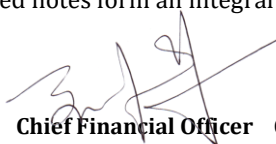

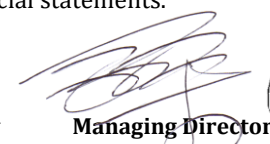
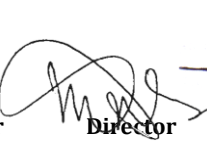



Queen South Textile Mills Limited
Statement of Financial Position(Un-Audited)

As at 30 September 2021

| <u>Particulars</u> | <u>Notes</u> | <u>Amount in Taka</u> <u>30-Sep-2021</u> | <u>Amount in Taka</u> <u>30-Jun-2021</u> |
|---|--------------|---|---|
| Assets: | | | |
| Non-current assets | | 924,957,134 | 952,393,511 |
| Property, plant and equipment | 5 | 875,648,414 | 903,084,791 |
| Capital Work in Progress | 6 | 49,308,720 | 49,308,720 |
| Current assets: | | 3,359,009,408 | 3,315,985,981 |
| Inventories | 7 | 1,774,717,037 | 1,741,164,524 |
| Trade and other receivables | 8 | 1,427,344,678 | 1,431,087,005 |
| Advances, deposits and prepayments | 9 | 112,435,173 | 103,288,487 |
| Investments-FDR | 10 | 9,219,116 | 9,194,188 |
| Cash & Cash Equivalent | 11 | 35,293,404 | 31,251,777 |
| Total Assets | | 4,283,966,542 | 4,268,379,492 |
| Equity and liabilities | | | |
| Shareholder's equity | | 2,180,940,903 | 2,135,130,716 |
| Share capital | 12 | 1,308,760,200 | 1,308,760,200 |
| Retained earnings | 13 | 872,180,703 | 826,370,516 |
| Non-current liabilities | | 431,674,243 | 677,518,772 |
| Long-term borrowing | 14 | 376,263,056 | 621,861,430 |
| Deferred tax liability | | 55,411,187 | 55,657,342 |
| Current liabilities | | 1,671,351,396 | 1,455,730,006 |
| Trade and other payables | 15 | 360,345,136 | 369,367,879 |
| Current portion of long term borrowing | | 318,909,203 | 120,861,453 |
| Short-term borrowing | 16 | 883,990,260 | 876,690,518 |
| Liabilities for Expenses | 17 | 67,693,813 | 56,827,642 |
| Outstanding IPO Subscription | 18 | 100,000 | 100,000 |
| Dividend Payable | 19 | 561,955 | 562,252 |
| Income Tax provision | 20 | 39,751,029 | 31,320,261 |
| Total liabilities | | 2,103,025,639 | 2,133,248,777 |
| Total Equity and Liabilities | | 4,283,966,542 | 4,268,379,493 |
| NAVPS (Net Assets Value Per Share) | 21 | 16.66 | 16.31 |

The annexed notes form an integral part of these financial statements.

Chief Financial Officer Company Secretary Managing Director Director Chairman




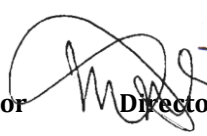

Signed in terms of our separate report of same date.

Dated: Dhaka
November 11, 2021

Queen South Textile Mills Limited
Statement of Profit or Loss and Other Comprehensive Income(Un-Audited)
for the period ended from 01 July 2021 to 30 September 2021

| <u>Particulars</u> | <u>Notes</u> | <u>Amount in Taka</u> <u>1-Jul-2021</u> <u>to</u> <u>30-Sep-2021</u> | <u>Amount in Taka</u> <u>1-Jul-2020</u> <u>to</u> <u>30-Sep-2020</u> |
|---|--------------|---|---|
| Revenue | 22 | 1,033,762,612 | 895,948,919 |
| Cost of Sales | 23 | (917,931,163) | (792,393,684) |
| Gross Profit | | 115,831,449 | 103,555,235 |
| Foreign Currency Gain/(Loss) | | (2,032,748) | (836,934) |
| Other Income | 22.01 | 18,196 | 238,857 |
| Operating Expenses: | | (32,811,766) | (33,307,688) |
| Distribution Costs | 24 | (4,536,577) | (5,134,782) |
| Administrative Expenses | 25 | (28,275,189) | (28,172,906) |
| Operating profit | | 81,005,131 | 69,649,470 |
| Financial Expenses | 26 | (27,010,331) | (26,967,758) |
| Net profit before tax | | 53,994,800 | 42,681,712 |
| Income tax expenses | 27 | (8,184,613) | (4,614,555) |
| Net Profit / (Loss) during the year | | 45,810,187 | 38,067,157 |
| Basic & Diluted Earnings per share | 28 | 0.35 | 0.29 |

The annexed notes form an integral part of these financial statements.

Chief Financial Officer **Company Secretary** **Managing Director** **Director** **Chairman**

Signed in terms of our separate report of same date.

Dated: Dhaka
November 11, 2021



Queen South Textile Mills Limited
Statement of Changes in Equity(Un-audited)
for the period ended from 01 July 2021 to 30 September 2021

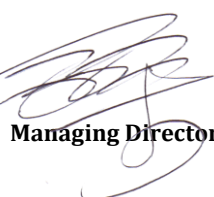


| Particulars | Share Capital | Retained Earnings | Total |
|------------------------------------|----------------------|--------------------|----------------------|
| Balance at 01 July 2021 | 1,308,760,200 | 826,370,516 | 2,135,130,716 |
| Stock Dividend | - | - | - |
| Cash Dividend | - | - | - |
| Net profit for the period | - | 45,810,187 | 45,810,187 |
| Balance at 31 December 2020 | 1,308,760,200 | 872,180,703 | 2,180,940,903 |

Queen South Textile Mills Limited
Statement of Changes in Equity
for the period ended from 01 July 2020 to 30 June 2021

| Particulars | Share Capital | Retained Earnings | Total |
|--------------------------------|----------------------|--------------------|----------------------|
| Balance at 01 July 2020 | 1,211,815,000 | 804,490,364 | 2,016,305,364 |
| Stock Dividend | 96,945,200 | (96,945,200) | - |
| Cash Dividend | - | (45,337,250) | (45,337,250) |
| Net profit for the period | - | 164,162,602 | 164,162,602 |
| Balance at 30 June 2021 | 1,308,760,200 | 826,370,516 | 2,135,130,716 |

The annexed notes form an integral part of these financial statements.

 
Chief Financial Officer Company Secretary

  
Managing Director Director Chairman

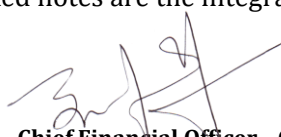
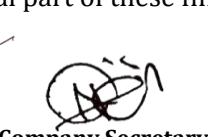
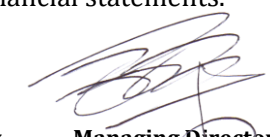
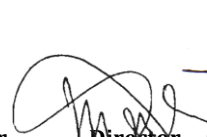
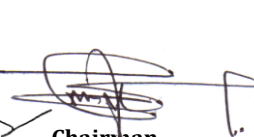
Signed in terms of our separate report of same date.

Dated: Dhaka
November 11, 2021

Queen South Textile Mills limited
Statement of Cash Flows(Un-Audited)
for the period ended from 01 July 2021 to 30 September 2021

| <u>Particulars</u> | <u>Notes</u> | <u>Amount in Taka</u> <u>1-Jul-2021</u> <u>to</u> <u>30-Sep-2021</u> | <u>Amount in Taka</u> <u>1-Jul-2020</u> <u>to</u> <u>30-Sep-2020</u> |
|---|--------------|---|---|
| A. Cash flows from operating activities: | | | |
| Cash received from customer & other income | 29 | 1,040,686,423 | 886,768,933 |
| Cash Paid to Suppliers, employees and others expenses | 30 | (959,312,386) | (833,346,322) |
| Income Tax Paid/Deducted at Source | | (4,614,276) | (3,264,008) |
| Net Cash provided by operating activities | | 76,759,761 | 50,158,603 |
| B. Cash flows from investing activities: | | | |
| Acquisition of property, plant and Equipment | | 48,176,564 | (120,708,554) |
| Proceed from Sale of PPE | | | - |
| Capital Work in Progress | | (49,308,720) | - |
| Investments-FDR | | - | - |
| Net Cash used in investing activities | | (1,132,156) | (120,708,554) |
| C. Cash flows from financing activities: | | | |
| Financial Expenses | | (27,010,330) | (26,967,758) |
| Short term bank loan (paid)/Received | | 202,970,517 | 1,767,982 |
| Dividend Payment | | (297) | (6,461,817) |
| IPO Expenses | | - | - |
| Long Term Bank Loan (paid)/Received | | (247,559,684) | 102,976,752 |
| Outstanding IPO Subscription Paid | | - | - |
| Net Cash from financing Activities | | (71,599,794) | 71,315,159 |
| Net Decrease in cash & cash equivalents (A+B+C) | | 4,027,811 | 765,207 |
| Unrealized Foreign Exchange Gain/(Loss) | | 13,816 | (9,982) |
| Cash & cash equivalents at the beginning of the period | | 31,251,777 | 47,984,345 |
| Cash & cash equivalents at the end of the period | | 35,293,404 | 48,739,570 |
| Net Operating Cash Flow per share | 31 | 0.59 | 0.38 |

The annexed notes are the integral part of these financial statements.

Chief Financial Officer Company Secretary Managing Director Director Chairman

Signed in terms of our separate report of same date.

Dated: Dhaka
November 11, 2021

Queen South Textile Mills Limited

Notes to the financial statements (Un-audited)
for the period ended from 01 July 2021 to 30 September 2021

1 Legal form of the enterprise

Queen South Textile Mills Ltd was incorporated as a private limited company in Bangladesh on 15th June, 2003 under the Companies Act- 1994 and the registration number is C-49529(11513)/2003. It is a 100% foreign owned company. The company went into commercial operation on 1st June 2005. The company is listed with Dhaka Stock Exchange Limited and Chittagong Stock Exchange Limited on 7th January 2018 and company's shares are publicly traded on 13th March 2018.

Address of registered office of the company and factory of the company

The address of the registered office is at plot No. 85-88, Extension Area, Dhaka Export processing Zone, Savar, Dhaka, Bangladesh. The company is carrying out its production activities on factory premises constructed on leased land from EPZ.

Nature of business

Queen South Textile Mills Limited is a 100% export oriented company engaged in dying of yarn for consumption by sweater industry through local LC (Deemed Export). Queen South Textile Mills Ltd. set up business establishment in the export -processing zone, Dhaka.

2 Basis of preparation

Significant Accounting Policy for the presentation of the financial Statements

The specific accounting policies selected and applied by the company's management for significant transactions and events that have material effect within the framework of IAS-1 "Presentation of Financial Statements", in preparation and presentation of financial statements have been consistently applied throughout the year and were also consistent with those used in earlier years.

2.01 Corporate financial statements and reporting

This comprises Statement of Financial Position, Statement of Profit or Loss and other Comprehensive Income, Statement of Changes in Equity, Statement of Cash Flows and other explanatory notes covering accounting policies.

This is prepared under the historical cost convention and in accordance with the requirements of the Companies Act, 1994, International Financial Reporting Standards (IFRS) and International Accounting Standards (IASs) adopted by the Institute of Chartered Accountants of Bangladesh (ICAB) and as applicable to this Company.

The Board of Directors are responsible for preparing and presenting the financial statements including adequate disclosures, who approved and authorized for issue of this financial statements.

The preparation of the financial statements in conformity with the International Accounting Standards (IASs) requires Board of Directors to make estimates and assumptions that affect the reported amounts of revenues and expenses, assets and liabilities at reporting date. Due to the inherent uncertainty involved in making estimates, actual result could differ from those estimates.

2.02 Fundamental accounting concepts/ assumptions

The financial statements have been prepared based on Going concern assumption, Consistency concept, Accrual basis and such other convention as required by IAS-1 for fair presentation of financial statements.

2.03 Going concern

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

2.04 Compliance with IAS & IFRS

The following IAS is applicable to the financial statements for the year under review:

| | |
|--------|--|
| IAS 1 | Presentation of Financial Statements |
| IAS 2 | Inventories |
| IAS 7 | Statement of Cash Flows |
| IAS 8 | Accounting policies , Changes in Accounting Estimates and Errors |
| IAS 10 | Events after the Reporting period |
| IAS 12 | Income Taxes |
| IAS 16 | Property, Plant And Equipment |
| IAS 19 | Employee Benefits |
| IAS 21 | The Effects of Changes in Foreign Exchange Rates |
| IAS 23 | Borrowing Costs |
| IAS 24 | Related Party Disclosures |
| IAS 32 | Financial Instruments: Presentation |
| IAS 33 | Earnings Per Share |
| IAS 36 | Impairment of Assets |
| IAS 37 | Provision , Contingent Liabilities and Contingent Assets |
| IAS 39 | Financial Instruments: Recognition and Measurement |

The following IFRS is applicable to the financial statements for the year under review:

| | |
|---------|---|
| IFRS 1 | First-time Adoption of Bangladesh Financial Reporting Standards |
| IFRS 7 | Financial Instruments: Disclosures |
| IFRS 8 | Operating Segments |
| IFRS 9 | Financial Instruments |
| IFRS 15 | Revenue From Contracts with Customers |

2.05 Reporting period

The period of the financial statements covers from 01 July 2021 to 30 September 2021

2.06 Authorization for issue

The Financial Statements have been authorized for issue by the board of directors on 11 November 2021.

2.07 Events after the reporting period.

Events after the reporting period are those events, favorable and unfavourable, that occur between the end of the reporting period and the date when the financial statements are authorised for issue. Two types of events can be identified:

(a) those that provide evidence of conditions that existed at the end of the reporing period (adjusting events after the reporting period); and

(b) those that are indicative of conditions that arose after the reporting period (non-adjusting events after the reporting period)

2.08 Functional and presentational (Reporting) currency

The financial statements are prepared and presented in Bangladesh Currency (Taka), Which is the company's functional currency. All financial information presented have been rounded off to the nearest Taka except where indicated otherwise.

2.09 Comparative information and rearrangement thereof

Comparative figures have been re-arranged wherever considered necessary to ensure better comparability with the current year without causing any impact on the profit and value of assets and liabilities as reported in the financial statements.

2.10 Use of estimates and judgments

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the reported value of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the result of which forms the basis of making the judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. However, the estimates and underlying assumptions are revised when there is material impact on the financial results of the company.

2.10.1 Regulatory Compliance

The financial Statements have been prepared in compliance with the following

The Companies Act, 1994

The Bangladesh Securities and Exchange Rule 1987

The Bangladesh Securities and Exchange Commission Act 1993.

The Income Tax Ordinance, 1984

The Income Tax Rules, 1984

The Value Added Tax (VAT) Act, 1991

The Custom Act 1969

2.11 Summary of significant accounting policies

The specific accounting policies selected and applied by the company's directors for significant transactions and events that have material effect within the framework of IAS-1 "Presentation of Financial Statements", in preparation and presentation of financial statements have been consistently applied throughout the year and were also consistent with those used in prior periods.

For a proper understanding of the financial statements, these accounting policies are set out in one place as prescribed by the IAS-1 "Presentation of Financial Statements". The recommendations of IAS-1 relating the format of financial statements were also taken into full consideration for fair presentation.

2.12 Recognition of tangible fixed assets

Tangible assets have been stated at cost less accumulated depreciation (Written down value). The cost of acquisition comprises of purchase price, including import duties and non-refundable Taxes and any directly attributable cost of bringing the assets to its working condition for its intended use. Expenditure incurred after the assets have been put into operation, such as repairs and maintenance is normally charged off as revenue expenditure in the period in which it is incurred. In situation where it can be clearly demonstrated that expenditure has resulted in an increase in the future economic benefit expected to be obtained from the use of the fixed assets, the expenditure is capitalized as an additional cost of the assets.

On retirement or otherwise disposal of fixed assets, the cost and accumulated depreciation are eliminated and any gain or loss on such disposal is reflected in the income statement which is determined with reference to the net book value of assets and the net sales proceeds.

2.13 Depreciation of tangible fixed assets

Depreciation on all fixed assets is computed using the reducing balance method so as to write off the assets over their expected useful life from the date when the corresponding assets are available for use as per management intention. No depreciation have been charged after the date of retirement.

After considering the useful life of assets as per IAS-16, the annual depreciation rates have been applied as under which is considered reasonable by the management.

| <u>Category of fixed assets</u> | <u>Rate of depreciation (%)</u> |
|--|--|
| Machinery & Equipment | 15% |
| Building | 5% |
| Furniture and fixture | 20% |
| Office equipment | 25% |
| Electrical Installation | 5% |
| Vehicles | 20% |
| Right of Use (Asset) | |

2.14 Revenue recognition

Revenue is recognised to the extent that , it is probable that the economic benefits will flow to the company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment .

The specific recognition criteria described below must also be met before revenue is recognised.

2.15 Identifying the contract

An entity shall account for a contract with a customer with a customer that is within the scope of this standard only when all of the following criteria are met:

Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns, trade discounts and volume rebates exclusive of VAT as per IFRS-15. Revenue is recognized when the parties to the contract have approved the contract and are committed to perform their respective obligations, the entity can identify each party's rights and payment terms regarding the goods or services to be transferred, the contract has commercial substance the significant risks and reward of ownership have been transferred to the buyer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably & there is no continuing management involvement with the goods sold. Transfer of risk and rewards occurs for the sale of goods when the product is delivered along with dispatch documents, L/Cs and invoices to customers.

2.16 Employee Benefits:

The company maintains defined contribution plan and defined benefit plan for its eligible permanent employees. The eligibility is determined according to the terms and conditions set forth in the respective agreements/trust deeds.

The company has accounted for and disclosed employee benefits in compliance with the provision of BAS 19 : Employee Benefits

The cost of employee benefit is charged off as revenue expenditure in the year to which the contributions relate.

The company's employee benefits include the following.

Defined Contribution Plan (provident fund)

The company got recognition from commissioner of Taxes its provident fund scheme (Defined Contribution Plan) vide order no: bw_ bs - Av - 4/Kt At - 4/2007-2008/ for employees of the company eligible to be members of the fund in accordance with the rules of the provident fund constituted under an irrevocable trust. All permanent employees contribute to the provident fund and the company also makes equal contribution.

Workers Profit Participation Fund:

As per Bangladesh Labour Law 2006, amendment 2013, Chapter 15, Section 232 the company does not maintain Workers Profit Participation Fund (WPPF) for their workers as because Now the company operating EPZ labour ACT 2019, February 28 and as per clause no.174, Section XV we don't need to maintain WPPF until government enforce and instruct to comply the rules. Once government instructs us to deduct @0.03% to maintain the fund the company shall follow accordingly.

2.17 Accrued expenses and other payables

Liabilities are recognized for the goods and services received, whether paid or not for those goods and services. Payables are not interest bearing and are stated at their nominal value.

2.18 Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the Average Cost method. The cost of finished goods and work in progress comprises raw materials, direct labour, other direct costs and related production overheads (based on normal operating capacity). It excludes borrowing costs. Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses.

2.19 Cash and Cash Equivalents

Cash in hand and cash at banks have been considered as Cash and Cash Equivalents for the preparation of these financial statements, which were held and available for use by company without any restriction and there was no significant risk of changes in value of the same.

2.2 Statements of Cash Flows:

Statement of Cash Flows is prepared principally in accordance with IAS-7 "Statement of Cash Flows" and the cash flows from the operating activities have been presented under direct method.

2.21 Accounting Policies, Changes in Accounting Estimates and Errors:

Changes in accounting policies:

An entity shall change an accounting policy only if the change:

(a) is required by an IFRS; or

(b) results in the financial statements providing reliable and more relevant information about the effects of transactions, other events or conditions on the entity's financial position, Financial performance or cash flows.

2.22 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial year of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the year in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

2.23 Income-tax expense

In pursuance of section 44(4) (b) of the Income Tax Ordinance, 1984 (XXXVI of 1984) and cancelling the notification No. SRO 289- Ain /89, dated 17 August 1989, all industries operation in the Export processing zones of Bangladesh have been exempted from payment of income tax for a period of 10 years from an industry goes into commercial production. The tax holiday period of the company expired on June 30, 2015

Current Tax:

Income tax is calculated and provision is made in compliance with the provisions of Finance Act 2018 and the Income Tax Ordinance 1984.

Deferred tax

Deferred tax liabilities are the amount of income taxes payable in future years in respect of taxable temporary differences. Deferred tax assets are the amount of income taxes recoverable in future years in respect of deductible temporary differences. Deferred tax assets and liabilities are recognized for the future tax consequences of timing differences arising between the carrying values of assets, liabilities, income and expenditure and their respective tax bases. Deferred tax assets and liabilities are measured using tax rates and tax laws that have been enacted or subsequently enacted at the financial statement date.

2.24 Foreign Currency Transaction:

Foreign currency transactions are recorded, on initial recognition in the functional currency at the spot exchange rate ruling at the transaction date.

At the end of each reporting period, in compliance with the provision of IAS 21: The Effects of Changes in Foreign Exchange Rates, are determined as under :

- (a) Foreign currency monetary items are translated using the closing rate.
- (b) Non-monetary items that are measured in terms of historical costs in a foreign currency are translated using the exchange rate at the date of the transaction.
- (c) Non-monetary items that are measured at fair value in a foreign currency is translated using the exchange rate at the date when the fair value is determined.

Exchange differences arising on the settlement of monetary items or on translating monetary items at rate different from those at which they were translated on initial recognition during the period or in previous financial statements is recognized in profit or loss in the period in which they arise.

3.00 Related party disclosures

During the year the Company carried out a number of transactions with related parties in the normal course of business on an arms length basis. The name of those related parties, nature of those transactions and their value have been set out in accordance with IAS 24 in Note-35.1

4.00 Financial Instruments

A financial instrument is any contract that gives rise to financial assets and a financial liability or equity instrument of another entity.

Financial assets:

Financial assets of the company include cash and cash equivalents, accounts receivable, other receivables and equity instrument of another entity. The company initially recognizes receivable on the date they are originated. All other financial assets are recognized initially on the date at which the company becomes a party to the contractual provision of the transaction. The company derecognizes a financial asset when, and only when the contractual rights or probabilities of receiving the cash flows on the financial assets in a transaction in which substantially all the risk and rewards of ownership of the financial assets are transferred.

Financial liability:

Financial liabilities are recognized initially on the transaction date at which the company becomes a party to the contractual provisions of the liability. The company derecognizes the financial liabilities when its contractual obligations are discharged or cancelled or expired. Financial liabilities include payable for expense, liability for capital expenditure and other current liabilities.

4.01 Earnings Per Share

This has been calculated in compliance with the requirement of IAS-33 : Earnings per share by dividing the net earnings attributable to the share holders by the weighted average number of ordinary shares outstanding during the year .

Basic Earnings per share (Numerator /Denominator)

Earnings (Numerator)

This represents earning for the year attributable to ordinary shareholders

No. of ordinary shares (Denominator)

This represents weighted average number of ordinary share outstanding during the year.

Diluted Earnings per share

As per the existing conditions of the loans taken by the company from various financial institutions or other contracts with various parties including employees, there is no condition related to conversion or stipulation related to share based payments for material and services supplied by them to the company . Hence , Diluted EPS of the company is same as basic EPS.

4.02 Impairment of Assets:

I) Financial Assets

Accounts receivable and others receivables are assessed at each reporting date to determine whether there is any objective evidence of impairment. Financial assets are impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset and that the loss event had a negative effect on the estimated future cash flow of that asset , that can be estimated reliably . Objective evidence that financial assets are impaired can include default of delinquency by a debtor, indicates that a debtor of issuer will enter bankruptcy etc.

II) Non-Financial assets

An asset is impaired when its carrying amount exceeds its recoverable amount. The company assesses at each reporting date whether there is any indication that an asset may be impaired. If any such indication exists, the company estimates the recoverable amount of the asset. The recoverable amount of an asset is the higher of its fair value less cost to sell and its value in use. Carrying amount of the assets is reduced to its recoverable amount by recognizing an impaired loss is recognised immediately in statement of comprehensive income unless the asset is carried at revalued amount . Any impaired loss of a revalued asset shall be treated as a revaluation decrease. No such impairment has been raised till the reporting date.

4.03 Provision , Contingent Liabilities and Contingent Assets :

Contingent Liabilities and Contingent Assets are present or possible obligations or on liabilities or assets , arising from past events and existence of which depends upon the occurrence or non-occurrence of one or more uncertain future events which are not within the control of the company or which amount of the obligations cannot be measured with sufficient reliability. In accordance with IAS-37 .

4.04 Intangible Assets

In Compliance with the requirements of IAS, 38 Intangible Assets '

The following terms are used in this Standard with the meanings specified:

Amortisation is the systematic allocation of the depreciable amount of an intangible asset over its useful life.

An asset is a resource:

(a) controlled by an entity as a result of past events; and

(b) From which future economic benefits are expected to flow to the entity.

An intangible asset shall be recognised if, and only if:

(a) it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and

(b) the cost of the asset can be measured reliably

4.05 Financial statements comprises:

(a) Statement of Financial Position(Un-Audited)As at 30 September 2021

(b) Statement of Profit or Loss and Other Comprehensive Income(Un-Audited)for the period ended from 01 July 2021 to 30 September 2021

(c) Statement of Changes in Equity(Un-audited)for the period ended from 01 July 2021 to 30 September 2021

(d) Statement of Cash Flows(Un-Audited)for the period ended from 01 July 2021 to 30 September 2021

(e) Notes, comprising a summary of significant accounting policies and other explanatory information.

4.06 Risk exposure

Interest rate risk

Interest rate risk is the risk that Company faces due to unfavorable movements in the interest rates. Changes in the government's monetary policy, along with increased demand for loans/ investments tend to increase the interest rates. Such rises in interest rates mostly affect companies having floating rate loans or companies investing in debt securities.

Management perception

The Company maintains low debt/ equity ratio; and accordingly, adverse impact of interest rate fluctuation is insignificant. Moreover maximum debts are interest free.

Exchange rate risk

Exchange rate risk occurs due to changes in exchange rates. As the Company imports materials and equipment from abroad and also earns revenue in foreign currency, unfavorable volatility or currency fluctuation may affect the profitability of the Company. If exchange rate increases against local currency, opportunity arises for generating more profit.

Management perception

The products of the company are sold mostly in US\$ currency and the transaction would settle within very short period. Therefore, volatility of exchange rate will have no impact on profitability of the Company.

Industry risks

Industry risk refers to the risk of increased competition from foreign and domestic sources leading to lower prices, revenues, profit margin, and market share which could have an adverse impact on the business, financial condition and results of operation.

Management perception

Management is optimistic about growth opportunity in textile sector in Bangladesh. Furthermore there is untapped international market.

Market risks

Market risk refers to the risk of adverse market conditions affecting the sales and profitability of the company. Mostly, the risk arises from falling demand for the product or service which would harm the performance of the company. On the other hand, strong marketing and brand management would help the company increase their customer base.

Management perception

Management is fully aware of the market risk, and act accordingly. Market for textile products in Bangladesh is growing at an exponential rate. Moreover the company has a strong marketing and brand management to increase the customer base and customer loyalty.

Operational risks

Non-availabilities of materials/equipment/services may affect the smooth operational activities of The Company. On the other hand, the equipment may face operational and mechanical failures due to natural disasters, terrorist attacks, unforeseen events, lack of supervision and negligence, leading to severe accidents and losses.

Management perception

The company perceives that allocation of its resources properly can reduce this risk factor to great extent. The Company hedges such risks and also takes preventive measures therefore.

Liquidity risk

Liquidity risk is defined as the risk that the Company will not be able to settle or meet its obligations on time or at a reasonable price.

Management perception

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. Typically, management ensures that it has sufficient cash and cash equivalent to meet expected operational expenses, including the servicing of financial obligation through preparation of the cash forecast, prepared based on time line of payment of the financial obligation and accordingly arrange for sufficient liquidity/fund to make the expected payment within due date.

| | Amount in Taka 30-Sep-2021 | Amount in Taka 30-Jun-2021 |
|--|--------------------------------------|--------------------------------------|
| 5 Property, plant and equipment | | |
| Cost: | | |
| Opening Balance | 1,979,886,792 | 1,897,199,365 |
| Addition during the period | 1,132,156 | 235,973,494 |
| Disposal during the period | - | (153,286,067) |
| | 1,981,018,948 | 1,979,886,792 |
| Ness: Accumulated Depreciation: | | |
| Opening Balance | 1,076,802,001 | 1,097,175,194 |
| Charged during the period | 28,568,533 | 108,309,511 |
| Adjustment during the period | - | (128,682,704) |
| | 1,105,370,534 | 1,076,802,001 |
| Written Down Value | 875,648,414 | 903,084,791 |

IncNuded in above PPE, Building, and machineries are mortgaged with banks.
The detaiNs have been shown in Annexure: A

| | | |
|-----------------------------------|-------------------|-------------------|
| 6 Capital Work in Progress | | |
| Building and Civil Construction | | - |
| Machinery & Equipment | 49,308,720 | 49,308,720 |
| | 49,308,720 | 49,308,720 |

| | | |
|----------------------|----------------------|----------------------|
| 7 Inventories | | |
| Raw materials | 887,482,102 | 820,709,324 |
| Work-in - process | 218,683,874 | 220,792,279 |
| Finished goods | 359,519,160 | 376,251,037 |
| Dyes & Chemicals | 213,801,203 | 223,055,429 |
| Spares & Accessories | 95,230,698 | 100,356,455 |
| | 1,774,717,037 | 1,741,164,524 |

| | | |
|--------------------------------------|----------------------|----------------------|
| 8 Trade and other receivables | | |
| Accounts Receivable | 1,427,344,678 | 1,431,087,005 |
| Interest Receivable from FDR | - | - |
| | 1,427,344,678 | 1,431,087,005 |

This is secured, considered good and is falling due within one year . No debts are considered as bad during

| | | | |
|------|---|---------------|---------------|
| I) | debts considered good and in respect of which the | 1,425,540,206 | 1,421,282,855 |
| II) | debts considered good for which the company holds | - | - |
| III) | debts considered doubtful or bad. | - | - |
| IV) | debts due by directors or other officers of the | - | - |
| V) | debts due by companies under the same | 1,804,472 | 9,804,150 |
| VI) | The maximum amount due by directors or other | - | - |

| | | |
|--|----------------------|----------------------|
| Age Analysis of Trade and Other Receivables | Taka | Taka |
| Within Three months | 676,402,806 | 679,695,230 |
| Three to six months | 742,219,233 | 744,165,243 |
| More than six months | 8,722,639 | 7,226,532 |
| Total | 1,427,344,678 | 1,431,087,005 |

The Company has received letter of credits accepted by various customers against sales of yarn worth US\$ 6,388,412.53 equivalent to BDT 543,398,369.80 opened with different bank against which short term loan was sanctioned by Premier Bank Ltd., Woori Bank Ltd and HSBC keeping above mentioned Bills Receivable as collateral. The entire amount of loan liabilities has been set off against that bills receivable which is subject to realization upon 90~150 days. The company might have liability to the extent to which the said bill becomes unrealized. No provision against that liability has been created as it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation, or a sufficiently reliable estimate of the amount of the obligation cannot be made.

| | <u>30-Sep-2021</u> | <u>30-Jun-2021</u> |
|--|-----------------------------|-----------------------------|
| 9 Advances, deposits and prepayments | | |
| Advances | 54,912,863 | 51,180,440 |
| Deposits | 50,183,136 | 50,126,413 |
| Prepayments | 7,339,174 | 1,981,634 |
| | <u>112,435,173</u> | <u>103,288,487</u> |
| ** All advances and deposits and prepayment amount are considered good and realizable. | | |
| 10 Investments-FDR: | | |
| Prime Bank-NFCD A/C # 20116017 | - | - |
| Woori Bank-FDR A/C #9230076351 | 9,219,116 | 9,194,188 |
| | <u>9,219,116</u> | <u>9,194,188</u> |
| 11 Cash & Cash Equivalent | | |
| Cash in hand | 11,123,482 | 7,395,214 |
| Cash at Banks (Note 11.1) | 24,169,922 | 23,856,563 |
| | <u>35,293,404</u> | <u>31,251,777</u> |
| 11.1 Cash at Banks | | |
| Premier Bank-FDR (3 Month Maturity) | - | - |
| Standard Chartered-Taka A/C-01-6500560-01 | 1,136,359 | 5,420,538 |
| Standard Chartered-USD A/C-01-6700772-01 | 192,631 | 192,110 |
| Woori Bank-OBUS A/C-92-30107-57 | 6,008,559 | - |
| Woori Bank USD A/C-92-30107-60 | 624,254 | 1,233,025 |
| Woori Bank-Taka A/C-92-30107-75 | 7,777,783 | 9,233,503 |
| Premier bank FC A/C-010215200000898 | 4,005,623 | 3,267,172 |
| Premier Bank Taka A/C-010211100015599 | 7,737 | 330,532 |
| Woori Bank- Taka NDA | 994,148 | 976,250 |
| Prime Bank-OBUS A/C-11-0000-10 | 175,459 | 211,786 |
| Prime Bank-DBUS A/C-124-511800084-41 | 185,285 | 184,784 |
| Prime Bank-TK A/C-124-110500084-40 | 52,952 | 52,952 |
| HSBC Bank -Taka A/C | 620,268 | 305,115 |
| Dutch Bangla Bank-DBUS A/C-Taka | 1,978,360 | 2,038,311 |
| Dhaka Bank-OBUS A/C-099-1125-0000003-47 | 7,205 | 7,186 |
| Woori Bank -MOB Account | 64 | 64 |
| Prime Bank-TK A/C-IPO | 284,024 | 284,024 |
| Prime Bank-EURO A/C-IPO | 20,003 | 20,003 |
| Prime Bank-USD A/C-IPO | 99,208 | 99,208 |
| | <u>24,169,922</u> | <u>23,856,563</u> |
| 12 Share capital | | |
| Authorized capital: | <u>2,000,000,000</u> | <u>2,000,000,000</u> |
| 20,00,00,000 Ordinary shares of Taka 10 each | | |
| Issued, subscribed and paid up | | |
| Opening Share Capital | 1,308,760,200 | 1,211,815,000 |
| Add: Stock Dividend | - | 96,945,200 |
| Closing Share Capital | <u>1,308,760,200</u> | <u>1,308,760,200</u> |

| | 30-Sep-2021 | 30-Jun-2021 |
|-----------------------------------|--------------------|--------------------|
| 13 Retained Earnings | | |
| Retained Earnings Opening Balance | 826,370,516 | 804,490,364 |
| Less: Stock Dividend | - | (96,945,200) |
| Less: Cash Dividend | - | (45,337,250) |
| Add: Net profit during the period | 45,810,187 | 164,162,602 |
| Retained Earnings Closing Balance | 872,180,703 | 826,370,516 |

| | | |
|---|--------------------|--------------------|
| 14 Long-term borrowing | | |
| Lease Liability-ROU | 19,340,292 | 19,340,292 |
| HSBC Bank Ltd. | 223,178,017 | 271,952,605 |
| Loan from Shareholders | 452,653,950 | 451,429,986 |
| | 695,172,259 | 742,722,883 |
| Less: Current Portion of Long Term Loan | | |
| HSBC Bank Ltd. | 198,047,750 | - |
| Loan from Shareholders | 119,811,116 | 119,811,116 |
| Lease Liability-ROU | 1,050,337 | 1,050,337 |
| | 318,909,203 | 120,861,453 |
| | 376,263,056 | 621,861,430 |

Short details of long term borrowing from Prime Bank Ltd.

| | |
|-------------------|---|
| Purpose: | Procurement of Machineries |
| Tenure: | Three years from the date of disbursement |
| Repayment: | From proceed realization |
| Rate of Interest: | LIBOR+3.75% |
| Security: | Building, machineries and book debt |

| | | |
|------------------------------------|--------------------|--------------------|
| 15 Trade and other payables | | |
| Trade Payables | 343,140,760 | 352,435,978 |
| Other Payables | 17,204,376 | 16,931,901 |
| | 360,345,136 | 369,367,879 |

| | | |
|--------------------------------|--------------------|--------------------|
| 16 Short term borrowing | | |
| Woori Bank Limited (TR) | 214,184,305 | 178,295,022 |
| Premier Bank Limited (TR) | 281,708,679 | 301,490,327 |
| HSBC (TR) | 387,108,991 | 376,452,958 |
| Woori Bank Limited (O/D) | | 19,708,485 |
| HSBC (OD) | 988,285 | 743,726 |
| | 883,990,260 | 876,690,518 |

| | 30-Sep-2021 | 30-Jun-2021 |
|---|--------------------|--------------------|
| 17 Liabilities for Expenses | | |
| Salaries, Wages & Allowances | 35,742,427 | 30,476,603 |
| Utilities Payable | 22,379,616 | 18,236,128 |
| Vehicle Rent & Expenses | 342,567 | 342,567 |
| ETP Expenses BEPZA | 5,464,292 | 3,785,463 |
| Godown rent | 12,000 | 12,000 |
| Audit Fees | 629,001 | 556,751 |
| Liability for employee Tax | 350,600 | 590,479 |
| Liability for supplier VAT and Tax | 657,983 | 733,044 |
| PF subscription | 1,312,671 | 1,291,951 |
| Income Tax provision | - | - |
| Others | 802,656 | 802,656 |
| | 67,693,813 | 56,827,642 |
| 18 Outstanding IPO Subscription | | |
| The Break-Up of the amount is given below | | |
| Bank Name & Account Number | | |
| Prime Bank A/C 2148517000877(USD) | 79,997 | 79,997 |
| Prime Bank A/C 2148511005124 (GBP) | - | - |
| Prime Bank A/C 214851100154 (EURO) | 20,003 | 20,003 |
| | 100,000 | 100,000 |
| 19 Dividend Payable | | |
| Dividend Payable | 561,955 | 562,252 |
| | 561,955 | 562,252 |
| 20 Income Tax provision | | |
| Opening Balance | 31,320,261 | 30,632,009 |
| Add: Provision during the year | 8,430,768 | 25,512,427 |
| Less: Adjustment/Paid during the year | - | (24,824,175) |
| Total | 39,751,029 | 31,320,261 |
| 21 NAVPS (Net Assets Value Per Share) | | |
| No of shares to calculate Net Asset Value Per Share | 130,876,020 | 130,876,020 |
| Shareholder's equity | 2,180,940,903 | 2,135,130,716 |
| NAVPS (Net Assets Value Per Share) | 16.66 | 16.31 |

| | | <u>Amount in Taka</u> <u>1-Jul-2021</u> <u>to</u> <u>30-Sep-2021</u> | <u>Amount in Taka</u> <u>1-Jul-2020</u> <u>to</u> <u>30-Sep-2020</u> |
|--------------|---|---|---|
| 22 | Revenue | | |
| | Export Sales | 1,033,762,612 | 895,948,919 |
| | | <u>1,033,762,612</u> | <u>895,948,919</u> |
| 22.01 | Other Income | | |
| | Bank Interest FDR-Premier Bank | - | 238,857 |
| | Bank Interest-Prime Bank | - | - |
| | FDR Interest-Woori Bank | 18,196 | - |
| | Profit on Sale of PPE | - | - |
| | | <u>18,196</u> | <u>238,857</u> |
| 23 | Cost of Sales | | |
| | Yarn consumed (Note-23.01) | 662,886,525 | 563,534,933 |
| | Dyes & Chemicals Consumed (Note 23.02) | 79,194,618 | 66,348,546 |
| | Manufacturing expenses (Note-23.03) | 157,009,738 | 163,168,176 |
| | Manufacturing costs for the period | 899,090,881 | 793,051,655 |
| | Opening work in progress | 220,792,279 | 184,485,116 |
| | Closing work in progress | (218,683,874) | (192,145,531) |
| | Cost of goods manufactured | 901,199,286 | 785,391,240 |
| | Finished goods (Opening) | 376,251,037 | 354,606,805 |
| | Finished goods (Closing) | (359,519,160) | (347,604,361) |
| | | <u>917,931,163</u> | <u>792,393,684</u> |
| 23.01 | Yarn consumed | | |
| | Opening stock | 820,709,324 | 767,629,791 |
| | Purchase during the period | 729,659,303 | 581,067,322 |
| | Raw materials available for consumption | 1,550,368,627 | 1,348,697,113 |
| | Closing stock | (887,482,102) | (785,162,180) |
| | Raw materials consumed | <u>662,886,525</u> | <u>563,534,933</u> |
| 23.02 | Dyes & Chemical consumed | | |
| | Opening stock | 223,055,429 | 186,358,279 |
| | Purchase during the period | 69,940,392 | 62,928,433 |
| | Dyes & Chemicals available for consumption | 292,995,821 | 249,286,712 |
| | Closing stock | (213,801,203) | (182,938,166) |
| | Dyes & Chemicals consumed | <u>79,194,618</u> | <u>66,348,546</u> |
| 23.03 | Factory Overhead | | |
| | Utility Bills-BEPZA | 42,269,622 | 58,088,178 |
| | Repair and Maintenance | 2,313,429 | 2,072,126 |
| | Wages and Salary | 32,854,144 | 31,041,230 |
| | Daily Labor Charges | 2,060,088 | 1,703,667 |
| | P.F. Contribution | 1,056,150 | 1,060,399 |
| | Gas Charges- Titas | 24,141,637 | 20,072,971 |
| | Insurance Premium (Mfg.) | 1,260,025 | 1,594,168 |
| | Godown Rent | 807,920 | 805,832 |
| | Medical Subscription & Worker Welfare Fund-BEPZA | 315,147 | 314,295 |
| | Spare & Accessories consumed(Notes-23.04) | 24,219,896 | 20,103,068 |
| | Depreciation | 25,711,680 | 26,312,242 |
| | | <u>157,009,738</u> | <u>163,168,176</u> |

| | <u>Amount in Taka</u> <u>1-Jul-2021</u> <u>to</u> <u>30-Sep-2021</u> | <u>Amount in Taka</u> <u>1-Jul-2020</u> <u>to</u> <u>30-Sep-2020</u> |
|--|---|---|
| 23.04 Spare & Accessories consumed | | |
| Opening stock | 100,356,455 | 93,689,342 |
| Purchase during the period | 19,094,139 | 11,693,931 |
| Spare & Accessories available for consumption | 119,450,594 | 105,383,273 |
| Closing stock | (95,230,698) | (85,280,205) |
| Spare & Accessories consumed | 24,219,896 | 20,103,068 |
| 24 Distribution Costs | | |
| Salaries & Allowances | 3,101,157 | 3,301,262 |
| Contribution to P.F | 150,965 | 116,112 |
| Advertisement | 7,698 | - |
| House Rent | 255,780 | 250,080 |
| Entertainment-(Sales&Marketing) | 522,879 | 712,630 |
| Delivery Expense | 498,098 | 754,698 |
| | 4,536,577 | 5,134,782 |
| 25 Administrative expenses | | |
| Association Fees | - | 50,000 |
| Telephone, Mobile and Internet | 287,129 | 304,685 |
| Medical & Welfare | 678,160 | 885,771 |
| Professional Fees | 353,208 | 782,900 |
| Audit Fees | 72,250 | 72,250 |
| Renewal & Registration | 364,658 | 1,246,616 |
| Salaries & Allowances | 18,747,765 | 17,758,225 |
| Security Consultancy- Fee | 795,989 | 844,268 |
| Vehicle Expenses | 1,872,004 | 1,557,808 |
| Contribution for P.F | 746,005 | 726,465 |
| Entertainment(Office) | 159,584 | 167,901 |
| Traveling & Conveyance | 974,572 | 458,833 |
| Printing & Stationeries | 326,111 | 370,737 |
| Courier Charge | 40,901 | 22,865 |
| Depreciation | 2,856,853 | 2,923,582 |
| | 28,275,189 | 28,172,906 |
| 26 Financial Expenses: | | |
| Interest on Long Term Loan | 8,196,680 | 2,153,295 |
| Interest on Short Term Loan | 16,893,789 | 22,657,743 |
| Bank Charge and Commission | 1,919,862 | 2,156,720 |
| | 27,010,331 | 26,967,758 |
| Financial Expenses: | | |
| Interest -Bill Discounting | 3,742,239 | 3,901,619 |
| Bank Charges & Commission | 1,919,862 | 2,156,720 |
| Interest -Bill settlement | 4,710,988 | 3,914,820 |
| Interest-overdraft | 314,195 | 233,090 |
| Interest- Term Loan | 8,196,680 | 1,922,025 |
| Interest TR Loan | 7,910,714 | 14,608,214 |
| Interest-Lease Liability (ROU) | 215,653 | 231,270 |
| | 27,010,331 | 26,967,758 |

| | <u>Amount in Taka</u> <u>1-Jul-2021</u> <u>to</u> <u>30-Sep-2021</u> | <u>Amount in Taka</u> <u>1-Jul-2020</u> <u>to</u> <u>30-Sep-2020</u> |
|--|---|---|
| 27 Income tax expenses: | | |
| The above balance is made up as follows: | | |
| Current tax (27.01) | 8,430,768 | 5,380,328 |
| Deferred tax (income)/expenses (Annexure-G) | (246,155) | (765,773) |
| | 8,184,613 | 4,614,555 |
| 27.01 Current tax | | |
| The above balance is made up as follows: | | |
| Income tax on business income (Note 27.02) | 8,426,219 | 5,320,614 |
| Short Provision for prior years | - | - |
| Income tax on other income (Note 27.03) | 4,549 | 59,714 |
| Total tax on income | 8,430,768 | 5,380,328 |
| 27.02 Income tax on business income | | |
| Net Profit/ (Loss) before tax | 53,994,800 | 42,681,712 |
| Less: IPO Expenses | | - |
| Add: Accounting depreciation | 28,568,533 | 29,235,824 |
| Less: Tax depreciation (Annexure-H) | (26,370,344) | (135,747,295) |
| | 56,192,989 | (63,829,759) |
| Less: Other income | 18,196 | 238,857 |
| Total business income | 56,174,793 | (64,068,616) |
| Income tax @ 15% | 8,426,219 | - |
| Tax deducted under section 82 (C) | 4,614,276 | 3,292,917 |
| As per section 82(c) of the ITO tax | 6,244,119 | 5,320,614 |
| 27.03 Income tax on other income: | | |
| Other income | 18,196 | 238,857 |
| Income tax @ 25% | 4,549 | 59,714 |
| 28 Earning Per Share: | | |
| Net profit after tax attributable to ordinary shareholders | 45,810,187 | 38,067,157 |
| No of weighted average shares to calculate basic earnings per share | 130,876,020 | 130,876,020 |
| Basic & Diluted Earnings per share | 0.35 | 0.29 |

| | <u>Amount in Taka</u> <u>1-Jul-2021</u> <u>to</u> <u>30-Sep-2021</u> | <u>Amount in Taka</u> <u>1-Jul-2020</u> <u>to</u> <u>30-Sep-2020</u> |
|---|---|---|
| 29 Cash received from customer & other income | | |
| Revenue | 1,033,762,612 | 895,948,919 |
| Other Income | 18,196 | 238,857 |
| Realized Foreign Exchange Gain/(Loss) | (691,487) | (1,456,819) |
| Adjustment of unrealized foreign exchange gain/(loss) for trade | 3,854,775 | (2,555,913) |
| Adjustment for Sale of PPE included (Increase)/Decrease in Trade and other receivables | 3,742,327 | (5,406,111) |
| | <u>1,040,686,423</u> | <u>886,768,933</u> |
| 30 Cash Paid to Suppliers, employees and others expenses | | |
| Cost of Goods Sold | (917,931,163) | (792,393,684) |
| Distribution Cost | (4,536,577) | (5,134,782) |
| Administrative Expenses | (28,275,189) | (28,172,906) |
| Adjustment for Depreciation | 28,568,533 | 29,235,824 |
| Adjustment for Unrealized Foreign Exchange gain/(Loss) | (896,495) | 460,379 |
| (Increase)/Decrease in Inventory | (33,552,513) | (6,361,110) |
| (Increase)/Decrease in Advances | (9,146,686) | (377,444) |
| Deposits Prepayments | | |
| Net Advance Income Tax included in advance deposits & prepayments considered separately | 4,614,276 | 3,264,008 |
| Increase/(Decrease) Trade and other payable | (9,022,743) | (25,499,880) |
| Increase/(Decrease) Liabilities for Expenses | 10,866,171 | (8,366,727) |
| | <u>(959,312,386)</u> | <u>(833,346,322)</u> |
| Opening AIT | (34,534,009) | (34,828,966) |
| Closing AIT | 39,148,285 | 38,092,974 |
| Opening Income Tax Provision | 31,320,261 | 30,632,009 |
| Closing Income Tax Provision | (39,751,029) | (36,012,337) |
| Current Year Tax Provision | 8,430,768 | 5,380,328 |
| | <u>4,614,276</u> | <u>3,264,008</u> |
| 31 Net Operating Cash Flow per share(NOCFPS) | | |
| No of weighted average shares to calculate Net Operating Cash flow | <u>130,876,020</u> | <u>130,876,020</u> |
| Net Cash provided by operating activities | <u>76,759,761</u> | <u>50,158,603</u> |
| Net Operating Cash Flow per share (NOCFPS) | 0.59 | 0.38 |

| <u>Amount in Taka</u> <u>1-Jul-2021</u> <u>to</u> <u>30-Sep-2021</u> | <u>Amount in Taka</u> <u>1-Jul-2020</u> <u>to</u> <u>30-Sep-2020</u> |
|---|---|
|---|---|

32 Reconciliation of Net profit with cash flow from operating activities

| | | |
|---|-------------------|-------------------|
| Net Profit Before Tax | 53,994,800 | 42,681,712 |
| (Increase)/Decrease in Trade and other receivables | 3,742,327 | (5,406,111) |
| Adjustment for Depreciation | 28,568,533 | 29,235,824 |
| Adjustment for Sale of PPE included | - | - |
| (Increase)/Decrease in Inventory | (33,552,513) | (6,361,110) |
| (Increase)/Decrease in Advances | (9,146,686) | (377,444) |
| Deposits Prepayments | | |
| Net Advance Income Tax included in advance deposits & prepayments considered separately | 4,614,276 | 3,264,008 |
| Increase/(Decrease) Trade and other payable | (9,022,743) | (25,499,880) |
| Increase/(Decrease) Liabilities for Finance Expenses | 10,866,171 | (8,366,727) |
| Income Tax Paid | 27,010,330 | 26,967,758 |
| Foreign Currency Gain/(Loss) for financing and investing activities | (4,614,276) | (3,264,008) |
| Foreign Currency Gain/(Loss) for Cash and Cash Equivalents | 4,313,357 | (2,725,401) |
| | (13,816) | 9,982 |
| Cash Flow from operating activities | 76,759,761 | 50,158,603 |

33 Explanation note 31 for changes in statement of cash flow

We have paid Tk. 959,312,386/- to Suppliers, employees and others expenses for (1st July 2021 to 30 September 2021) compare with last year Tk.833,346,322/- (1st July 2020 to 30 September 2020) for our financial costs reduced during the period (1st July 2021 to 30 September 2021) as bills purchase less & long term bank loan paid more than the last year (1st July 2020 to 30 September 2020) which supports to increase NOCFPS Tk.0.21 (Tk.0.59 - Tk.0.38) than the last year (1st July 2020 to 30 September 2020).

34 Explanation of Notes 22 for Increase revenue

Our Revenue has increased Tk. 895,948,919/- to Tk. 1,033,762,612/- compared with last year (1st July 2020 to 30th September 2020) due to new demand of sweater in European and American Market after pandemic Covid 19 unit price increased almost 13.33% cents per lbs as well as our management worked hard to catch orders with higher price .Our management trying to diversification of our exports which already starting to get orders in last year and modernized machines to reduced energy costs and other manufacturing costs.

35 Disclosure as per requirement of schedule XI, Part-II of companies Act 1994

35.1 Related party disclosures

The Company has entered into transactions with other entities that fall within the definition of related party as contained in IAS-24 "Related Party Disclosures". The Company opines that terms of related transaction do not significantly differ from those that could have been obtained from third parties. Total transactions of the significant related parties as at 30.09.2021 are as follows:

a)

| Name of Related Party | Relationship | Nature of Transaction | Opening Balance | Transaction / Adjustment during the period Dr./ (Cr.) | Closing Balance Dr./ (Cr.) |
|-----------------------------------|-------------------|------------------------|-----------------|---|----------------------------|
| Gain Plus Agents Limited | Common Management | Trade Payable | (133,516,000) | (362,003) | (133,878,003) |
| Gain Plus Agents Limited | Common Management | Loan from Shareholders | (451,429,986) | (1,223,964) | (452,653,950) |
| Ideal Fastenar BD Limited | Common Management | Trade Payable | (15,602,789) | (29,686,246) | (45,289,035) |
| Kingpro Manufacturing Co. Limited | Common Management | Trade Receivable | 9,804,150 | (7,999,678) | 1,804,472 |
| Kingpro Trading Limited | Common Management | Trade Payable | (62,241,162) | 12,590,245 | (49,650,917) |
| Queensin Ltd | Common Management | Trade Payable | (20,613,660) | (55,890) | (20,669,550) |
| Master Knitwear Ltd | Common Management | Trade Receivable | (3,949,886) | 6,209,553 | 2,259,667 |
| Winpro Textile Mills Ltd | Common Management | Trade Payable | (49,789,248) | (35,860,194) | (85,649,442) |
| BHK Textile Mills Ltd | Common Management | Trade Receivable | - | - | - |

36 Number of Employees

All the employees receive

Number of permanent staff

Number of permanent workers

Number of temporary staff/worker

Total:

118

632

28

778

37 General

37.1 Directors' responsibility statements

The Board of Directors takes the responsibility for the preparation and presentation of these financial statements.

37.2 Rounding off

Amounts appearing in these financial statements have been rounded off to the nearest Taka and, wherever considered necessary.

37.3 Rearrange of last period figures

To facilitate comparison, certain relevant balances pertaining to the previous period have been rearranged/reclassified/restated whenever considered necessary to conform to current period presentation.

37.4 Authorization for issue of the financial statements

The financial statements have been authorised for issue by the Board of Directors on 11 November 2021

| | | | | |
|---|---|--|---|---|
|  |  |  |  |  |
| Chief Financial Officer | Company Secretary | Managing Director | Director | Chairman |

Queen South Textile Mills Limited

Dhaka export Processing Zone

Savar Dhaka

Schedule of Property Plant and Equipment as at September 30, 2021

Annexure: A

| Sl. No. | Name of Assets | COST | | | | DEPRECIATION | | | | | Written down value as on 30-Sep-2021 |
|---------|----------------------------|-----------------------------|-------------------------------|-------------------------------|------------------------------|----------------|-----------------------------|------------------------------|---------------------------------|------------------------------|--|
| | | Balance as on 1-Jul-2021 | Addition during the period | Disposal during the period | Balance as on 30-Sep-2021 | Rate of Dep | Balance as on 1-Jul-2021 | Charged during the period | Adjustment during the period | Balance as on 30-Sep-2021 | |
| 1 | Machinery & Equipment | 1,569,758,047 | - | | 1,569,758,047 | 15% | 896,560,867 | 25,244,894 | | 921,805,761 | 647,952,286 |
| 2 | Building & Civil Const. | 318,193,669 | - | | 318,193,669 | 5% | 133,481,339 | 2,308,904 | - | 135,790,243 | 182,403,426 |
| 3 | Furniture and fixture | 2,555,994 | - | | 2,555,994 | 20% | 2,043,797 | 25,610 | - | 2,069,407 | 486,587 |
| 4 | Office equipment | 24,213,405 | 300,000 | | 24,513,405 | 25% | 19,930,192 | 286,451 | - | 20,216,643 | 4,296,762 |
| 5 | Electrical Installation | 30,479,236 | 275,000 | | 30,754,236 | 5% | 11,269,955 | 243,554 | - | 11,513,509 | 19,240,727 |
| 6 | Vehicles | 12,812,743 | - | | 12,812,743 | 20% | 10,691,421 | 106,066 | - | 10,797,487 | 2,015,256 |
| 7 | Right of Use (Asset) | 21,873,698 | 557,156 | | 22,430,854 | | 2,824,430 | 353,054 | - | 3,177,484 | 19,253,370 |
| | Total at 30.09.2021 | 1,979,886,792 | 1,132,156 | - | 1,981,018,948 | | 1,076,802,001 | 28,568,533 | - | 1,105,370,534 | 875,648,414 |
| | Total at 30.06.2021 | 1,897,199,365 | 235,973,494 | 153,286,067 | 1,979,886,792 | | 1,097,175,194 | 108,309,511 | 128,682,704 | 1,076,802,001 | 903,084,791 |

Depreciation Allocation:

Administrative expenses

Manufacturing Expenses

| |
|--------------------------|
| 2,856,853 |
| 25,711,680 |
| <u>28,568,533</u> |

Queen South Textile Mills Ltd
Calculation of Deferred tax
for the period ended from 01 July 2021 to 30 September 2021

| | | Annexure: G | |
|---|--------------------|--------------------|--|
| Particulars | 30-Sep-2021 | 30-Jun-2021 | |
| Carrying value | | | |
| Property , Plant and Equipment | 875,648,414 | 903,084,791 | |
| Tax base | | | |
| Property , Plant and Equipment | 506,240,499 | 532,035,843 | |
| Taxable /(Deductible)temporary difference | 369,407,915 | 371,048,948 | |
| Income Tax rate 15% | 15% | 15% | |
| Deferred Tax Liabilities/(Assets) at the end of the period | 55,411,187 | 55,657,342 | |
| | | | |
| Closing Deferred Tax Liabilities | 55,411,187 | 55,657,342 | |
| Opening Deferred Tax Liabilities | 55,657,342 | 52,163,006 | |
| D.Tax (income) / expenses: | (246,155) | 3,494,336 | |

Queen South Textile Mills Limited

DEPZ, Savar, Dhaka

30-09-21

Annexure: H

| Sl. No | Name of Assets | Balance 07-01-21 | Addition | Balance 30-09-21 | Rate | Depreciation | WDV |
|--------|-------------------------|---------------------|----------------|---------------------|------|-------------------|--------------------|
| 1 | Machinery & Equipment | 473,305,003 | - | 473,305,003 | 20% | 23,665,250 | 449,639,753 |
| 2 | Building & Civil Const. | 42,175,186 | - | 42,175,186 | 20% | 2,108,759 | 40,066,427 |
| 3 | Furniture and fixture | 905,440 | - | 905,440 | 10% | 22,636 | 882,804 |
| 4 | Office equipment | 9,202,458 | 300,000 | 9,502,458 | 10% | 237,561 | 9,264,897 |
| 5 | Electrical Installation | 4,769,510 | 275,000 | 5,044,510 | 20% | 252,226 | 4,792,284 |
| 6 | Vehicles | 1,678,246 | - | 1,678,246 | 20% | 83,912 | 1,594,334 |
| | Total | 532,035,843 | 575,000 | 532,610,843 | | 26,370,344 | 506,240,499 |

Queen South Textile Mills Limited

DEPZ, Savar, Dhaka

30-06-21

| Sl. No | Name of Assets | Balance 07-01-20 | Addition | Balance 30-06-21 | Rate | Depreciation | WDV |
|--------|-------------------------|---------------------|--------------------|---------------------|------|--------------------|--------------------|
| 1 | Machinery & Equipment | 393,513,066 | 198,118,188 | 591,631,254 | 20% | 118,326,251 | 473,305,003 |
| 2 | Building & Civil Const. | 40,250,275 | 12,468,707 | 52,718,982 | 20% | 10,543,796 | 42,175,186 |
| 3 | Furniture and fixture | 942,119 | 63,925 | 1,006,044 | 10% | 100,604 | 905,440 |
| 4 | Office equipment | 9,505,642 | 719,311 | 10,224,953 | 10% | 1,022,495 | 9,202,458 |
| 5 | Electrical Installation | 5,961,888 | - | 5,961,888 | 20% | 1,192,378 | 4,769,510 |
| 6 | Vehicles | 2,097,807 | - | 2,097,807 | 20% | 419,561 | 1,678,246 |
| | Total | 452,270,797 | 211,370,131 | 663,640,928 | | 131,605,085 | 532,035,843 |