

PRIVATE AND CONFIDENTIAL

MK FOOTWEAR PLC
Auditor's Report & Financial Statements as at
and for the year ended 30 June 2022



G. KIBRIA & CO.
CHARTERED ACCOUNTANTS

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**Independent Auditor's Report
To the shareholders of
MK FOOT WEAR PLC**

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of **MK FOOTWEAR PLC** (the Company), which comprise the Statement of Financial Position as at 30 June 2022, and Statement of profit or loss & other Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements give true and fair view, in all material respects, of the financial position of the company as at 30 June 2022, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS), the Companies Act 1994, the securities and Exchange Rules 1987 and other applicable laws and regulations.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statement of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide opinion on these matters.

Risk	Our response to the risk
Revenue-Export, Cash Incentive & Accounts & Other Receivables	
For the year-end, the Company reported total Export revenue of Tk. 1,268,844,877 in Note 23, cash Incentive revenue in Note 28	We have tested the design and operating effectiveness of key controls focusing on



Tk. 71,266,360 & Accounts & Other Receivables Tk. 297,667,172 of the financial statements.

The company generates revenue from export sale & received cash incentive from Bangladesh Government. The timing of the revenue recognized and realized increases the risk of exposure of revenue to foreign exchange fluctuations.

There is also a risk that revenue may be overstated due to fraud through manipulation of the timing of the opening of letter of credit and timing of goods exported.

We identified revenue recognition as key audit matter as it is one of the key performance indicators of the Company, which give rise to an inherent risk of the existence and the accuracy of the revenue.

the following:

- Obtaining an understanding of and assessing the design and operating effectiveness of controls designed to ensure that revenue is recognized in the appropriate accounting period.
- Assessed whether the revenue recognition policy is appropriate and is in line with IFRS 15 - Revenue from contracts with customers.
- Performed walkthrough tests to understand the adequacy and the design of the revenue cycle.
- Obtaining Sales Ledger.
- Collect Sample of Sales Contract, Sales invoice, Bill of export, Bill of leading Its match with Vat Return & Sales Ledger.
- For Cash Incentive Obtaining Ledger, Cash Incentive Certificate from Chartered Accountants Firm, Collect certificate from bank for cash incentive realization.
- Collect Certificate from Bank regarding Export, Export Realization, PRC for Subsequent receivable realization
- For Accounts and other receivable collect ledger, collect Bill of export for Outstanding Invoice, Collect PRC for receivable subsequent Realization.
- Finally, assessed the appropriateness and presentation of disclosures related to relevant accounting standards



Valuation of inventory & Purchase

The inventory of Tk 334,116,920 at 30 June, 2022 held in Factory warehouses and across multiple product lines in factory & Purchase were Made Tk. 808,401,492 for the period from 01 July 2021 to 30 June 2022.

Inventories are carried at the lower of cost and net realizable value. As a result, the Directors apply judgment in determining the appropriate values for slow-moving or obsolete items. Purchase are rightly recorded in the Financial statements

We challenged the appropriateness of management's assumptions applied in calculating the value of the inventory provision by:

- Evaluating the design and implementation of key inventory controls operating across the factory and warehouse;
- The Company made most of the purchase through import. For the confirmation of purchase we collect the ledger, collect sample of bill of entry, Invoice, Lc, Goods receipts note, Match with vat return & Ledger and subsequent LC payment from bank Statements.
- Attending inventory counts and reconciling the count results to the inventory listing to test the completeness of data.
- Reviewing the historical accuracy of inventory provisioning and the level of inventory write-offs during the year; and challenging the completeness of inventory provisions through assessing actual and forecast sales of inventory lines to assess whether provisions for slow- moving/obsolete stock are valid and complete.
- Evaluated, on a sample basis, whether inventories were stated at the lower of cost and net realizable value at the reporting date by comparing the sales prices of inventories subsequent to the reporting date;
- Comparing the net realizable value obtained through a detailed review of sales subsequent to the year-end, to

	<p>the cost price of a sample of inventories and comparison to the associated provision to assess whether inventory provisions are complete;</p> <ul style="list-style-type: none"> ➤ Finally, assessed the appropriateness and presentation of disclosures related to relevant accounting standards.
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Measurement of deferred tax Assets

<p>The net deferred tax Assets totaling Tk. 1360,333 as at 30 June, 2022 in annex VI.</p> <p>Significant judgment is required in relation to deferred tax liabilities as it is dependent on forecasts of future profitability over a number of years.</p>	<p>We additionally carried out the following substantive testing for this item:</p> <ul style="list-style-type: none"> ➤ We obtained an understanding, evaluated the design and tested the operational effectiveness of the company's key controls over the recognition and measurement of deferred tax liabilities and the assumptions used in estimating the company's future taxable income. ➤ We also assessed the completeness and accuracy of the data used for the estimations of future taxable income. ➤ We involved tax specialists to assess key assumptions, controls, recognition and measurement of deferred tax liabilities. ➤ We also assessed the appropriateness of presentation of disclosures against IAS-12 income tax.
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Valuation of Property, Plant and Equipment

<p>The Written Down Value (WDV) of the PPE amounted to Tk. 1,219,715,705 at 30 June, 2022. The valuation of PPE was identified as</p>	<p>Our audit included the following procedures:</p> <ul style="list-style-type: none"> ➤ Reviewed basis of recognition
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<p>a key audit matter due to the significance of this balance to the financial statements.</p> <p>Expenditures are capitalized if they create new or enhance the existing assets, and expanded if they relate to repair or maintenance of the assets. Classification of the expenditures involves judgment. The useful lives of PPE items are based on management's estimates regarding the period during which the asset or its significant components will be used. The estimates are based on historical experience and market practice and take into consideration the physical condition of the assets.</p> <p>Apparently, the carrying value of PPE represents a significant portion of the Company's assets and therefore is a function of charging depreciation that involved estimation. Therefore, it has been considered a significant area of auditor's judgment and special attention. There is also a risk that the impairment charges) not have been recognized.</p>	<p>Measurement and valuation of assets;</p> <ul style="list-style-type: none"> ➤ Observed procedures of assets acquisition, depreciation and disposal; ➤ Checked ownership of the major assets; ➤ Check the Capital-Work-in-Progress (CWIP) and its transfer to PPE ➤ Performed physical asset verification at the year end. ➤ Critically reviewed the Company's assumptions in relation to recoverable amounts of the major PPE to identify if there is any requirement of recognition of impairment. ➤ We evaluated whether the useful lives determined and applied by the management were in line with historical experience and the market practice. ➤ We checked whether the depreciation of PPE items was commenced timely, by comparing the date of the reclassification from capital in progress to ready for use, with the date of the act of completion of the work.
<p>Share Capital</p> <p>During the year Company increase its share capital by Tk. 368,472,000. This increase results from the transfer of Share Money Deposit of Tk. 301,972,000 & fresh issue of Tk. 66,500,000 for new share capital.</p> <p>There is a risk that amount are received into company account or not.</p>	<p>Our audit included the following procedures:</p> <ul style="list-style-type: none"> ➤ For New share money deposit we collect, Claques and cross check it with Bank statements. ➤ RJSC Form XV for New Share Allotment. ➤ Finally, assessed the appropriateness of the presentation and disclosures required by accounting standards.



Short term, Long term Bank Loan & Financial Expenses

During the year increased the Company short term loan. There is a risk that Loan is acutely taken by the company & Appropriately present in the financial Statements. Those are Disclosed in the Note 19, 22 & 29 in the financial Statements.

Our audit included the following procedures:

- Obtaining Ledger, Bank Statements, Bank Section Letter.
- Recalculate the financial expenses
- Obtained third-party confirmation on from bank, Liability Position, Interest Expenses.
- Obtaining Bank balance confirmation certificate & Financial expenses
- Finally, assessed the appropriateness and presentation of disclosures related to relevant accounting standards

Other Information

Management is responsible for the other information. The other information comprises all of the information other than the financial statements and our auditor's report thereon. The directors are responsible for the other information.

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

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

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRSs, the Companies Act 1994, the Securities and Exchange Rules 1987 and other applicable laws and regulations and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.



The companies Act, 1994 require the management to ensure effective internal audit, internal control and risk management functions of the company

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions , misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in circumstances.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.



- Conclude on the appropriateness of management's use of the going concern basis accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and event in a manner that achieves fair presentation.

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

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

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

Report on other Legal and Regulatory Requirements

In accordance with the Companies Act 1994, and the Securities and Exchange Rules 1987 and relevant notifications issued by Bangladesh Securities and Exchange Commission, we also report that:

- a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit and made due verification thereof;



- b) In our opinion, proper books of accounts , records and other statutory books as required by law have been kept by the company so far as it appeared from our examinations of those books and proper returns adequate for the purpose of our audit have been received by us;
- c) The information and explanations required by us have been received and found satisfactory;
- d) The statement of Financial Position, Statement of profit or loss & other Comprehensive Income and Statement of Changes in Equity and Statement of Cash Flows of the Company dealt with by the report are in agreement with the books of account and returns;
- e) The expenditure was incurred for the purpose of the Company's business.

Location, Dhaka
Dated: 12 October 2022
Ref:GKC/22-23/A/110



G. Kibria & Co.
Sultan Moheuddin FCA
Enrollment No- 1530
Partner, G. Kibria & Co.
Chartered Accountants

DVC: 2210131530A5150828

MK FOOTWEAR PLC
Statement of Financial Position
As on 30 June, 2022

Particulars	Notes	30-Jun-2022 BDT	30-Jun-2021 BDT
Assets			
Non-Current Assets:			
Property, Plant and Equipment	5	1,219,715,705	931,125,204
Intangible Assets	6	115,500	-
Capital Work In Progress	7	-	208,799,379
Right-of-use (ROU) assets	8	10,143,068	1,572,340
Non-Current Security Deposits		1,195,000	1,195,000
Total Non-Current Assets		1,231,169,273	1,142,691,923
Current Assets:			
Inventories	10	334,116,920	308,365,835
Accounts & Other Receivables	11	297,667,172	116,232,518
Advance Deposit & Prepayment	12	-	1,312,904
Inter-Company Receivable	13	116,876,000	-
Advance Income Tax	14	10,814,490	2,870,576
Cash & Cash Equivalent	15	100,693,633	144,129,717
Total Current Assets		860,168,215	572,911,550
Total Assets		2,091,337,488	1,715,603,473
Equity and Liabilities			
Shareholders' Equity:			
Share Capital	16	378,472,000	10,000,000
Share Money Deposit	17	-	301,972,000
Retained Earnings	18	111,552,297	8,463,012
		490,024,297	320,435,012
Non-Current Liabilities:			
Long Term Loan-Non Current Maturity	19	693,755,685	755,134,910
Lease liability (non-current portion)	20	6,114,483	857,618
Deferred Tax Liabilities/(Assets)	Annex-V	(1,360,333)	1,034,327
Total Non-Current Liabilities		698,509,835	757,026,855
Current Liabilities:			
Trade and Other Payables	21	171,369,454	204,212,397
Term Loan-Current Maturity	19	128,283,044	38,057,331
Lease liability (current portion)	20	2,161,888	784,068
Short Term Loan	22	564,313,068	383,485,816
Liabilities for Expenses	23	20,443,473	8,731,394
Provision for WPPF		5,564,995	-
Provision for Tax	24	10,667,434	2,870,600
Total Current Liabilities		902,803,356	638,141,606
Total Equity and Liabilities		2,091,337,488	1,715,603,473
Net Asset Value Per Share	34	12.95	10.27

The annexed notes (1 to 45.05) form an integral part of these Financial Statements.

Mrs. M. Hudaib *M. Hudaib*
Chairman Managing Director

M. Hudaib
Chief Financial Officer Company Secretary

See annexed report of the date

Location: Dhaka
Dated: 12 October 2022
Ref:GKC/22-23/A/110



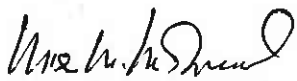
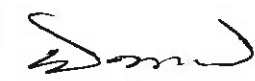


G. Kibria
Sultan Moheuddin, FCA
Enrollment No- 1530
Partner, G. Kibria & Co.
Chartered Accountants

DVC: 2210131530 A5150828

MK FOOTWEAR PLC
Statement of Profit or Loss and Other Comprehensive Income
For the year ended 30 June 2022

Particulars	Notes	2021-2022 BDT	2020-2021 BDT
Revenue	25	1,268,844,877	435,505,568
Cost of Goods sold	26	(1,102,472,058)	(360,255,098)
Gross Profit/(Loss)		166,372,819	75,250,470
Foreign Exchange Gain/(Loss)	27	(7,922,403)	5,108,965
Administrative Expenses	28	(12,887,197)	(4,198,030)
Distribution Expenses	29	(12,047,008)	(3,316,696)
Operating Profit/ (Loss)		133,516,211	72,844,709
Non-Operating Income	30	71,276,977	6,371,000
Profit/(Loss) before interest & Tax		204,793,188	79,215,709
Financial Expenses	31	(87,928,289)	(64,166,082)
Profit/(Loss) before WPPF & Tax		116,864,899	15,049,627
Workers' Profit Participation Fund (WPPF)		(5,564,995)	-
Profit/(Loss) before Tax		111,299,904	15,049,627
Income Tax Expenses:		(8,210,619)	(4,245,036)
Current Tax Expense	24	(10,605,279)	(2,808,445)
Deferred Tax (Expenses)/Income	Annex-V	2,394,660	(1,436,591)
Net Profit/(Loss) after Tax		103,089,285	10,804,591
Other Comprehensive Income		-	-
Total Other Comprehensive Income		103,089,285	10,804,591
Basic Earnings Per Share (EPS)	32	3.19	10.80
Diluted Earnings Per Share (DEPS)	32	-	0.35


The annexed notes (1 to 45.05) form an integral part of these Financial Statements.

Chairman Managing Director Chief Financial Officer Company Secretary

See annexed report of the date




Sultan Moheuddin, FCA
Enrollment No- 1530
Partner, G. Kibria & Co.
Chartered Accountants

Location: Dhaka
Dated: 12 October 2022
Ref:GKC/22-23/A/110

DVC: 2210131530AS150828

MK FOOTWEAR PLC
Statement of Changes in Equity
For the year ended 30 June 2022

Particulars	Share Capital	Share Money Deposit	Retained Earnings	Amount in BDT
Balance as at 01 July, 2021	10,000,000	301,972,000	8,463,012	320,435,012
Addition During the Period	368,472,000	-	103,089,285	471,561,285
Adjusted During the Period	-	(301,972,000)	-	(301,972,000)
Balance as at 30 June, 2022	378,472,000	-	111,552,297	490,024,297

MK FOOTWEAR PLC
Statement of Changes in Equity
As on 30 June, 2021

Particulars	Share Capital	Share Money Deposit	Retained Earnings	Amount in BDT
Balance as at 01 July, 2020	10,000,000	301,972,000	(2,341,579)	309,630,421
Addition During the Period	-	-	10,804,591	10,804,591
Addition During the Period	-	-	-	-
Balance as at 30 June, 2021	10,000,000	301,972,000	8,463,012	320,435,012

The annexed notes (1 to 45.05) form an integral part of these Financial Statements.

Mr. M. M. Shamsud
Chairman

M. A. H. Khan
Managing Director

M. A. H. Khan
Chief Financial Officer

M. A. H. Khan
Company Secretary

Location: Dhaka
Dated: 12 October 2022
Ref:GKC/22-23/A/110



MK FOOTWEAR PLC
Statement of Cash Flows

For the year ended 30 June 2022

Particulars	Notes	2021-2022 BDT	2020-2021 BDT
Cash flows from operating activities:			
Cash Received from Customers and others income	35	1,085,981,691	447,807,634
Cash Paid to Suppliers, employees & others expenses	36	(1,024,350,623)	(479,137,332)
Income tax paid	37	(10,752,359)	(2,808,445)
Net Cash (used in)/generated by operating activities (A)		50,878,709	(34,138,143)
Cash flows from investing activities:			
Property Plant and Equipment / Capital in Working Progress	38	(170,213,365)	(234,997,803)
ROU Assets		(2,083,589)	-
Inter-Company Receivable		(116,876,000)	-
Intangible Assets		(165,000)	-
Net Cash used (used in)/generated by investing activities (B)		(289,337,954)	(234,997,803)
Cash flows from financing activities:			
Long term Bank Loan Received/(Re-paid)		28,846,488	230,717,063
Short term Bank Loan Received/(Re-paid)		177,991,984	240,755,698
Share Capital/Share Money Deposit Received		66,500,000	-
Lease Payment		(1,296,235)	(900,000)
Financial Expenses		(86,226,426)	(63,143,876)
Net cash flows from financing activities (C)		185,815,811	407,428,885
Net changes increase/(decrease) in cash and cash equivalents (A+B+C)		(52,643,434)	138,292,939
Unrealized Foreign Exchange Gain/(Loss)		9,207,350	1,954,948
Cash & cash equivalents at the beginning of the period		144,129,717	3,881,830
Cash & cash equivalents at the end of the period		100,693,633	144,129,717
Net Operating Cash Flow per share (NOCFPS)	33	1.34	(1.09)

The annexed notes (1 to 45.05) form an integral part of these Financial Statements.

Md. L. Rahman D. M. D.
Chairman

M. A. H. M. M. M.
Managing Director

M. A. H. M. M. M.
Chief Financial Officer

M. A. H. M. M. M.
Company Secretary

Location: Dhaka

Dated: 12 October 2022

Ref:GKC/22-23/A/110



MK FOOTWEAR PLC

Notes, Summary of Significant accounting policies & other explanatory information For the year ended 30 June, 2022

1 REPORTING ENTITY

MK Footwear Ltd. was incorporated as a private limited company in Bangladesh on 12 November, 2015 under the Companies Act- 1994 and vobe Registration No C-126912/2015. It is a 100% export oriented company. The company converted into public limited company vide Special Resolution in EGM dated May 29, 2022 and duly filed with & passed by RJSC. It has started commercial operation on 02 July, 2020.

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

Corporate office: The Corporate office of the company is located at Apt-1B, House No-17/ A, Road No-3, DOHS Banani, Dhaka-1206

Registered Address: Nayonpur Bazar, Chalkpara, Medical More, Mawna-Dulivita Rd, Mawna Union 1740, Gazipur

Factory Address: The factory is situated at Chawkpara, Mawna, Sreepur, Gazipur-1740

Nature of business

The company is engaged in the production of all types of quality leather/synthetic footwear and export 100% of its produce to international market.

2.00 Basis of preparation of Financial statements

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	Title	Remark
IAS 1	Presentation of Financial Statements	Applied
IAS 2	Inventories	Applied
IAS 7	Statement of Cash Flows	Applied
IAS 8	Accounting policies, Changes in Accounting Estimates & Errors	Applied
IAS 10	Events after the Reporting period	Applied
IAS 12	Income Taxes	Applied
IAS 16	Property, Plant And Equipment	Applied
IAS 19	Employee Benefits	Applied
IAS 21	The Effects of Changes in Foreign Exchange Rates	Applied
IAS 23	Borrowing Costs	Applied
IAS 24	Related Party Disclosures	Applied
IAS 32	Financial Instruments: Presentation	Applied
IAS 33	Earnings Per Share	Applied
IAS 36	Impairment of Assets	Applied
IAS 37	Provision , Contingent Liabilities and Contingent Assets	Applied
IAS 38	Intangible Assets	Applied

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

IFRS	Title	Remark
IFRS 1	First-time Adoption of Bangladesh Financial Reporting Standard	Applied
IFRS 7	Financial Instruments: Disclosures	Applied
IFRS 8	Operating Segments	Not Applicable
IFRS 9	Financial Instruments	Applied
IFRS 15	Revenue From Contracts with Customers	Applied
IFRS 16	Leases	Applied

2.05 Reporting period

The period of the financial statements covers from 01 July, 2021 to 30 June, 2022

2.06 Comparative information and rearrangements thereof:

In accordance with the provisions of IAS- 1: "Presentation of Financial Statements", Comparative information that is available has been disclosed for all numerical information in the financial statements and also the narrative and descriptive information where it is relevant for understanding of the current period's financial statements.

Comparative figures have been re-arranged wherever considered necessary to ensure better comparability with the current period without causing any impact on the profit and value of assets and liabilities as reported in the financial statements. Interest expenses are paid for obtaining financial resource and as such management decided to disclose it under Financing Activities of Statement of Cash Flows.



2.07 Offsetting:

An entity shall not offset assets and liabilities or income and expenses, unless required or permitted by IFRS.

2.08 Leases

An entity shall assess a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. In line with IFRS-16 Leases, an entity shall determine the lease term as the non-cancellable period of a lease together with both:

- I. Period covered by the option to extend the lease and;
- II. Period covered by the option to terminate the lease.

Initial measurement of right of use asset shall be measured at cost and subsequently either by fair value or follow revaluation model See annex Annex-III & Note 8)

IFRS-16 leases has not been applied for Generator Rent and Factory Rent as these lease are for short term lease as per para 5 of IFRS-16

2.09 Events after the reporting period.

In Compliance with the requirements of IAS 10 Events After the Reporting Period that Period that provide additional information about the company's position at the reporting date are reflected in the financial statements and events after the reporting period that are not adjusting events are disclosed in the notes when material.

2.10 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.

2.11 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.

2.12 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.

2.13 Approval of these Financial Statements by Board of Directors

The Board of Directors has approved these Financial Statemetns on 12 October 2022.



2.14 Regulatory Compliance

The financial Statements have been prepared in compliance with the following laws and regulations;

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) Supplementary Duty Act, 2012

2.15 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 to the format of financial statements were also taken into full consideration for fair presentation.

2.16 Recognition of Property, Plant & Equipments

Property, Plant & Equipments 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.

2.17 Depreciation on Property, Plant & Equipments

Depreciation on all Property, Plant & Equipments 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>
Land and Land Development	0%
Building & Other Civil Constructions	5%
Plant & Machineries	10%
Electrical Equipments & Installations	10%
Solar Power Plant	10%
Fire Fighting Equipments & Installation	10%
Furniture & Fixture	10%
Motor Vehicles	20%

2.18 Revenue recognition

The core principle of IFRS 15 is that an entity will recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. This core principle is delivered in a five-step model framework:

- a. Identify the contract(s) with a customer
- b. Identify the performance obligations in the contract
- c. Determine the transaction price
- d. Allocate the transaction price to the performance obligations in the contract
- e. Recognise revenue when (or as) the entity satisfies a performance obligation.

2.19 Liabilities for 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.

2.20 Inventories

Inventories are stated at the lower of cost and net realizable 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.

2.21 Cash and Cash Equivalentents

Cash in hand and cash at banks have been considered as Cash and Cash Equivalentents 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.



2.22 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.

2.23 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.

2.24 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.

2.25 Income-tax expense

Current Tax:

Income tax is calculated and provision is made in compliance with the provisions of Finance Act 2022 and the Income Tax Ordinance 1984.

Deferred tax

Deferred tax arises due to temporary difference deductible or taxable for the events or transactions which is recognized in the statement of profit or loss and other comprehensive income. A temporary difference is the difference between the tax base of an asset or liability and its carrying amount, reported amount in the statement of financial position. Deferred tax assets or liability is the amount of income tax recoverable or payable in the future periods recognized in the current year as per IAS 12- Income tax.

2.26 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

IAS 24 *Related Party Disclosures* requires disclosures about transactions and outstanding balances with an entity's related parties. The standard defines various classes of entities and people as related parties and sets out the disclosures required in respect of those parties, including the compensation of key management personnel.

The details of related party transactions have been disclosed in Note - 38.00

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 derecognizes 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.

4.01 Earnings Per Share & Diluted Earning Per Share

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

Diluted Earning Per Share:

Diluted earnings per share (diluted EPS) calculates a company's earnings per share if all convertible securities were converted

Diluted Earning per Share = Net Income / Weighted number of Share

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. No such impairment has been raised till the reporting date.



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 recognized 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 Intangibles Assets '

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

Amortization 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.

An intangible asset shall be recognized 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 as on 30 June 2022
- b) Statement of Profit or Loss and Other Comprehensive Income for the year ended 30 June 2022
- c) Statement of Cash Flows For the year ended 30 June 2022
- d) Statement of Changes in Equity as on 30 June 2022
- e) Notes to the financial statements as on 30 June 2022

4.06 Employee Benefits

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

The company has accounted for and disclosed employee benefits in compliance with the provisions of IAS-19: Employee Benefits.

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

The company's employee benefits include the following:



Worker's Profit & Participation Fund:

The company has decided to provide 5% WPPF on net profit before tax as per chapter-15 of Labor Law 2006 as ammended upto 2013. The registration of such WPPF with the National Board of Revenue (NBR) is under process.

Short Term Employee Benefits

These includes better working conditions in line with overseas customer's requirement, Day care center, Health care facility, Transportation for admin and management employee, Advance against salary, Festival bonus etc. Obligations for such benefits are measured on an undiscounted basis and are expensed as the related service is provided. This period company provide salary & wages and director remuneration BDT 194,117,955

4.07 Risk Factors and Management's Perceptions about the Risks

The Company is operating in an industry involving both external and internal risk factors having direct as well as indirect effects on its business, result of its operations and financial condition, as follows:

I. Interest rate risks:

Interest rate is concerned with borrowed funds of short term & long-term maturity. Interest rate risk is the risk that the company faces due to unfavorable movements in the interest rates. Volatility in money market & increased demand for loans/ investment funds raise the rate of interest. A change in the government's policy also tends to increase the interest rate. High rate of interest enhances the cost of fund of a company. Such rises in interest rates however mostly affect companies having floating rate loans

Management perception:

The Company maintains a reasonable debt/ equity ratio; and accordingly, adverse impact of interest rate fluctuation will not adversely affect the Company's performance as the Company emphasizes on equity base financing to reduce the dependency on borrowing. Therefore, management perceives that the fluctuation of interest rate on borrowing would have little impact upon the performance of the Company.

II. Exchange rate risks:

If exchange rate increases against local currency opportunity is created for getting more revenue against sale in local currency. On the other hand, if exchange rate goes down, margin is squeezed in local currency.

Management perception:

The products of the company are sold in foreign currency and payment for raw materials are made mostly in foreign currency. Therefore, volatility of exchange rate will have little impact on profitability of the Company.

III. Input Cost Risks:

Input cost risk is the risk of a business when procuring materials or commodities in high global demand. Increasing demand and supply shortages create volatility in these commodity values; and therefore, the timing, quantity and price of purchase must be closely planned.

Management perception:

Management of the Company would hedge their exposure to input price volatility by adjusting its selling price.



MK FOOTWEAR PLC
Note to the Financial Statement
As on and For the year ended 30 June, 2022

Particulars	30-Jun-2022 BDT	30-Jun-2021 BDT
5.00 Property, Plant & Equipment		
Cost		
Opening Balance	1,006,661,718	98,800,742
Addition during the year	379,012,744	907,860,976
	<u>1,385,674,462</u>	<u>1,006,661,718</u>
Disposal during the year	-	-
	<u>1,385,674,462</u>	<u>1,006,661,718</u>
Accumulated Depreciation		
Opening Balance	75,536,514	43,500.00
Addition during the year	90,422,243	75,493,014
	<u>165,958,757</u>	<u>75,536,514</u>
Written Down Value (WDV)	<u>1,219,715,705</u>	<u>931,125,204</u>
Details are in Annex-I		
6 Intangible Asset		
Cost		
Opening Balance	-	-
Addition during the year	165,000	-
	<u>165,000</u>	<u>-</u>
Disposal during the year	-	-
	<u>165,000</u>	<u>-</u>
Accumulated Depreciation		
Opening Balance	-	-
Addition during the year	49,500	-
	<u>49,500</u>	<u>-</u>
Written Down Value (WDV)	<u>115,500</u>	<u>-</u>
Details are in Annex-II		
7 Capital Work In Progress		
Building & Other Civil Construction	-	48,247,798
Plant & Machineries	-	160,551,581
	<u>-</u>	<u>208,799,379</u>
7.01 Building & Other Civil Constructions		
Opening Balance	48,247,798	306,822,477
Addition During the year	30,222,750	49,739,998
	<u>78,470,548</u>	<u>356,562,475</u>
Transfer to Property Plant & Equivalent	78,470,548	308,314,677
Closing Balance	<u>-</u>	<u>48,247,798</u>



7.02 Plant & Machineries		
Opening Balance	160,551,581	574,840,075
Addition During the year	1,605,516	178,390,646
	<u>162,157,097</u>	<u>753,230,721</u>
Transfer to Property Plant & Equivalent	162,157,097	592,679,140
Closing Balance	<u>-</u>	<u>160,551,581</u>

Capital work in progress represents costs incurred for Building & Other Civil Constructions and Plant & Machineries which are not available for use as per managements' intention as on the reporting date.

8 Right-of-use (ROU) assets		
Opening balance	1,572,340	-
Addition during the year	9,763,589	2,358,510
	<u>11,335,929</u>	<u>2,358,510</u>
Depreciation during the year	(1,192,861)	(786,170)
Closing balance	<u>10,143,068</u>	<u>1,572,340</u>

Details are in Annex-III

9 Non-Current Security Deposits		
Security Deposit-REB	1,000,000	1,000,000
Advance for Office Rent	195,000	195,000
	<u>1,195,000</u>	<u>1,195,000</u>

10 Inventories		
Material	105,006,598	104,758,321
Work-in-Process	47,976,262	25,380,529
Finished Goods	178,821,585	177,684,601
Stores & Spares	2,312,475	542,384
	<u>334,116,920</u>	<u>308,365,835</u>

a) Quantity reconciliation of products were done properly.

b) The valuation of closing inventory has been made on the basis of lower of cost and net realizable value as per IAS-2.

c) The company has conducted a test (physical verification/stock taking) of above inventories as on 30 June, 2022

11 Accounts & Other Receivables:		
Trade Receivables (*)	281,513,812	116,232,518
Incentive Receivable	16,153,360	-
	<u>297,667,172</u>	<u>116,232,518</u>

(*) Details of Trade Receivables are in Annex VI



Classification schedule as required by Schedule XI of Companies Act 1994 is as follows:

I)	Debts considered good and in respect of which the company is fully secured.	297,667,172	116,232,518
II)	Debts considered good for which the company holds no security other than the debtors personal security and	-	-
III)	Debts considered doubtful or bad.	-	-
IV)	Debts due by directors or other officers of the company or any of them either severally or jointly with any other person	-	-
V)	Debts due by companies under the same management to be disclosed with the names of the companies.	-	-
VI)	The maximum amount due by directors or other officers of the company at any time during the year to be shown by	-	-

Aging of Accounts Receivable is given below:

Particulars		
1-3 Months	272,171,976	116,232,518
More than 3 Months	9,341,836	-
	<u>281,513,812</u>	<u>116,232,518</u>

12 Advance Deposit & Prepayment

Advance Against L/C	-	771,033
Advance against purchase/service	-	541,871
	<u>-</u>	<u>1,312,904</u>

There is no amount of advances due for payment for a period of more than 12 months from the date of Statement of financial position.

There is no aggregate amount due from Directors.

All advance and deposit amount considered good and recoverable.

There is no agreement with director and officers of the company regarding

There are no claims against the company, which can be acknowledged as

13 Inter-Company Receivable

Moynakuti Agro Industries Limited	116,876,000	-
	<u>116,876,000</u>	

The above represent interest free loan provided to related entity which will be realized within next year.



14 Advance Income Tax		
Opening Balance	2,870,576	62,131
Addition during the year (note 14.1)	10,752,359	2,808,445
	<u>13,622,935</u>	<u>2,870,576</u>
Adjustment made during the year	(2,808,445)	-
Closing Balance	<u>10,814,490</u>	<u>2,870,576</u>
14.1 Tax paid during the year		
Tax paid on Cash Incentive Income	5,511,300	637,100
Tax paid on Motor Vehicle	150,000	-
Tax Paid on Export realization/ Advance against Export	5,091,059	2,171,345
	<u>10,752,359</u>	<u>2,808,445</u>

15 Cash and Cash Equivalents:		
Cash in Hand	645,201	811,658
Short Notice Deposit A/c- 18024000235	13,981	-
FBR Margin Account	22,585,399	15,032,742
Sundry Deposit Account	1,900,000	-
Rupali Bank Ltd, FC A/c No - 18027005037	60,281,453	123,628,371
Southeast Bank Ltd, CD A/c No - 211100048890	1,756,361	3,194,132
Rupali Bank Ltd, CD A/c No - 20009691	13,511,238	1,462,814
	<u>100,693,633</u>	<u>144,129,717</u>

Cash in hand was physically verified by the management. Bank balances were reconciled & confirmed.

16 Share Capital:

Authorized Share Capital:

100,000,000 Ordinary shares @ of Tk. 10/- each	<u>1,000,000,000</u>	<u>50,000,000</u>
	<u>1,000,000,000</u>	<u>50,000,000</u>

The authorized capital of the company has been increased to BDT 100.00 crore vide Extra Ordinary Resolution in EGM dated March 28, 2022 and duly filed with & passed by RJSC.

Issued, Subscribed and Paid-up Capital:

37,847,200 Ordinary shares @ of Tk. 10/- each fully paid in cash	<u>378,472,000</u>	<u>10,000,000</u>
	<u>378,472,000</u>	<u>10,000,000</u>

Name of Shareholders

Kazi Rejaul Kabir	5,000,000	-
Farah Zaman	18,000,000	-
Md. Akteruzzaman	21,000,000	1,000,000
Deal N Deliver	16,500,000	-



Sifat Ahmed Chaudhuri	5,000,000	-
Hayat Trade International	17,500,000	-
Noor Mohammed	178,672,000	9,000,000
Mir Mahfuza Mohammed	30,000,000	-
F.M Hasan Mahfuz Russell	15,000,000	-
M/s. Alam Enterprise	16,500,000	-
NS Info Equity Limited	16,000,000	-
Nupur Zaman	18,000,000	-
Mir Shoureen Shams	18,000,000	-
Mohammed Tohidul Islam	500,000	-
Md. Masud Rana	500,000	-
Sarwar Hussain	2,300,000	-
	<u>378,472,000</u>	<u>10,000,000</u>

The company splits its share from Tk. 100/- to Tk. 10/- each in EGM dated Mach 28, 2022 and duly filed with & passed by RJSC.

17 Share Money Deposit

-	301,972,000
-	<u>301,972,000</u>

18 Retained Earnings

Opening Balance	8,463,012	(2,341,579)
Net Profit/(Loss) during the year	103,089,285	10,804,591
	<u>111,552,297</u>	<u>8,463,012</u>

19 Long Term Loan-Non Current Maturity:

Project Loan, A/c No - 18067000284	556,121,671	586,923,812
Project Loan, A/c No - 18067000201	197,083,975	180,042,508
IDCP (Interest During Construction Period)	60,648,606	16,545,940
Block Interest	8,184,477	9,679,981
	<u>822,038,729</u>	<u>793,192,241</u>
Less: Transfer to Term Loan-Current Maturity	(128,283,044)	(38,057,331)
	<u>693,755,685</u>	<u>755,134,910</u>

Disclosure about long term loan -As per Schedule XI, Part I, Para-a (4) of the Company Act, 1994

Particulars	Project Loan (18067000284)	Project Loan (18067000201)
Purpose	Import Barnd New Machine	Import Barnd New Machine and Construction of Factory Building
Tenure:	Ten Years from the date of disbursement	Ten Years from the date of disbursement
Repayment:	From proceed realization	From proceed realization
Rate of Interest:	9%	9%



Security:	Imported Machineries, Projects Land and Building	A) 350.88 decimal land and Building and Machineries of that Land located Dhonua (Muaza), Shrepur, Gazipur,
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20 Lease liability

Opening balance	1,641,686	-
Addition during the year	7,680,000	2,358,510
Finance cost	250,920	183,176
	<u>9,572,606</u>	<u>2,541,686</u>
Rent paid	(1,296,235)	(900,000)
Closing balance	<u>8,276,371</u>	<u>1,641,686</u>

Allocated to:

Non-current liabilities	6,114,483	857,618
Current liabilities	2,161,888	784,068
	<u>8,276,371</u>	<u>1,641,686</u>

Details are in Annex-IV

21 Trade and Other Payables:

Advance Against Export(**)	66,018,250	145,155,440
Trade Payable (*)	105,351,204	59,056,957
	<u>171,369,454</u>	<u>204,212,397</u>

(*) Details of Trade Payable Details are in Annex VII

(**) Advance against Export represent, amount received in advance for sales contract against which no product is delivered during the year.

22 Short Term Loan:

Cash Credit Hypothecation	144,956,742	74,314,698
Clean/Temporary Overdraft	-	26,657,774
COVID 19 Revolving Refinance Scheme	23,865,572	22,036,345
Export Development Fund (EDF)	250,764,089	189,650,381
Purchase Against Documents (PAD)	124,395,204	53,910,886
COVID 19 Stimulus Funds Workers Salary	20,331,461	16,915,732
	<u>564,313,068</u>	<u>383,485,816</u>

Particulars	Cash Credit Hypothecation	COVID 19 Revolving Refinance Scheme	COVID 19 Stimulus Funds Workers Salary
Purpose:	Import Raw Material	Working Capital	Working Capital
Tenure:	One year	One year	One year
Repayment:	Export Bill Collection and Company's own fund	Export Collection and Fund	Export Collection and Fund



Rate of Interest:	9%	9%	9%
Security:	Original Export Master Letter of Credit (L/C)	Stock Inventory	Stock Inventory

23 Liabilities for Expenses:

Audit Fee	345,000	115,000
Electricity Bill	1,775,645	1,273,249
Generator Rent	380,000	220,000
Factory Rent	760,000	-
Directors' Remuneration	399,000	-
Salary & Wages Payable	15,460,748	7,048,145
Other Payable	1,323,080	75,000
	<u>20,443,473</u>	<u>8,731,394</u>

24 Provision for Income Tax

Opening Balance	2,870,600	62,155
Addition during the year:		
Tax on Business income (note 24.1)	5,091,059	2,171,345
Tax on other income (note 24.2)	5,514,220	637,100
	<u>13,475,879</u>	<u>2,870,600</u>
Paid/ Adjusted during the year	(2,808,445)	-
	<u>10,667,434</u>	<u>2,870,600</u>

24.1 Tax on Business Income

Net Profit before Tax	111,299,904	15,049,627
Less: Other income	(71,276,977)	(6,371,000)
Less: Unrealised Foreign Exchange gain/(Loss)	(10,206,238)	449,320
Add: Accounting Depreciation & Amortization	90,471,743	75,493,014
Add: WPPF	5,564,995	-
Less: Tax Depreciation	(188,216,516)	(150,172,312)
Business Income	<u>(62,363,089)</u>	<u>(65,551,351)</u>
Carry Forward of Previous years Loss	-	-
Taxable Business income	<u>(62,363,089)</u>	<u>(65,551,351)</u>
Tax rate on Business Income	12%	15%
Tax on Business Income (A)	-	-
TDS on Export received (B)	5,091,059	2,171,345
Tax on Gross receipt (C) @ 0.2618% (12/27.5*.6)	3,508,439	1,325,630
Tax liabilities on business income (Higher of A, B,&C)	<u>5,091,059</u>	<u>2,171,345</u>

Un-used Tax Loss:

Opening Balance	68,276,608	2,725,257
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Addition during the year	62,363,089	65,551,351
	<u>130,639,697</u>	<u>68,276,608</u>
Less: use of unused tax	-	-
Un-used Tax Loss	<u>130,639,697</u>	<u>68,276,608</u>

24.2 Tax on other Income

Tax on Cash Incentive Income	5,511,300	637,100
Tax on Interest income @ 27.5%	2,920	-
	<u>5,514,220</u>	<u>637,100</u>

Tax on Cash Incentive Income:		
Cash Incentive Income	71,266,360	6,371,000
Less: Unrealized during the year	<u>(16,153,360)</u>	<u>-</u>
Cash Incentive Received during the year	55,113,000	6,371,000
Income Tax Rate	10%	10%
Tax on Cash Incentive Income	<u>5,511,300</u>	<u>637,100</u>



Particulars	2021-2022 BDT	2020-2021 BDT
25 Revenue:		
Export Sale	1,268,844,877	435,505,568
	<u>1,268,844,877</u>	<u>435,505,568</u>
26 Cost of Goods Sold:		
Material Consumed (note 26.01)	808,153,215	383,685,104
Manufacturing Overhead (note 26.02)	318,051,560	179,635,124
	<u>1,126,204,775</u>	<u>563,320,228</u>
Opening Work in Process	25,380,529	-
	<u>1,151,585,304</u>	<u>563,320,228</u>
Closing Work in Process	(47,976,262)	(25,380,529)
	<u>1,103,609,042</u>	<u>537,939,699</u>
Opening Finished Goods	177,684,601	-
Cost of Goods available for sale	<u>1,281,293,643</u>	<u>537,939,699</u>
Closing Finished Goods	(178,821,585)	(177,684,601)
Cost of Sales	<u>1,102,472,058</u>	<u>360,255,098</u>
26.01 Material Consumed:		
Opening Stock	104,758,321	58,622,560
Add: Purchase during the year	808,401,492	429,820,865
Less: Closing Stock	(105,006,598)	(104,758,321)
	<u>808,153,215</u>	<u>383,685,104</u>
26.02 Manufacturing Overheads:		
Wages & Salaries	184,534,205	84,806,178
Depreciation	89,691,398	75,323,464
Electricity Bill	21,778,230	9,170,436
Generator Rent	4,440,000	2,640,000
Factory Rent	6,700,000	-
Fuel & Lubricant	2,080,453	1,920,341
Repairs & Maintenance	1,260,307	1,680,724
Workers Tiffin	2,910,108	1,446,820
Loading Unloading	1,186,869	1,392,420
Medical & Welfare	137,139	662,581
Workers' Transportation	604,516	168,738
Inspection Expenses	1,087,146	-
Conveyance	524,443	-
Internet Bill	90,167	-
Mobile Bill	50,215	-
Fire Extinguishing Expenses	50,070	-
Training Expenses	289,700	-
Others	636,594	423,422
	<u>318,051,560</u>	<u>179,635,124</u>



27 Foreign Exchange Gain/(Loss)		
Realised FC Gain/(Loss)	(18,128,641)	4,659,645
Unrealised FC Gain/(Loss)	10,206,238	449,320
	<u>(7,922,403)</u>	<u>5,108,965</u>
28 Administrative Expenses:		
Salaries & Allowances	4,227,350	2,574,936
Depreciation on ROU assets	1,192,861	786,170
Directors' Remuneration	3,500,000	-
Registration & Renewal	142,706	204,362
RJSC Expenses	1,314,321	-
Depreciation	730,845	169,550
Amortization of Intangible Assets	49,500	-
Audit Fees	345,000	115,000
Conveyance	103,787	65,165
Entertainment	69,698	64,044
Vehicle Expenses	646,321	63,055
Stationery	218,392	58,120
Postage & Courier Service	74,783	45,100
Electricity Bill	74,452	29,478
Telephone, Mobile and Internet	32,000	23,050
Others	165,181	-
	<u>12,887,197</u>	<u>4,198,030</u>
29 Distribution Expenses:		
Conveyance	105,603	82,397
Entertainment	92,827	70,638
Export Expenses	9,742,548	2,497,834
Salaries & Allowances	1,856,400	620,700
Stationeries	249,630	45,127
	<u>12,047,008</u>	<u>3,316,696</u>
30 Non-Operating Income:		
Cash Incentive	71,266,360	6,371,000
Interest Income	10,617	-
	<u>71,276,977</u>	<u>6,371,000</u>
31 Financial Expenses:		
Export Bill Realization Expenses/Income	1,450,943	839,030
Interest on Short Term Loan	16,889,800	12,127,238
Bank Charges & Commissions	570,366	342,083
Finance costs-lease liability	250,920	183,176
Interest on Long Term Loan	68,766,260	50,674,555
	<u>87,928,289</u>	<u>64,166,082</u>



2021-2022 BDT	2020-2021 BDT
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32 Earning per share (EPS)

Basic earnings per share:

Profit after tax	103,089,285	10,804,591
Profit attributable to ordinary shareholders	103,089,285	10,804,591
Total weighted average number of shares	32,308,570	1,000,000
Basic earnings per share (Tk 10/= per Share)	3.19	10.80

Diluted earnings per share:

Profit attributable to ordinary shareholders	103,089,285	10,804,591
Weighted-average number of ordinary shares outstanding during the year	32,308,570	1,000,000
Diluted potential number of ordinary shares	-	30,197,200
Total number of shares as dilutive potential ordinary shares	32,308,570	31,197,200
Diluted earnings per share (Tk 10/= per Share)	3.19	0.35

As per Para 28 of IAS 33, EPS & Diluted EPS has been re-stated due to share split during the year under audit.

Weighted-average number of ordinary shares outstanding during the year

Particulars	Amount	No of Days use capital	No Day in a year	Weight	Price per Share	weighted number of share
Share Capital	10,000,000	365	365	1.00	10	1,000,000
Capitalization of Share Money Deposit	301,972,000	365	365	1.00	10	30,197,200
New Share issue	66,500,000	61	365	0.17	10	1,111,370
Total	378,472,000					32,308,570

33 Net Operating Cash Flow per Share (NOCFPS)

Net Operating Cash Flow	50,878,709	(34,138,143)
No. of Share for Share Capital	37,847,200	1,000,000
Potential No. of Share for Share Money Deposit	-	30,197,200
Total No of Share to Calculate Net Asset Value Per Share	37,847,200	31,197,200
Net Operating Cash Flow per share	1.34	(1.09)

As per FRC Notification no. 186/FRC/admin/circular/2020/01, dated 11 February, 2020, potential no. of share for share money deposit also considered to calculate NOCFPS.

As per Para 28 of IAS 33, NOCFPS has been re-stated due to share split during the year under audit.

34 Net Asset Value Per Share (NAVPS)

Shareholders' Equity	490,024,297	320,435,012
No. of Share for Share Capital	37,847,200	1,000,000
Potential No. of Share for Share Money Deposit	-	30,197,200
Total No of Share to Calculate Net Asset Value Per Share	37,847,200	31,197,200
NAVPS (Net Asset Value Per Share)	12.95	10.27

As per FRC Notification no. 186/FRC/admin/circular/2020/01, dated 11 February, 2020, potential no. of share for share money deposit also considered to calculate NAVPS.

Due to share split, prior year's number of share considered @ Tk. 10/- to calculate NAVPS.



	2021-2022 BDT	2020-2021 BDT
35 Cash Received from Customers and others income		
Revenue	1,268,844,877	435,505,568
Foreign Exchange Gain/(Loss) Related to Accounts & Other Receivables	7,882,624	2,761,546
Other Income	71,276,977	6,371,000
Add: Accounts Receivables balance b/d	116,232,518	-
Less: Accounts Receivables balance c/d	(297,667,172)	(116,232,518)
Add: Advance Against Sale C/d	66,018,250	145,155,440
Less: Advance Against Sale b/d	(145,155,440)	(24,914,372)
Less: Export Bill Collection Charge	(1,450,943)	(839,030)
	<u>1,085,981,691</u>	<u>447,807,634</u>
36 Cash Paid to Suppliers, employees and others expenses		
Cost of Goods Sold	(1,102,472,058)	(360,255,098)
Administrative expenses	(12,887,197)	(4,198,030)
Selling and distribution Expenses	(12,047,008)	(3,316,696)
Adjustment for Depreciation	90,422,243	75,493,014
Adjustment for Amortization	49,500	-
Depreciation on ROU assets	1,192,861	786,170
Increase/Decrease Trade Payables	46,294,247	55,151,092
Foreign Exchange Gain/(Loss) Related to Accounts & Other Payables	(22,177,109)	261,904
Increase/Decrease Liability for expenses	11,712,079	7,996,491
Increase/Decrease Inventory	(25,751,085)	(249,743,275)
Increase/Decrease Advance deposits and prepayments	1,312,904	(1,312,904)
	<u>(1,024,350,623)</u>	<u>(479,137,332)</u>
37 Income Tax paid		
Opening AIT	2,870,576	62,131
Closing AIT	(10,814,490)	(2,870,576)
Current year Provision	(10,605,279)	(2,808,445)
Opening Provision for Tax	(2,870,600)	(62,155)
Closing Provision for Tax	10,667,434	2,870,600
	<u>(10,752,359)</u>	<u>(2,808,445)</u>
38 Cash flow for Property Plant and Equipment / Capital in Working Progress		
Addition to Property Plant & Equipments	(379,012,744)	(907,860,976)
Addition to Capital Work In Progress	(31,828,266)	(228,130,644)
Adjustment for Transfer from CWIP to PPE	240,627,645	900,993,817
	<u>(170,213,365)</u>	<u>(234,997,803)</u>
39 Reconciliation of Net profit before tax with Cash flow from operating activities		
Net profit before income tax	111,299,904	15,049,627
Add: Finance Cost	86,477,346	63,327,052
Adjustment for Depreciation	90,422,243	75,493,014
Adjustment for Amortization	49,500	-
Depreciation on ROU assets	1,192,861	786,170
Workers' Profit Participation Fund (WPPF)	5,564,995	-
(Increase)/Decrease Inventory	(25,751,085)	(249,743,275)
(Increase)/Decrease Receivable	(181,434,654)	(116,232,518)
Increase/Decrease Advance deposits and prepayments	1,312,904	(1,312,904)
Increase/(Decrease) Accounts Payables	(32,842,943)	175,392,160
Increase/Decrease Liability for expenses	11,712,079	7,996,491
Unrealized Foreign Exchange Gain/(Loss)	(9,207,350)	(1,950,948)
Unrealized Foreign Exchange Gain/(Loss)	2,835,268	(134,567)
Income Tax Paid	(10,752,359)	(2,808,445)
Net Cash (used in)/generated by operating activities	<u>50,878,709</u>	<u>(34,138,143)</u>



40.00 Related Party Disclosure:

During the year, The Company carried out a numbers of transactions with related parties in the normal course of business. The names of the related parties and nature of these transaction have been set out in accordance with the provisions of IAS -24: "Related Party Disclosure".

Name of Party	Relationship	Nature of Transaction	Opening Balance as at 01 July, 2021 (Dr.)/Cr.	Transaction during the year		Closing Balance as at 30 June, 2022 (Dr.)/Cr.
				Dr.	Cr.	
Mir Mahfuza Mohammed	Chairman	Share Capital	30,000,000	30,000,000	-	-
Noor Mohammed	Managing Director & Sponsor	Share Capital	169,672,000	169,672,000	-	-
		Directors' Remuneration	-	3,500,000	3,500,000	-
Md. Akteruzzaman	Director	Share Capital	20,000,000	20,000,000	-	-
F.M Hasan Mahfuz Russell	Chief Executive Officer (CEO)	Share Capital	15,000,000	15,000,000	-	-
		Salary	-	1,100,000	1,100,000	-
Mohammed Tohidul Islam	Company Secretary	Share Capital	500,000	500,000	-	-
		Salary	-	935,000	935,000	-
Kazi Rejaul Kabir	Shareholder	Share Capital	5,000,000	5,000,000	-	-
Farah Zaman	Shareholder	Share Capital	18,000,000	18,000,000	-	-
Deal N Deliver	Shareholder	Share Capital	-	16,500,000	16,500,000	-
Sifat Ahmed Chaudhuri	Shareholder	Share Capital	5,000,000	5,000,000	-	-
		Salary	-	900,000	900,000	-
Hayat Trade International	Shareholder	Share Capital	-	17,500,000	17,500,000	-
M/s. Alam Enterprise	Shareholder	Share Capital	-	16,500,000	16,500,000	-
NS Info Equity Limited	Shareholder	Share Capital	-	16,000,000	16,000,000	-
Nupur Zaman	Shareholder	Share Capital	18,000,000	18,000,000	-	-
Mir Shoureen Shams	Shareholder	Share Capital	18,000,000	18,000,000	-	-
Md. Masud Rana	Shareholder	Share Capital	500,000	500,000	-	-
		Salary	-	255,000	255,000	-
Moynakuti Agro Industries Limited	Common Directorship	Loan Given	-	116,876,000	-	116,876,000
Sarwar Hussain	Shareholder	Share Capital	2,300,000	2,300,000	-	-
			<u>66,800,000</u>	251,331,000	67,655,000	<u>116,876,000</u>

41.00 Capacity Utilization :

Disclosure as per requirement of schedule XI, part II, para 7 of Company Act 1994



Section	Installed Capacity	Utilization Per day (Per Shift) Pcs.	Utilization
	Per day (Per Shift)		
	Pcs.		
Period ended 30 June 2022 Finishing - Shoes (Pcs)	10,000.00	7,570	76%

Disclosure as per requirement of schedule XI, Part II, Para 8 of

41.01 Company Act 1994

a) During the period no import in respect of raw materials and capital machineries on CIF basis has been made. The company import raw materials and capital machineries on CFR basis.

b) No Expenditure in foreign currency during the financial year on account of royalty, know-how, professional consultation fee, interest and other matters.

c) Value of all imported raw materials, spare parts and components consumed during the period and the value of all indigenous raw materials, spare parts and components similarly consumed and the percentage of each to the total consumption are as under:

Item Names	Consumed	% of Consumption
Raw Materials	808,153,215	100%

d) The company has not remitted any amount during the period in foreign currencies on account of dividend.

e) The company has not earned in foreign exchange from royalty, know-how, professional and consultation fee, dividend and other income except exports for goods calculated on FOB basis. Details are given below:

Particulars	Amount in (USD)	Amount in (BDT)
FOB Value of Export	14,569,232.69	1,268,844,877

42.00 Disclosures regarding Sales as per Para 3, Part -II, Schedule XI of the Companies

a) Quantity-wise sales for the period is as follows.

Name of product	Quantity (pcs)	Rate(Taka)	Taka
Shoes (PCS)	2,055,440	617.31	1,268,844,877
Total	2,055,440		1,268,844,877

b) The company do not give any brokerage and discount on sales other than usual trade discount.

Quantitative details of opening stock, purchases / production, consumption / sales and closing stock of raw

C materials and finished goods are as under:

Item	Unit	Opening stock	Purchases/ Production	Consumption/ Sales	Closing Stock
		Qty	Qty	Qty	Qty
		Raw material: Period ended 30 June 2022	Pair	4567886	35,249,574
Work in Process Period ended 30 June 2022	Pair	96,655	8,349,082	8,263,032	182,705
Finished goods: Period ended 30 June 2022	Pair	365,622.02	2,023,211.00	2,055,440.00	333,393



43.00 Employee position of M. K Foot Wear Limited. (as at June 30, 2022)

Disclosure as per requirement of schedule XI part II, Para 3 of the company Act 1994

All the employees receive salary/ wages in excess of Tk. 8,200 per

Number of permanent staff	20
Number of permanent workers	1,306
Total:	1326

44.00 Disclosure as per requirement of schedule XI, Part II, Para 4 of Company Act 1994

As per Company Act, 1994 part-II, Schedule-XI (4) The profit and loss account will give by way of a note detailed information, showing separately the following payments provided or made during the financial period to the directors, including managing director, the managing agents or manager, if any, by the company, subsidiaries of the company and any other person:-

No.	Particulars	2021-2022	2020-2021
(a)	Managerial Remuneration paid or payable during the period to the directors, including managing directors, a managing agent or manager	9,769,233	-
(b)	Expenses reimbursed to Managing Agent	Nil	Nil
(c)	Commission or Remuneration payable separately to a managing agent or his associate	Nil	Nil
(d)	Commission received or receivable by the managing agent or his associate as selling or buying agent of other concerns in respect of contracts entered into by such concerns with the company	Nil	Nil
(e)	The money value of the contracts for the sale or purchase of goods and materials or supply of services, entered into by the company with the managing agent or his associate during the financial period.	Nil	Nil
(f)	Any other perquisite or benefits in cash or in kind stating, approximate money value where applicable.	Nil	Nil
(g)	Other allowances and commission including guarantee commission	Nil	Nil
(h)	Pensions etc.		
	(i) Pensions	Nil	Nil
	(ii) Gratuities	Nil	Nil
	(iii) Payments from a provident funds, in excess of own subscription and interest thereon	Nil	Nil
(i)	Share Based payments	Nil	Nil

45.00 General

45.01 Segment Reporting

As the company operates as a single business and geographic segment no segment reporting is felt necessary.

45.02 Contingent liability

There is no contingent liability as of the balance sheet date.

45.03 Receivable from Directors

Nothing is receivable from the director.

45.04 Last year's figures have been rearranged wherever it was found necessary.

45.05 Figures appearing in the financial statements have been rounded off to the nearest BDT.



MK FOOTWEAR PLC

Schedule of Property, Plant & Equipment

As on 30 June, 2022

Particular's	Cost			Rate	Depreciation			Written Down Value as on 30 June, 2022
	Balance as on 01 July, 2021	Addition During the Period	Balance as on 30 June, 2022		Balance as on 01 July, 2021	Charged During the Period	Balance as on 30 June, 2022	
Land and Land Development	97,930,742	-	97,930,742	0%	-	-	97,930,742	
Building & Other Civil Constructions	308,314,677	78,470,548	386,785,225	5%	15,625,829	31,041,563	355,743,662	
Plant & Machineries	592,679,140	162,157,097	754,836,237	10%	66,854,214	126,122,128	628,714,109	
Electrical Equipments & Installations	6,398,159	24,957,262	31,355,421	10%	2,863,583	3,503,399	27,852,022	
Solar Power Plant	-	76,905,140	76,905,140	10%	1,281,752	1,281,752	75,623,388	
Fire Fighting Equipments & Installations	939,000	30,660,197	30,660,197	10%	3,066,020	3,066,020	27,594,177	
Furniture & Fixture	400,000	5,862,500	6,801,500	10%	666,845	799,895	6,001,605	
Motor Vehicles	-	-	400,000	20%	64,000	144,000	256,000	
Balance at 30 June, 2022	1,006,661,718	379,012,744	1,385,674,462		90,422,243	165,958,757	1,219,715,705	
Balance at 30 June, 2021	98,800,742	907,860,976	1,006,661,718		43,500	75,536,514	931,125,204	

Depreciation Allocated to:

Manufacturing Overheads:

Administrative Expenses:

89,691,398
730,845
90,422,243



MK FOOTWEAR PLC

Schedule of Intangible Assets

As on 30 June, 2022

Particular's	Cost			Rate	Depreciation			Written Down Value as at 30 June, 2022
	Balance as at 01 July, 2021	Addition During the Period	Balance as at 30 June, 2022		Balance as at 01 July, 2021	Charged During the Period	Balance as at 30 June, 2022	
	Software	-	165,000		165,000	-	49,500	
Balance as at 30 June, 2022	-	165,000	165,000	-	49,500	49,500	115,500	

Annex-II



MK FOOTWEAR PLC

**Details of right-of-use assets
As on 30 June, 2022**

Annex-III

Asset category	Cost			Months	Depreciation			Written down value as at 30 June 2022 BDT	
	Balance at 01 July BDT	Addition during the year BDT	Adjustment during the year BDT		Total at 30 June BDT	Balance at 01 July BDT	Charge for the year BDT		Adjustment during the year BDT
Dhaka Office	2,358,510	-	-	24/36	786,170	786,170	-	1,572,340	786,170
Motor Vehicles-01	-	4,879,297	-	4/60	-	325,286	-	325,286	4,554,011
Motor Vehicles-02	-	4,884,292	-	1/60	-	81,405	-	81,405	4,802,887
Total 2022	2,358,510	9,763,589	-		786,170	1,192,861	-	1,979,031	10,143,068
Total 2021	-	-	-		-	786,170	-	786,170	1,572,340



MK FOOTWEAR PLC
Details of lease liability
As on 30 June, 2022

Particulars	Date of commencement	Date of ending	Lease period (months)	Total Lease value	Discount rate (%)	PV of lease payment	Interest for the year	Lease payment during the year	Net lease liabilities as at 30 June 2022	
									BDT	BDT
Dhaka Office	Jul-20	Jun-23	36	2,700,000	9.00%	1,641,686	115,932	(900,000)	857,618	BDT
Motor Vehicles-01	Mar-22	February-2027	60	4,757,684	8.75%	3,840,000	111,655	(316,988)	3,634,667	BDT
Motor Vehicles-02	Jun-22	May-27	60	4,747,654	8.75%	3,840,000	23,333	(79,247)	3,784,086	BDT
Total 2022				12,205,338		9,321,686	250,920	(1,296,235)	8,276,371	BDT
Total 2021				2,700,000		2,358,510	183,176	(900,000)	1,641,686	BDT

Particulars	Lease current portion	Lease non-current portion	Total
Motor Vehicles-01	658,941	2,975,726	3,634,667
Motor Vehicles-02	645,329	3,138,757	3,784,086
Dhaka Office	857,618	-	857,618
	2,161,888	6,114,483	8,276,371



Annex-IV

MK FOOTWEAR PLC
Calculation of Deferred tax
As at 30 June, 2022

Particulars	Annex-V	
	Amount in BDT 30-Jun-2022	Amount in BDT 30-Jun-2021
Carrying value (Accounting Base)		
Property , Plant and Equipment	1,219,715,705	931,125,204
Intangible Assets	49,500	
WPPF	(5,564,995)	
Unrealized Foreign exchange Gain/(Loss)	10,206,238	449,320
Cash Incentive	71,266,360	
Un-Used Tax Loss	-	-
	1,224,406,448	931,574,524
Carrying value (Tax Base)		
Property , Plant and Equipment	1,047,248,134	856,402,406
Intangible Assets	49,500	
Unrealized Foreign exchange Gain/(Loss)	-	-
Cash Incentive	55,113,000	
Un-Used Tax Loss	130,639,697	68,276,608
	1,233,050,331	924,679,014
Taxable /(Deductible)temporary difference	(8,643,883)	6,895,510
Income Tax rate of Operation Except Cash Incentive	12%	15%
Income Tax rate for Cash Incentive	10%	10%
Deferred Tax Liabilities/(Assets) at the end of the year	(1,360,333.00)	1,034,327
Closing Deferred Tax (Asset)/Liabilities	(1,360,333)	1,034,327
Opening Deferred Tax (Asset)/Liabilities	1,034,327	(402,264)
Deferred Tax (income) / Expenses:	(2,394,660)	1,436,591



MK FOOTWEAR PLC
Details of Trade Receivables

As on 30 June, 2022

Annex-VI

L/C NO	Client Name	USD	Exc. Rate	BDT
MK0008/WT2021	NOVI	55,875.56	93.45	5,221,572
MK0010/WT2021	NOVI	61,814.40	93.45	5,776,555
MK0013/WT2021	NOVI	12,730.13	93.45	1,189,631
MK0014/WT2021	NOVI	336,378.74	93.45	31,434,593
MK0017/WT2021	NOVI	476,962.83	93.45	44,572,176
MK0022A/WT2021	NOVI	44,090.56	93.45	4,120,264
DC XIA150663	AIDER/DEICH MANN	31,815.50	93.45	2,973,158
5545607827	REDTAPE	170,841.50	93.45	15,965,138
MK0035B/WT2021	NOVI	26,754.53	93.45	2,500,211
MK0039/WT2021	NOVI	178,997.88	93.45	16,727,352
MK0036/WT2022	NOVI	435.59	93.45	40,706
MK0042/WT2022	NOVI	168,818.65	93.45	15,776,103
MK0040/WT2022	NOVI	179,537.99	93.45	16,777,823
FERRO/MKFL/003/2021	FERRO	361,632.00	93.45	33,794,510
SLDM-MK01	SLDM/DEICH MANN	100,689.80	93.45	9,409,462
21640FLC0037321	REDTAPE	597,244.75	93.45	55,812,522
MK0019/WT2021	NOVI	110,817.36	93.45	10,355,882
MK0041/WT2022	NOVI	49,775.42	93.45	4,651,513
MK0043/WT2022	NOVI	47,240.68	93.45	4,414,641
Total		3,012,453.85		281,513,812



MK FOOTWEAR LTD
Details of Trade Payable
As on 30 June, 2022

Annex VII

L/C NO	USD	Exchange Rate	BDT
26321050004	2,674.56	93.45	249,938
26321060010	6,070.57	93.45	567,295
026322060041	1,040.00	93.45	97,188
026322060012	277,102.89	93.45	25,895,265
026322060011	195,236.75	93.45	18,244,874
026321060064	62,632.18	93.45	5,852,977
026321060058	463,612.50	93.45	43,324,588
0263220400211	13,290.12	93.45	1,241,962
0263220400212	31,079.06	93.45	2,904,338
0263220400205	1,902.91	93.45	177,827
0263220400206	4,961.79	93.45	463,679
0263220400207	1,800.18	93.45	168,227
0263220400208	2,027.24	93.45	189,446
0263220400209	5,953.06	93.45	556,313
0263220400153	16,578.53	93.45	1,549,264
0263220400154	15,769.05	93.45	1,473,618
0263220400155	5,778.41	93.45	539,992
0263220400119	12,118.50	93.45	1,132,474
26321150026	810.00	93.45	75,695
026322050025	6,915.41	93.45	646,245
Total	1,127,353.71		105,351,204

