPINNING MILLS LIMITED**  
**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**  
**FOR THE PERIOD FROM 1<sup>ST</sup> JULY 2021 TO 31<sup>ST</sup> DECEMBER 2021**  
**Un-Audited**

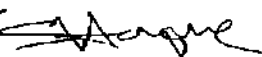
Particulars	Amount in Taka			
	JUL'21-DEC'21	JUL'20-DEC'20	OCT'21-DEC'21	OCT'20-DEC'20
Sales	2,169,410,059	1,328,987,591	1,248,185,475	684,025,486
Cost of Goods Sold	(1,926,013,539)	(1,166,705,096)	(1,123,700,622)	(589,408,157)
<b>Gross Profit/(Loss) :</b>	<b>243,396,520</b>	<b>162,282,495</b>	<b>124,484,853</b>	<b>94,617,329</b>
Operating Expenses	(46,678,931)	(42,834,129)	(22,469,977)	(23,173,312)
Financial Expenses	(19,313,701)	(17,427,584)	(8,428,717)	(9,924,521)
<b>Operating Profit/(Loss) :</b>	<b>177,403,888</b>	<b>102,020,782</b>	<b>93,586,159</b>	<b>61,519,496</b>
Other Income/(Loss)	815,918	301,423	546,106	276,929
<b>Net Operating Profit/(Loss) :</b>	<b>178,219,806</b>	<b>102,322,205</b>	<b>94,132,265</b>	<b>61,796,425</b>
Contribution to WPPF	(8,486,657)	(4,872,486)	(4,482,489)	-
<b>Profit/(Loss) before Tax :</b>	<b>169,733,148</b>	<b>97,449,719</b>	<b>89,649,776</b>	<b>61,796,425</b>
Income Tax :	(31,509,567)	(14,647,500)	(19,476,826)	(8,855,754)
Current Tax	(28,208,358)	(16,932,046)	(14,845,863)	(9,997,691)
Deferred Tax	(3,301,209)	2,284,446	(4,630,962)	1,141,937
<b>Net Profit/(Loss) after Tax</b>	<b>138,223,581</b>	<b>82,802,119</b>	<b>70,172,951</b>	<b>52,940,671</b>
Other Comprehensive Income	-	-	-	-
<b>Total Comprehensive Income</b>	<b>138,223,581</b>	<b>82,802,119</b>	<b>70,172,951</b>	<b>52,940,671</b>
<b>Earnings Per Share (EPS)</b>	<b>0.71</b>	<b>0.43</b>	<b>0.36</b>	<b>0.27</b>
Par Value Tk.10				
<b>Number of Shares used to compute EPS</b>	<b>193,600,000</b>	<b>193,600,000</b>	<b>193,600,000</b>	<b>193,600,000</b>

  
A.F.M. Zubair  
Chairman

  
A. Matin Chowdhury  
Managing Director

  
Azizur Rahman Chowdhury  
Director

  
B.K. Chaki  
Chief Financial Officer

  
Syed Saiful Haque  
Company Secretary

# MALEK SPINNING MILLS LIMITED

## STATEMENT OF CHANGES IN EQUITY

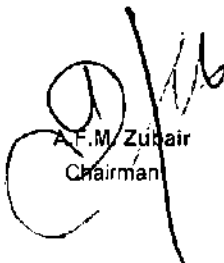
Un-Audited

FOR THE PERIOD FROM 1<sup>ST</sup> JULY 2021 TO 31<sup>ST</sup> DECEMBER 2021

Particulars	Share Capital	Share Premium	Revaluation Surplus of Fixed Assets	Retained Earnings	Total
Balance as at 1 <sup>st</sup> July 2021	1,936,000,000	1,500,000,000	1,173,581,963	505,766,912	5,115,348,875
Net Profit/(Loss) during this period				138,223,581	138,223,581
Transfer of excess depreciation of Revalued Assets			(16,200,010)	16,200,010	-
<b>As at 31st December 2021</b>	<b>1,936,000,000</b>	<b>1,500,000,000</b>	<b>1,157,381,953</b>	<b>660,190,502</b>	<b>5,253,572,455</b>

FOR THE PERIOD FROM 1<sup>ST</sup> JULY 2020 TO 31<sup>ST</sup> DECEMBER 2020

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	4,855,118,897
Net Profit/(Loss) during this period				82,802,119	82,802,119
Transfer of excess depreciation of Revalued Assets			(17,570,504)	17,570,504	-
<b>As at 31st December 2020</b>	<b>1,936,000,000</b>	<b>1,500,000,000</b>	<b>1,193,020,217</b>	<b>318,900,799</b>	<b>4,947,921,016</b>



A.F.M. Zubair  
Chairman



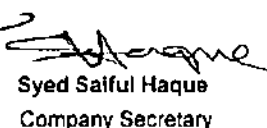
A. Matin Chowdhury  
Managing Director



Azizur Rahim Chowdhury  
Director



B.K. Chaki  
Chief Financial Officer



Syed Saiful Haque  
Company Secretary

**MALEK SPINNING MILLS LIMITED**  
**STATEMENT OF CASH FLOWS**  
**FOR THE PERIOD FROM 1<sup>ST</sup> JULY 2021 TO 31<sup>ST</sup> DECEMBER 2021**  
**Un-Audited**

PARTICULARS	Amount in Taka	
	DEC'21	DEC'20
<b>CASH FLOW FROM OPERATING ACTIVITIES :</b>		
Collection from Turnover & Accounts Receivable	1,766,980,396	902,008,456
Payment for Raw Materials, Indirect Materials and other expenses	(1,105,712,398)	(680,270,441)
Foreign currency exchange Gain/(Loss) realized	259,694	27,910
Other Income	9,650	273,513
Payment for Operating Expenses	(44,465,010)	(41,941,816)
Payment for Financial Expenses	(17,086,408)	(17,427,584)
Payment for Income Tax	(8,835,865)	(9,989,129)
<b>Net Cash provided/(used) by Operating Activities</b>	<b>591,130,060</b>	<b>152,680,909</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES :</b>		
Acquisition of Fixed Assets	(1,127,200)	(50,700)
Disposal of Fixed Assets	(57,900,509)	-
Investment to Subsidiary Company	-	(158,868,800)
<b>Net cash used in Investing Activities</b>	<b>(59,027,709)</b>	<b>(158,919,500)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES :</b>		
Bank Loan Increase/(Decrease)	(390,398,655)	11,322,263
Refundable IPO Share Money paid	(11,669,885)	0
Dividend Paid	(35,574,007)	(472,845)
<b>Net Cash provided/(used) by Financing Activities</b>	<b>(437,642,547)</b>	<b>10,849,418</b>
<b>Increase/(Decrease) in Cash and Cash Equivalents</b>	<b>94,459,804</b>	<b>4,610,827</b>
Opening Cash & Cash Equivalents	226,418,040	86,818,406
Foreign Currency Bank deposit translation Gain/(Loss)	546,574	-
<b>Closing Cash and Cash Equivalents</b>	<b>321,424,417</b>	<b>91,429,233</b>
<b>Net Operating Cash Flow Per Share (NOCFPS)</b>	<b>3.05</b>	<b>0.79</b>
Par Value Tk. 10		

  
A.F.M. Zubair  
Chairman

  
A. Manin Chowdhury  
Managing Director

  
Azizur Rahim Chowdhury  
Director

  
B.K. Chaki  
Chief Financial Officer

  
Syed Saiful Haque  
Company Secretary