



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


As at 31 March 2022


Particulars	Notes	Amount in Taka 31-Mar-2022	Amount in Taka 30-Jun-2021
Assets:			
Non-current assets			
Property, plant and equipment	5	919,343,143	903,084,791
Capital Work in Progress	6	-	49,308,720
Current assets:			
Inventories	7	2,155,311,856	1,741,164,524
Trade and other receivables	8	1,510,087,060	1,431,087,005
Advances, deposits and prepayments	9	90,832,036	103,288,487
Investments-FDR	10	9,320,997	9,194,188
Cash & Cash Equivalent	11	32,759,143	31,251,777
Total Assets		4,717,654,235	4,268,379,492
Equity and liabilities			
Shareholder's equity			
Share capital	12	1,439,636,220	1,308,760,200
Retained earnings	13	795,789,348	826,370,516
Non-current liabilities			
Long-term borrowing	14	440,747,667	621,861,430
Deferred tax liability		56,737,596	55,657,342
Current liabilities			
Trade and other payables	15	576,754,083	369,367,879
Current portion of long term borrowing		260,830,303	120,861,453
Short-term borrowing	16	1,043,665,991	876,690,518
Liabilities for Expenses	17	62,191,340	56,827,642
Outstanding IPO Subscription	18	100,000	100,000
Dividend Payable	19	2,908,578	562,252
Income Tax provision	20	38,293,110	31,320,261
Total liabilities		2,482,228,668	2,133,248,776
Total Equity and Liabilities		4,717,654,235	4,268,379,492
NAVPS (Net Assets Value Per Share)	21	15.53	16.31

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


Chief Financial Officer


Company Secretary



Director


Managing Director


Chairman

Signed in terms of our separate report of same date.

Dated: Dhaka
May 11, 2022

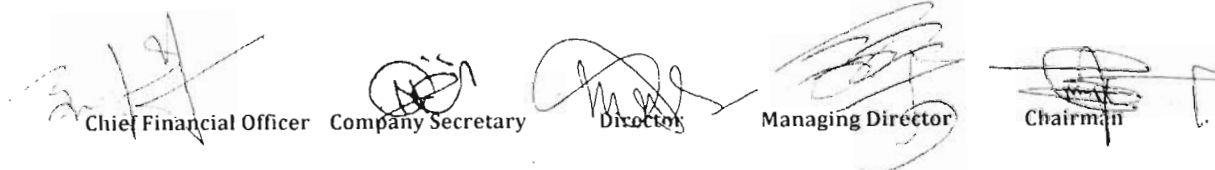

Goutam Chandra Roy
Chief Financial Officer
Queen South Textile Mills Ltd.


Lai Fong Wai
Chief Executive Officer
Queen South Textile Mills Ltd.

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 31 March 2022

Particulars	Notes	Amount in Taka	Amount in Taka	Amount in Taka	Amount in Taka
		1-Jul-2021 to 31-Mar-2022	1-Jul-2020 to 31-Mar-2021	1-Jan-2022 to 31-Mar-2022	1-Jan-2021 to 31-Mar-2021
Revenue	22	3,534,447,909	2,629,451,644	1,378,274,409	948,674,687
Cost of Sales	23	(3,120,091,135)	(2,328,293,681)	(1,192,962,844)	(843,895,340)
Gross Profit		414,356,774	301,157,963	185,311,565	104,779,347
		11.72%	11.45%	13.45%	11.04%
Foreign Currency Gain/(Loss)		(9,618,764)	(3,209,443)	(2,871,810)	(768,891)
Other Income	22.01	21,309	238,857	-	-
Operating Expenses:		(111,927,616)	(94,165,914)	(42,512,484)	(31,575,123)
Distribution Costs	24	(17,388,551)	(17,733,274)	(7,271,109)	(6,507,857)
Administrative Expenses	25	(94,539,065)	(76,432,640)	(35,241,375)	(25,067,266)
Operating profit		292,831,703	204,021,463	139,927,271	72,435,333
Financial Expenses	26	(80,467,632)	(86,589,908)	(30,655,934)	(34,055,803)
Net profit before tax		212,364,071	117,431,555	109,271,337	38,379,530
Income tax expenses	27	(50,863,934)	(1,572,464)	(35,230,068)	7,285,918
Net Profit / (Loss) during the year		161,500,137	115,859,091	74,041,269	45,665,448
Basic & Diluted Earnings per share	28	1.12	0.80	0.51	0.32

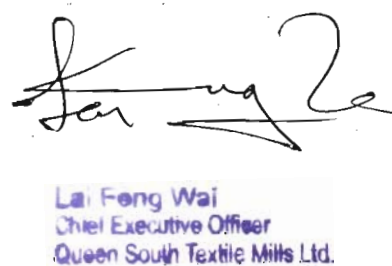
The annexed notes form an integral part of these financial statements.


Chief Financial Officer Company Secretary Director Managing Director Chairman

Signed in terms of our separate report of same date.

Dated: Dhaka
May 11, 2022


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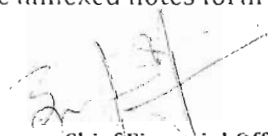

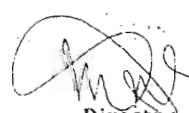


Queen South Textile Mills Limited
Statement of Changes in Equity(Un-audited)
for the period ended from 01 July 2021 to 31 March 2022

Particulars	Share Capital	Retained Earnings	Total
Balance at 01 July 2021	1,308,760,200	826,370,516	2,135,130,716
Stock Dividend	130,876,020	(130,876,020)	-
Cash Dividend		(61,205,285)	(61,205,285)
Net profit for the period	-	161,500,137	161,500,137
Balance at 31 March 2022	1,439,636,220	795,789,348	2,235,425,568

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 31 March 2021	1,308,760,200	826,370,516	2,135,130,716


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May 11, 2022



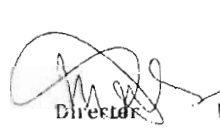



Goutam Chandra Roy
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Queen South Textile Mills limited
Statement of Cash Flows(Un-Audited)
for the period ended from 01 July 2021 to 31 March 2022

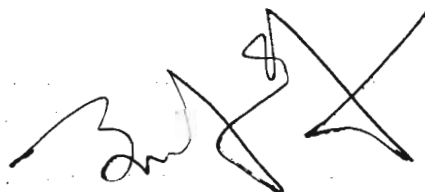
Particulars	Notes	Amount in Taka 1-Jul-2021 to 31-Mar-2022	Amount in Taka 1-Jul-2020 to 31-Mar-2021
A. Cash flows from operating activities:			
Cash received from customer & other income	29	3,471,431,419	2,496,095,289
Cash Paid to Suppliers, employees and others expenses	30	(3,351,958,444)	(2,401,896,553)
Income Tax Paid/Deducted at Source		(27,862,444)	(20,926,188)
Net Cash provided by operating activities		91,610,531	73,272,548
B. Cash flows from investing activities:			
Acquisition of property, plant and Equipment		(104,736,609)	(135,000,538)
Proceed from Sale of PPE		49,308,720	(11,382,843)
Capital Work in Progress		-	-
Investments-FDR		-	-
Net Cash used in investing activities		(55,427,889)	(146,383,381)
C. Cash flows from financing activities:			
Financial Expenses		(80,467,632)	(86,589,908)
Short term bank loan (paid)/Received		295,052,526	50,225,769
Dividend Payment		(58,858,959)	(40,128,218)
IPO Expenses		-	-
Long Term Bank Loan (paid)/Received		(190,505,979)	172,116,733
Outstanding IPO Subscription Paid		-	-
Net Cash from financing Activities		(34,780,044)	95,624,376
Net Decrease in cash & cash equivalents (A+B+C)		1,402,598	22,513,543
Unrealized Foreign Exchange Gain/(Loss)		104,766	(18,543)
Cash & cash equivalents at the beginning of the period		31,251,777	47,984,345
Cash & cash equivalents at the end of the period		32,759,143	70,479,345
Net Operating Cash Flow per share	31	0.64	0.51

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

 Chief Financial Officer
 Company Secretary
 Director
 Managing Director
 Chairman

Signed in terms of our separate report of same date.

Dated: Dhaka
May 11, 2022



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Queen South Textile Mills Ltd.


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Queen South Textile Mills Limited

Notes to the financial statements (Un-audited)
for the period ended from 01 July 2021 to 31 March 2022

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 dyeing 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.

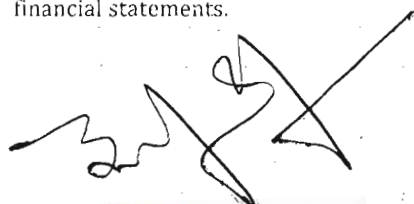
This is prepared under the historical cost convention and in accordance with the requirements of the Companies Act, 1994, International Financial Reporting Standards (IFRS) and International Accounting Standards (IASs) adopted by the Institute of Chartered Accountants of Bangladesh (ICAB) and as applicable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

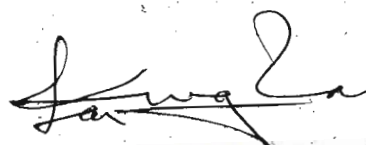
The preparation of the financial statements in conformity with the International Accounting Standards (IASs) requires Board of Directors to make estimates and assumptions that affect the reported amounts of revenues and expenses, assets and liabilities at reporting date. Due to the inherent uncertainty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



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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 31 March 2022

2.06 Authorization for issue

The Financial Statements have been authorized for issue by the board of directors on 11 May 2022.

2.07 Events after the reporting period.

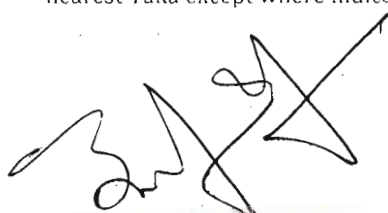
Events after the reporting period are those events, favorable and unfavourable, that occur between the end of the reporting period and the date when the financial statements are authorised for issue. Two types of events can be identified:

(a) those that provide evidence of conditions that existed at the end of the reporting 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.



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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

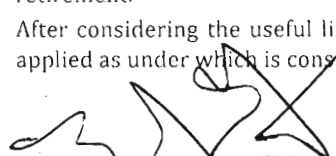
Tangible assets have been stated at cost less accumulated depreciation (Written down value). The cost of acquisition comprises of purchase price, including import duties and non-refundable Taxes and any directly attributable cost of bringing the assets to its working condition for its intended used. 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.


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<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.

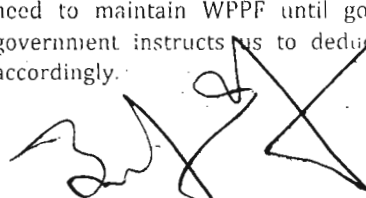
The company's employee benefits include the following.

Defined Contribution Plan (provident fund)

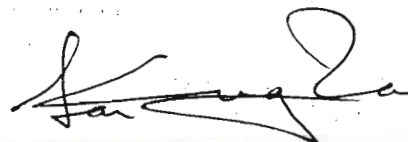
The company got recognition from commissioner of Taxes its provident fund scheme (Defined Contribution Plan) vide order no: bw_ bs - Av - 4/Kl At - 4/2007-2008/ for employees of the company eligible to be members of the fund in accordance with the rules of the provident fund constituted under an irrevocable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



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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

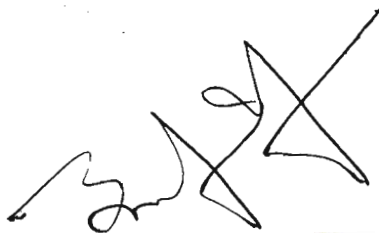
Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial year of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the year in which they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

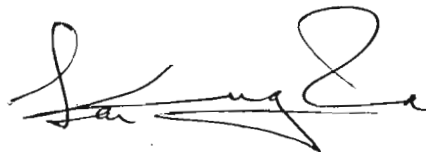
In pursuance of section 44(4) (b) of the Income Tax Ordinance , 1984 (XXXVI of 1984) and cancelling the notification No. SRO 289- Ain /89, dated 17 August 1989, all industries operation in the Export processing zones of Bangladesh have been exempted from payment of income tax for a period of 10 years 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.



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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 transaction 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 recognized 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 derecognises the financial liabilities when its contractual obligations are discharged or cancelled or expired . Financial liabilities includes payable for expense , liability for capital expenditure and other current liabilities.



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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 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 Contingents 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

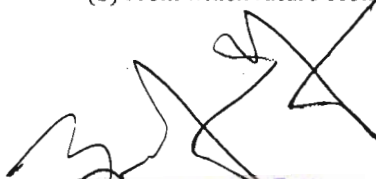
In Compliance with the requirements of IAS, 38 Intangible Assets '

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 as past events; and
- (b) From which future economic benefits are expected to flow to the entity.



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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 31 March 2022
- (b) Statement of Profit or Loss and Other Comprehensive Income(Un-Audited)for the period ended from 01 July 2021 to 31 March 2022
- (c) Statement of Changes in Equity(Un-audited)for the period ended from 01 July 2021 to 31 March 2022
- (d) Statement of Cash Flows(Un-Audited)for the period ended from 01 July 2021 to 31 March 2022
- (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

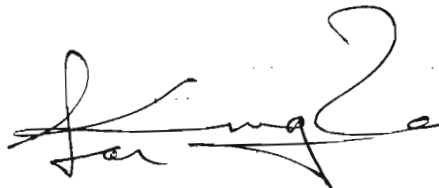
Industry risk refers to the risk of increased competition from foreign and domestic sources leading to lower prices, revenues, profit margin, and market share which could have an adverse impact on the business, financial condition and results of operation.

Management perception

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



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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.



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Amount in Taka	Amount in Taka
31-Mar-2022	30-Jun-2021

5 Property, plant and equipment

Cost:

Opening Balance	1,979,886,792	1,897,199,365
Addition during the period	104,736,609	235,973,494
Disposal during the period	-	(153,286,067)
	2,084,623,401	1,979,886,792

Ness: Accumulated Depreciation:

Opening Balance	1,076,802,001	1,097,175,194
Charged during the period	88,478,256	108,309,511
Adjustment during the period	-	(128,682,704)
	1,165,280,257	1,076,802,001

Written Down Value

	919,343,143	903,084,791
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Included in above PPE, Building, and machineries are mortgaged with banks. The details have been shown in Annexure: A

6 Capital Work in Progress

Building and Civil Construction	-	-
Machinery & Equipment	-	49,308,720
	-	49,308,720

7 Inventories

Raw materials	1,245,232,656	820,709,324
Work-in - process	262,813,709	220,792,279
Finished goods	318,569,390	376,251,037
Dyes & Chemicals	262,590,708	223,055,429
Spares & Accessories	66,105,393	100,356,455
	2,155,311,856	1,741,164,524

8 Trade and other receivables

Accounts Receivable	1,510,087,060	1,431,087,005
Interest Receivable from FDR	-	-
	1,510,087,060	1,431,087,005

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

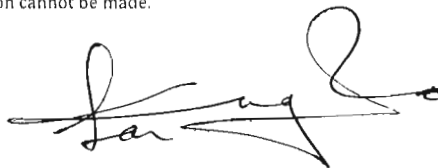
I) debts considered good and in respect of which the	1,511,548,616	1,421,282,855
II) debts considered good for which the company holds	-	-
III) debts considered doubtful or bad.	-	-
IV) debts due by directors or other officers of the	-	-
V) debts due by companies under the same management	(1,461,556)	9,804,150
VI) The maximum amount due by directors or other	-	-

Age Analysis of Trade and Other Receivables	Taka	Taka
Within Three months	716,119,150	679,695,230
Three to six months	785,245,271	744,165,243
More than six months	8,722,639	7,226,532
Total	1,510,087,060	1,431,087,005

The Company has received letter of credits accepted by various customers against sales of yarn worth US\$ 8,223,682.57 equivalent to BDT 707,236,701.02 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.



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31-Mar-2022	30-Jun-2021
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9 Advances, deposits and prepayments

Advances	35,598,798	51,180,440
Deposits	50,414,960	50,126,413
Prepayments	4,818,278	1,981,634
	90,832,036	103,288,487

** 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	9,320,997	9,194,188
	9,320,997	9,194,188

11 Cash & Cash Equivalent

Cash in hand	15,137,855	7,395,214
Cash at Banks (Note 11.1)	17,621,288	23,856,563
	32,759,143	31,251,777

11.1 Cash at Banks


Premier Bank-FDR (3 Month Maturity)	-	-
Standard Chartered-Taka A/C-01-6500560-01	5,659,720	5,420,538
Standard Chartered-USD A/C-01-6700772-01	193,474	192,110
Woori Bank-OBU USD A/C-92-30107-57	-	-
Woori Bank USD A/C-92-30107-60	1,108,105	1,233,025
Woori Bank-Taka A/C-92-30107-75	2,815,889	9,233,503
Premier bank FC A/C-010215200000898	2,429,407	3,267,172
Premier Bank Taka A/C-010211100015599	523,583	330,532
Woori Bank- Taka NDA	3,327,600	976,250
Prime Bank-OBU USD A/C-11-0000-10	173,098	211,786
Prime Bank-DBU USD A/C-124-511800084-41	187,333	184,784
Prime Bank-TK A/C-124-110500084-40	52,607	52,952
HSBC Bank -OBU USD A/C	-	-
HSBC Bank -Taka A/C	485,020	305,115
Dutch Bangla Bank-DBU A/C-Taka	254,759	2,038,311
Dhaka Bank-OBU USD A/C-099-1125-0000003-47	7,284	7,186
Woori Bank -MOB Account	65	64
Sundry Deposit-Prime Bank	-	-
Sundry Deposit-SCB	-	-
Prime Bank-TK A/C-IPO	284,133	284,024
Prime Bank-EURO A/C-IPO	20,003	20,003
Prime Bank-GBP A/C-IPO	-	-
Prime Bank-USD A/C-IPO	99,208	99,208
	17,621,288	23,856,563

12 Share capital

Authorized capital:	2,000,000,000	2,000,000,000
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	130,876,020	96,945,200
Closing Share Capital	1,439,636,220	1,308,760,200


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	31-Mar-2022	30-Jun-2021
13 Retained Earnings		
Retained Earnings Opening Balance	826,370,516	804,490,364
Less: Stock Dividend	(130,876,020)	(96,945,200)
Less: Cash Dividend	(61,205,285)	(45,337,250)
Add: Net profit during the period	161,500,137	164,162,602
Retained Earnings Closing Balance	795,789,348	826,370,516
14 Long-term borrowing		
Lease Liability-ROU	18,589,207	19,340,292
HSBC Bank Ltd.	225,332,524	271,952,605
Loan from Shareholders(Annexure-E)	457,656,239	451,429,986
	701,577,970	742,722,883
Less: Current Portion of Long Term Loan		
HSBC Bank Ltd.	138,316,380	-
Loan from Shareholders	121,463,586	119,811,116
Lease Liability-ROU	1,050,337	1,050,337
	260,830,303	120,861,453
	440,747,667	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	557,613,180	352,435,978
Other Payables	19,140,903	16,931,901
	576,754,083	369,367,879
16 Short term borrowing		
Prime Bank Limited (TR)	-	-
Woori Bank Limited (TR)	280,885,673	178,295,022
Premier Bank Limited (TR)	146,159,044	301,490,327
HSBC (TR)	524,952,648	376,452,958
Premier Bank Limited (O/D)	40,850,000	-
Woori Bank Limited (O/D)	33,504,322	19,708,485
HSBC (OD)	17,314,304	743,726
	1,043,665,991	876,690,518

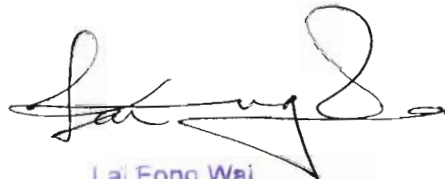

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	<u>31-Mar-2022</u>	<u>30-Jun-2021</u>
17 Liabilities for Expenses		
Salaries, Wages & Allowances	37,962,907	30,476,603
Utilities Payable	15,441,206	18,236,128
Vehicle Rent & Expenses	342,567	342,567.00
ETP Expenses BEPZA	4,518,011	3,785,463
Godown rent	12,000	12,000
Audit Fees	500,876	556,751
Liability for employee Tax	133,101	590,479
Liability for supplier VAT and Tax	1,109,858	733,044
PF subscription	1,311,561	1,291,951
Income Tax provision	-	-
Others	859,253	802,656
	62,191,340	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	2,908,578	562,252
	2,908,578	562,252
20 Income Tax provision		
Opening Balance	31,320,261	30,632,009
Add: Provision during the year	49,783,680	25,512,427
Less: Adjustment/Paid during the year	(42,810,832)	(24,824,175)
Total	38,293,110	31,320,261
21 NAVPS (Net Assets Value Per Share)		
No of shares to calculate Net Asset Value Per Share	143,963,622	130,876,020
Shareholder's equity	2,235,425,568	2,135,130,716
NAVPS (Net Assets Value Per Share)	15.53	16.31



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	Amount in Taka 1-Jul-2021 to 31-Mar-2022	Amount in Taka 1-Jul-2020 to 31-Mar-2021	Amount in Taka 1-Jan-2022 to 31-Mar-2022	Amount in Taka 1-Jan-2021 to 31-Mar-2021
22 Revenue				
Export Sales	3,534,447,909	2,629,451,644	1,378,274,409	948,674,687
	<u>3,534,447,909</u>	<u>2,629,451,644</u>	<u>1,378,274,409</u>	<u>948,674,687</u>
22.01 Other Income				
Bank Interest FDR-Premier Bank	710	238,857	-	-
Bank Interest-Prime Bank	-	-	-	-
FDR Interest-Woori Bank	20,599	-	-	-
Profit on Sale of PPE	-	-	-	-
	<u>21,309</u>	<u>238,857</u>	<u>-</u>	<u>-</u>
23 Cost of Sales				
Yarn consumed (Note-23.01)	2,333,368,196	1,682,448,877	931,615,528	628,122,651
Dyes & Chemicals Consumed (Note 23.02)	268,595,439	215,192,628	104,337,450	82,698,618
Manufacturing expenses (Note-23.03)	502,467,283	474,730,694	179,909,417	163,511,118
Manufacturing costs for the period	<u>3,104,430,918</u>	<u>2,372,372,198</u>	<u>1,215,862,395</u>	<u>874,332,387</u>
Opening work in progress	220,792,279	184,485,116	216,185,725	201,491,013
Closing work in progress	(262,813,709)	(215,374,864)	(262,813,709)	(215,374,864)
Cost of goods manufactured	<u>3,062,409,488</u>	<u>2,341,482,450</u>	<u>1,169,234,411</u>	<u>860,448,536</u>
Finished goods (Opening)	376,251,037	354,606,805	342,297,823	351,242,378
Finished goods (Closing)	(318,569,390)	(367,795,574)	(318,569,390)	(367,795,574)
	<u>3,120,091,135</u>	<u>2,328,293,681</u>	<u>1,192,962,844</u>	<u>843,895,340</u>
23.01 Yarn consumed				
Opening stock	820,709,324	767,629,791	898,940,254	850,199,440
Purchase during the period	2,757,891,528	1,708,950,990	1,277,907,930	572,055,115
Raw materials available for consumption	<u>3,578,600,852</u>	<u>2,476,580,781</u>	<u>2,176,848,184</u>	<u>1,422,254,555</u>
Closing stock	(1,245,232,656)	(794,131,904)	(1,245,232,656)	(794,131,904)
Raw materials consumed	<u>2,333,368,196</u>	<u>1,682,448,877</u>	<u>931,615,528</u>	<u>628,122,651</u>
23.02 Dyes & Chemical consumed				
Opening stock	223,055,429	186,358,279	231,342,956	193,538,968
Purchase during the period	308,130,718	230,085,539	135,585,202	90,410,840
Dyes & Chemicals available for consumption	<u>531,186,147</u>	<u>416,443,818</u>	<u>366,928,158</u>	<u>283,949,808</u>
Closing stock	(262,590,708)	(201,251,190)	(262,590,708)	(201,251,190)
Dyes & Chemicals consumed	<u>268,595,439</u>	<u>215,192,628</u>	<u>104,337,450</u>	<u>82,698,618</u>
23.03 Factory Overhead				
Utility Bills-BEPZA	121,233,237	167,858,859	41,616,504	56,072,063
Repair and Maintenance	7,795,687	7,237,373	2,901,061	2,637,410
Wages and Salary	108,127,752	92,239,501	41,479,701	32,475,885
Water Charge	-	-	-	-
Daily Labor Charges	6,306,327	5,254,494	1,899,588	2,162,590
P.F. Contribution	3,204,692	3,171,949	1,070,602	1,052,563
Other Mgt. Exp.	-	-	-	-
Gas Charges- Titas	80,649,421	63,416,264	25,760,415	22,728,873
Insurance Premium (Mfg.)	3,604,638	3,785,330	1,142,870	1,081,968
Marin Insurance	805,038	48,992	-	4,742
Land Rent -Bepza	-	-	-	-
Medical Subscription -Bepza	-	-	-	-
Service Charges- Bepza	-	-	-	-
Godown Rent	2,792,476	2,416,952	887,400	805,560
Medical Subscription & Worker Welfare Fund-BEPZA	1,051,982	466,935	313,230	76,320
ETP Expenses-BEPZA	-	-	-	-
Spare & Accessories consumed(Notes-23.04)	87,265,601	58,301,495	35,484,678	20,404,980
Depreciation	79,630,431	70,532,551	27,353,368	24,008,164
	<u>502,467,282</u>	<u>474,730,694</u>	<u>179,909,417</u>	<u>163,511,118</u>



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	Amount in Taka 1-Jul-2021 to 31-Mar-2022	Amount in Taka 1-Jul-2020 to 31-Mar-2021	Amount in Taka 1-Jan-2022 to 31-Mar-2022	Amount in Taka 1-Jan-2021 to 31-Mar-2021
23.04 Spare & Accessories consumed				
Opening stock	100,356,455	93,689,342	86,399,591	77,402,806
Purchase during the period	53,014,539	59,478,753	15,190,480	37,868,774
Spares & Accessories available for consumption	153,370,994	153,168,095	101,590,071	115,271,580
Closing stock	(66,105,393)	(94,866,600)	(66,105,393)	(94,866,600)
Spares & Accessories consumed	87,265,601	58,301,495	35,484,678	20,404,980
24 Distribution Costs				
Salaries & Allowances	9,524,683	9,779,996	3,253,596	3,202,338
Contribution to P.F	463,269	426,132	157,686	151,743
Advertisements	32,038	-	-	-
House Rent	868,998	750,240	357,438	250,080
Entertainment-(Sales&Marketing)	2,114,340	2,339,190	454,493	767,469
Delivery Expense	4,385,223	4,437,716	3,047,896	2,136,227
	17,388,551	17,733,274	7,271,109	6,507,857
25 Administrative expenses				
Association Fees	519,992	240,384	519,992	190,384
Telephone, Mobile and Internet	858,833	901,639	286,492	298,203
Medical & Welfare	3,053,028	2,894,081	1,550,699	1,248,727
IPO Expenses	-	-	-	-
Professional Fees	4,225,344	2,482,357	1,492,549	840,200
Audit Fees	200,375	336,688	-	192,180
Renewal & Registration	919,358	1,468,711	292,206	113,587
Salaries & Allowances	59,655,471	47,008,547	21,423,208	14,797,300
Security Consultancy- Fee	2,188,871	2,338,739	869,812	932,903
Vehicle Expenses	6,518,450	4,805,687	2,346,966	1,537,348
Contribution for P.F	2,204,177	2,207,187	728,731	740,902
Entertainment(Office)	567,414	582,289	203,327	168,677
Miscellaneous Expenses	-	-	-	-
Traveling & Conveyance	2,708,181	1,477,049	1,416,346	547,681
Printing & Stationeries	1,947,772	1,777,755	1,031,460	765,759
Courier Charge	123,974	74,577	40,324	25,833
Depreciation	8,847,825	7,836,950	3,039,263	2,667,574
	94,539,065	76,432,640	35,241,375	25,067,266
26 Financial Expenses:				
Interest on Long Term Loan	12,976,216	8,471,530	2,821,081	4,049,402
Interest on Short Term Loan	58,287,321	70,940,312	24,213,862	27,168,285
Bank Charge and Commission	9,204,095	7,178,066	3,620,991	2,838,116
	80,467,632	86,589,908	30,655,934	34,055,803
Financial Expenses:				
Interest -Bill Discounting	15,553,847	22,598,404	7,795,664	13,104,098
Bank Charges & Commission	9,204,095	7,178,066	3,620,991	2,838,116
Interest -Bill settlement	13,054,282	12,324,537	4,385,272	4,155,701
Interest-overdraft	881,255	674,385	234,428	240,685
Interest- Term Loan	12,976,216	7,777,720	2,821,081	3,818,132
Interest TR Loan	28,070,701	35,342,906	11,452,868	9,667,801
Interest-Lease Liability (ROU)	727,236	693,810	345,630	231,270
	80,467,632	86,589,908	30,655,934	34,055,803



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Queen South Textile Mills Ltd



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Chief Executive Officer
Queen South Textile Mills Ltd.

	Amount in Taka 1-Jul-2021 to 31-Mar-2022	Amount in Taka 1-Jul-2020 to 31-Mar-2021	Amount in Taka 1-Jan-2022 to 31-Mar-2022	Amount in Taka 1-Jan-2021 to 31-Mar-2021
27 Income tax expenses:				
The above balance is made up as follows:				
Current tax (27.01)	49,783,680	15,036,286	34,295,137	(15,149,565)
Deferred tax (income)/expenses (Annexure-G)	1,080,254	(13,463,822)	934,931	7,863,647
	50,863,934	1,572,464	35,230,068	(7,285,918)
27.01 Current tax				
The above balance is made up as follows:				
Income tax on business income (Note 27.02)	49,778,353	14,976,572	34,295,137	(15,149,565)
Short Provision for prior years	-	-	-	-
Income tax on other income (Note 27.03)	5,327	59,714	-	-
Total tax on income	49,783,680	15,036,286	34,295,137	(15,149,565)
27.02 Income tax on business income				
Net Profit/ (Loss) before tax	212,364,071	117,431,555	109,271,337	38,379,530
Less: IPO Expenses	-	-	-	-
Add: Accounting depreciation	88,478,256	78,369,501	30,392,631	26,675,738
Less: Tax depreciation	(94,561,117)	(100,227,306)	(36,625,507)	(25,056,827)
	206,281,210	95,573,749	103,038,461	39,998,442
Less: Other income	21,309	238,857	-	-
Total business income	206,259,901	95,334,892	103,038,461	39,998,442
Income tax @ 15%	30,938,985	14,300,234	15,455,769	5,999,766
Tax deducted under section 82 (C)	43,560,234	7,649,464	34,295,137	4,393,324
As per section 82(c) of the ITO tax	20,828,589	14,976,572	-	-
27.03 Income tax on other income:				
Other income	21,309	238,857	-	-
Income tax @ 25%	5,327	59,714	-	-
28 Earnings Per Share:				
Net profit after tax attributable to ordinary shareholders	<u>161,500,137</u>	<u>115,859,091</u>	<u>74,041,269</u>	<u>45,665,448</u>
No of weighted average shares to calculate basic earnings per share	<u>143,963,622</u>	<u>143,963,622</u>	<u>143,963,622</u>	<u>143,963,622</u>
Basic & Diluted Earnings per share	<u>1.12</u>	<u>0.80</u>	<u>0.51</u>	<u>0.32</u>
No of weighted average shares to calculate basic earnings per share				



Goutam Chandra Roy
Chief Financial Officer
Queen South Textile Mills Ltd



Lai Fong Wai
Chief Executive Officer
Queen South Textile Mills Ltd.

Amount in Taka 1-Jul-2021 to 31-Mar-2022	Amount in Taka 1-Jul-2020 to 31-Mar-2021	Amount in Taka 1-Jan-2022 to 31-Mar-2022	Amount in Taka 1-Jan-2021 to 31-Mar-2021
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for the period ended 01 July 2021 to 31 March 2022

Particulars	No of share	Weight	Weight	Weight	Weight
Opening Share	130,876,020				
Bonus share @10%	13,087,602				
	143,963,622				

for the period ended 01 July 2020 to 31 March 2021

Particulars	No of share	Weight	Weight	Weight	Weight
Opening Share	121,181,500				
Bonus share	9,694,520				
	130,876,020				

No of weighted average shares to calculate basic earnings per share

29 Cash received from customer & other income

Revenue	3,534,447,909	2,629,451,644
Other Income	21,309	238,857
Realized Foreign Exchange Gain/(Loss)	(3,765,517)	(3,988,057)
Adjustment of unrealized foreign exchange gain/(loss) for trade	19,727,773	(3,009,789)
Adjustment for Sale of PPE included in (Increase)/Decrease in Trade and other receivables	(79,000,055)	(126,597,366)
	3,471,431,419	2,496,095,289

30 Cash Paid to Suppliers, employees and others expenses

Cost of Goods Sold	(3,120,091,135)	(2,328,293,681)
Distribution Cost	(17,388,551)	(17,733,274)
Administrative Expenses	(94,539,065)	(76,432,640)
Adjustment for Depreciation	88,478,256	78,369,501
Adjustment for Unrealized Foreign Exchange gain/(Loss)	(4,528,582)	535,790
(Increase)/Decrease in Inventory	(414,147,332)	(86,650,799)
(Increase)/Decrease in Advances	12,456,451	8,184,987
Deposits Prepayments		
Net Advance Income Tax included in advance deposits & prepayments considered separately	(14,948,388)	(3,897,987)
Increase/(Decrease) Trade and other payable	207,386,204	25,918,365
Increase/(Decrease) Liabilities for Expenses	5,363,698	(1,896,814)
	(3,351,958,444)	(2,401,896,553)

Opening AIT	(34,534,009)	(34,828,966)
Closing AIT	19,585,621	30,930,979
Opening Income Tax Provision	31,320,261	30,632,009
Closing Income Tax Provision	(38,293,110)	(20,844,120)
Current Year Tax Provision	49,783,600	15,036,286
	27,862,444	20,926,188

31 Net Operating Cash Flow per share(NOCFPS)

No of weighted average shares to calculate Net Operating Cash flow	143,963,622	143,963,622
Net Cash provided by operating activities	91,610,531	73,272,548
Net Operating Cash Flow per share (NOCFPS)	0.64	0.51


Goutam Chandra Roy
Chief Financial Officer
Queen South Textile Mills Ltd


Lai Fong Wai
Chief Executive Officer
Queen South Textile Mills Ltd.

Amount in Taka 1-Jul-2021 to 31-Mar-2022	Amount in Taka 1-Jul-2020 to 31-Mar-2021	Amount in Taka 1-Jan-2022 to 31-Mar-2022	Amount in Taka 1-Jan-2021 to 31-Mar-2021
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32 Reconciliation of Net profit with cash flow from operating activities

Net Profit Before Tax	212,364,071	117,431,555
(Increase)/Decrease in Trade and other receivables	(79,000,055)	(126,597,366)
Adjustment for Depreciation	88,478,256	78,369,501
Adjustment for Sale of PPE included in (Increase)/Decrease in Inventory	(414,147,332)	(86,650,799)
(Increase)/Decrease in Advances Deposits Prepayments	12,456,451	8,184,987
Net Advance Income Tax included in advance deposits & prepayments considered separately	(14,948,388)	(3,897,987)
Increase/(Decrease) Trade and other payable	207,386,204	25,918,365
Increase/(Decrease) Liabilities for Finance Expenses	5,363,698	(1,896,814)
Income Tax Paid	80,467,632	86,589,908
Foreign Currency Gain/(Loss) for financing and investing activities	(27,862,444)	(20,926,188)
Foreign Currency Gain/(Loss) for Cash and Cash Equivalents	21,157,204	(3,243,488)
Cash Flow from operating activities	91,610,531	73,300,216
		27,668.00

33 Explanation note 31 for changes in statement of cash flow

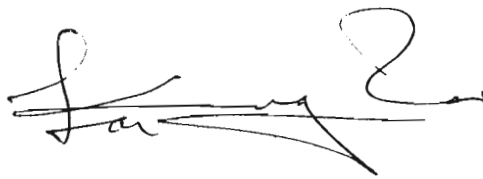
We have paid Tk. 3,351,958,444/- to Suppliers, employees and others expenses for 3rd qtr (1st July 2021 to 31 March 2022) compare with 3rd qtr of last year Tk.2,401,896,553/-(1st July 2020 to 31 March 2021) and also our financial costs reduced during the period (1st July 2021 to 31 March 2022) as long term bank loan paid & short term bank loan received more than the last year (1st July 2020 to 31 March 2021) which supports to increase NOCFPS Tk.0.13 (Tk.0.64 - Tk.0.51) than the last year (1st July 2020 to 31 March 2021).

34 Explanation of Notes 22 for Increase revenue

Our Revenue has increased Tk. 2,629,451,644/- to Tk. 3,534,447,909/- compared with last year (1st July 2020 to 31th March 2021) due to new demand of sweater in European and American Market after pandemic Covid 19 unit price increased almost 27.20% and cents \$0.56 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.



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Chief Financial Officer
Queen South Textile Mills Ltd.



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 31.03.2022 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	(199,983,948)	(211,283,044)	(411,266,992)
Gain Plus Agents Limited	Common Management	Loan from Shareholders	(456,325,843)	(1,330,396)	(457,656,239)
Ideal Fastener BD Limited	Common Management	Trade Payable	(13,034,436)	2,628,724	(10,405,712)
Kingpro Manufacturing Co. Limited	Common Management	Trade Receivable	2,011,047	(2,232,270)	(221,223)
Kingpro Trading Limited	Common Management	Trade Payable	(50,053,681)	(145,929)	(50,199,610)
Queensin Ltd	Common Management	Trade Payable	(20,837,220)	(60,750)	(20,897,970)
Master Knitwear Ltd	Common Management	Trade Receivable	(1,740,333)	500,000	(1,240,333)
Winpro Textile Mills Ltd	Common Management	Trade Payable	(78,827,469)	53,950,182	(24,877,287)
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
 637
 40
790


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 Queen South Textile Mills Ltd

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 May 2022



Chief Financial Officer Company Secretary Director Managing Director Chairman



Goutam Chandra Roy
Chief Financial Officer
Queen South Textile Mills Ltd



Lai Fong Wai
Chief Executive Officer
Queen South Textile Mills Ltd

Queen South Textile Mills Limited

Dhaka export Processing Zone
Savar Dhaka

Schedule of Property Plant and Equipment as at March 31, 2022

Sl. No.	Name of Assets	COST				DEPRECIATION				Annexure-A Written down value as on 31-Mar-2022	
		Balance as on 1-Jul-2021	Addition during the period	Disposal during the period	Balance as on 31-Mar-2022	Rate of Dep	Balance as on: 1-Jul-2021	Charged during the period	Adjustment during the period		Balance as on 31-Mar-2022
1	Machinery & Equipment	1,569,758,647	102,958,320	-	1,672,716,367	15%	896,560,867	78,664,650	-	975,225,517	697,490,850
2	Building & Civil Const.	318,193,669	-	-	318,193,669	5%	133,481,339	6,840,489	-	140,321,828	177,871,841
3	Furniture and fixture	2,555,994	-	-	2,555,994	20%	2,043,797	73,052	-	2,116,849	439,145
4	Office equipment	24,213,405	384,457	-	24,597,862	25%	19,930,192	816,784	-	20,746,976	3,850,886
5	Electrical Installation	30,479,236	275,000	-	30,754,236	5%	11,269,955	721,566	-	11,991,521	18,762,715
6	Vehicles	12,812,743	-	-	12,812,743	20%	10,691,421	302,554	-	10,993,975	1,818,768
7	Right of Use (Asset)	21,873,698	1,118,832	-	22,992,530	-	2,824,430	1,059,161	-	3,883,591	19,108,939
	Total at 31.03.2022	1,979,886,792	104,736,609	-	2,084,623,401		1,076,802,001	88,478,256	-	1,165,280,257	919,343,143
	Total at 30.06.2021	1,897,199,355	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

8,847,826
79,630,430
88,478,256



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Queen South Textile Mills Limited

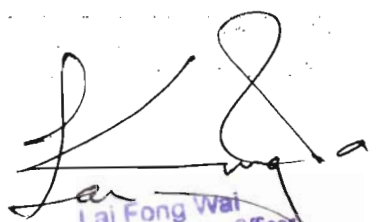
Statement of Closing Inventory

As at 31 March 2022

Sl.	Particulars	Unit of Meas.	31-03-22			30-06-21		
			Quantity	Rate	Taka	Quantity	Rate	Taka
1	Raw Materials:							
	Raw Yarn	Lbs.	8,966,762	138.87	1,245,232,656	6,638,923	123.62	820,709,324
	Sub-Total		8,966,762	138.87	1,245,232,656	6,638,923	123.62	820,709,324
2	Work-in-process:							
	Yarn in process	Lbs.	1,573,236	167.05	262,813,709	1,409,349	156.66	220,792,279
	Sub-Total		1,573,236	167.05	262,813,709	1,409,349	156.66	220,792,279
3	Finished Goods:							
	Dyed Yarn	Lbs.	1,725,076	184.67	318,569,390	2,164,001	173.87	376,251,037
	Sub-Total		1,725,076	184.67	318,569,390	2,164,001	173.87	376,251,037
4	Dyes & Chemicals:							
	Dyestuff	Kgs.	430,576	458.26	197,315,910	365,749	458.26	167,608,310
	Chemical	Kgs.	1,113,524	58.62	65,274,798	945,874	58.62	55,447,119
	Sub-Total		1,544,100	170.06	262,590,708	1,311,623	170.06	223,055,429
5	Spares & Accessories							
					66,105,393			100,356,455
	Sub-Total				66,105,393			100,356,455
	Grand Total				2,155,311,856			1,741,164,524



Goutam Chandra Roy
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Queen South Textile Mills Ltd



Lai Fong Wai
Chief Executive Officer
Queen South Textile Mills Ltd

Queen South Textile Mills Limited

DEPZ, Savar, Dhaka

31-03-22

Sl. No	Name of Assets	Balance 07-01-21	Addition	Balance 31-12-21	Rate	Depreciation	WDV
1	Machinery & Equipment	473,305,003	102,958,320	576,263,323	20%	86,439,498	489,823,825
2	Building & Civil Const.	42,175,186	-	42,175,186	20%	6,326,278	35,848,908
3	Furniture and fixture	905,440	-	905,440	10%	67,908	837,532
4	Office equipment	9,202,458	384,457	9,586,915	10%	719,019	8,867,896
5	Electrical Installation	4,769,510	275,000	5,044,510	20%	756,677	4,287,833
6	Vehicles	1,678,246	-	1,678,246	20%	251,737	1,426,509
	Total	532,035,843	103,617,777	635,653,620		94,561,117	541,092,503



Goutam Chandra Roy
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Queen South Textile Mills Ltd


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Chief Executive Officer
Queen South Textile Mills Ltd

Queen South Textile Mills Ltd
Calculation of Deferred tax
for the period ended from 01 July 2021 to 31 March 2022

Particulars	31-Mar-2022	30-Jun-2021
Carrying value		
Property , Plant and Equipment	919,343,143	903,084,791
Tax base		
Property , Plant and Equipment	541,092,503	532,035,843
Taxable /(Deductible)temporary difference	378,250,641	371,048,948
Income Tax rate 15%	15%	15%
Deferred Tax Liabilities/(Assets) at the end of the period	56,737,596	55,657,342
Closing Deferred Tax Liabilities	56,737,596	55,657,342
Opening Deferred Tax Liabilities	55,657,342	52,163,006
D.Tax (income) / expenses:	1,080,254	3,494,336


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