ANNUAL REPORT

2016-2017



Malek Spinning Mills Ltd.

www.malekspinning.com

AMARSTOCK

28TH ANNUAL REPORT 2016-2017

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28th ANNUAL REPORT 2016-2017



Malek Spinning Mills Limited

Registered Office: 117/A, Tejgaon Industrial Area, Dhaka-1208
Corporate Head Office: Tower-117, 117/A, Tejgaon Industrial Area, Dhaka-1208
Tel: IPT +8809612111177-92, 880-2-8878065, Fax: 880-2-8878064
E-mail: allabj@dhaka.net, Website: www.malekspinning.com

MALEK SPINNING MILLS LIMITED

TRANSMITTAL LETTER

The Shareholders
Bangladesh Securities and Exchange Commission
Registrar of Joint Stock Companies & Firms
Dhaka Stock Exchange Ltd.
Chittagong Stock Exchange Ltd.

Sub: Annual Report for the year ended 30th June, 2017.

Dear Sir(s),

We are pleased to enclose herewith a copy of Annual Report together with the Audited Financial Statements comprising Consolidated and Separate Statement of Financial Position as at June 30, 2017, Statement of Profit or Loss and other Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year ended June 30, 2017 along with notes thereon of Malek Spinning Mills Limited and its Subsidiaries for your information and records.

Yours sincerely

Syed Saiful Haque
Company Secretary

Dated: November 19, 2017

AMAR STOCK

MALEK SPINNING MILLS LIMITED

Registered Office: 117/A, Tejgaon Industrial Area,
Dhaka-1208, Bangladesh
Corporate Head Office: Tower-117,
117/A, Tejgaon Industrial Area, Dhaka-1208

NOTICE OF THE 28TH ANNUAL GENERAL MEETING

Notice is hereby given that the **28TH ANNUAL GENERAL MEETING** of the shareholders of the Company will be held on **Wednesday, 27th December, 2017 at 10.30 a.m.** at Spectra Convention Centre Limited, House # 19, Road # 7, Gulshan-1, Dhaka-1212 to transact the following business:

Agenda-1. To receive, consider and adopt the Audited Financial Statements for the year ended 30th June, 2017 together with the Report of the Directors' and the Auditors' thereon.

Agenda-2. To declare dividend for the year ended 30th June, 2017.

Agenda-3. To elect Directors in terms of the relevant provision of Articles of Association of the Company.

Agenda-4. To appoint Auditors for the year 2017-2018 and to fix their remuneration.

Agenda-5. To appoint the Independent Director.

By order of the Board

Syed Saiful Haque
Company Secretary

Dated: November 19, 2017

Notes:

(i) The Shareholders whose names would appear in the Share Register of the Company and/or Depository Register of CDBL on the **record date i.e. November 14, 2017** would be entitled to attend at the AGM and to receive the dividend.

(ii) The Proxy form must be affixed with requisite revenue stamp and be deposited at the Corporate Head Office of the Company not less than 72 hours before the time fixed for the meeting.

(iii) Admittance to the meeting venue will be on production of the attendance slip sent with the Annual Report.

(iv) The Annual Report is available in the Company's website at www.malekspinning.com

(v) Members are requested to submit to the Company's Share Office on or before 30th December, 2017 their written option to receive dividend. In case of non-submission of such option within the stipulated time, the dividend will be paid off as deemed appropriate by the Company.

N.B: No gift or benefit in cash or kind shall be paid/offered to the hon'ble Shareholders in the 28th AGM of the Company as per BSEC Circular under reference No. SEC/CMRRCD/2009-193/154 dated 24.10.2013.

CORPORATE GOVERNANCE:

Corporate Governance involves decision making processes for any corporate body as a going concern for the benefit of all concerned, present and future. These decisions may be categorized as policy & strategic, operational and executing, performance & evaluation and sharing of the accretional assets between present and future cohorts. The involvement of the entrepreneur in all these areas invokes decisions making governance on a continuous basis, the degree of involvement being variable with the extent of delegation of authority top down and reporting for accountability bottom up of the management echelon. These aspects of governance are shared by the Board of Directors, Executive Management, operational participants, workers and others in fulfillment of the common goals that converge in increasing the benefits of the stakeholders. To this end entire corporate governance efforts are blended with 'good governance practices' as ethically and morally acceptable standards under a given socio politico environmental phenomenon of our society in which we work, live and exist.

The organs through which the corporate governance functions are carried out:

BOARD OF DIRECTORS:

(a) Constitution:

The Board of Directors, the top Management echelon, consisting of the founder entrepreneurs/ successors and two Independent Directors, provides the policy and strategic support and direction for the entire range of the corporate activities. The Board of Directors consist of Eight (8) members including two Independent Directors with varied education and experience which provides a balancing character in decision making process. The Board is re-constituted every year at each Annual General Meeting when one-third of the members retire and seek re- election. A director is liable to be removed if the conditions of the Articles of Association and the provisions of the Companies Act 1994 are not fulfilled.

(b) Role & Responsibilities:

The main role of the Board of Directors, which is the highest level of authority, is to provide general superintendence, oversee the operations and control the affairs of the Company through appropriate delegation and accountability processes via the lines of command. However the Board of Directors hold the ultimate responsibility & accountability with due diligence for conducting the activities of the Company as per provisions of law in the interest of the shareholders, the stakeholders, the state and the society. The Board of Directors, in fulfillment of its responsibility hold periodic meetings, at least once a quarter and provides appropriate decisions/directions to the Executive Management. Such meetings usually consider operational performance, financial results, review of budgets, capital expenditure, proposals for BMRE or new projects/divisions/product lines, procurement of funds by issue of shares or borrowing, procurement of raw materials, plant & machinery, pricing of products/discounts, recruitment, training and promotion of officers, approval of audited accounts and distribution of dividends and other interest of the stakeholders including the employees and workers. The Board of Directors take special care in designing and articulating productivity and compensation plans of employees and workers and rewarding them appropriately on the basis of quality and quantity of performance as an incentive. Board also remains responsible for removal of operational hazards to life and health of workers, friendly environmental work condition and social relationship as demanded of good citizen in a country.

(c) Relationship with Shareholders and Public:

The shareholders as owners are required to be provided with material information on the Company's operation quarterly, half-yearly and annually, the latter at the AGM. They are also provided routine services by the Company Secretary. The Board is, however, responsible to the public for publication of any Price Sensitive Information as per BSEC Regulation. A qualified & experienced person is in charge for all these responsibilities as Company Secretary. The Company has also a web site to provide permissible information/notices/price sensitive information/financial reports and others for the Shareholders and interested investors.

(d) Relationship with Government:

In its role on accountability to the government, the Board of Directors ensure payment of all dues to government in the form of import duty, custom duty and port charges, VAT, Corporate Taxes and other levies as and when they become due on the basis of actual operations and make sure to avoid corruption. This has enabled the Company to contribute to the National Exchequer.

(e) Relationship with Financiers/ Bankers:

The Board of Directors oversees the financial transactions and ensures to meet company's commitments to the lenders without default.

(f) Relationship with Suppliers:

As the Company has to import almost all the raw materials from abroad, it maintains cordial and mutually beneficial interest with its international as well as local suppliers. This has enabled the company to avoid any legal disputes in international/local courts and enhanced the Company's image as a good customer.

(g) Corporate Social Responsibilities (CSR):

The Board of Directors is also aware of the Corporate Social Responsibilities (CSR) especially in the areas of gender equality, race-religion- regional equality, non- employment of child labour, human rights, environmental pollution, social–marketing and social-activities.

SEPARATE ROLE OF THE CHAIRMAN AND MANAGING DIRECTOR:

The positions of Chairman and Managing Director are held by separate persons. The Chairman is responsible for the functions of the Board while the Managing Director serves as the Chief Executive Officer (CEO) of the Company.

CHIEF FINANCIAL OFFICER, HEAD OF INTERNAL AUDIT AND COMPANY SECRETARY:

The Company has appointed Mr. B. K.Chaki, as Chief Financial Officer, Md. Rakibul Islam, as Head of Internal Audit and Mr. Syed Saiful Haque, as Company Secretary of the Company as per requirement of Bangladesh Securities and Exchange Commission.

AUDIT COMMITTEE OF BOARD:

The Board of Directors has constituted an Audit Committee of the Board consisting of three Directors. The Audit Committee is headed by the Independent Director, Mr. Nurul Alam, former Senior Procurement Specialist and Procurement Hub Leader, Europe and Central Asia (ECA), The World Bank. Other members are Dr. Shamim Matin Chowdhury, Director and Mr. Azizur Rahim Chowdhury, Director. The Audit Committee carries out its responsibilities as per the provisions of law and submits its report to the Board of Directors from time to time. The Audit Committee shall also co-ordinates with the Internal and External Auditors as and when required. The Audit Committee ensures that adequate internal checks & balances supported by adequate MIS are in place for detection of errors, frauds and other deficiencies. The other responsibilities include inter alia, not being limited to, the prevention of conflict of interest between the Company and its Directors, officials, customers, suppliers, government and any other interest groups and detect or remove any scope of insider trading in the Company's stock. The Audit Committee also ensures compliance of requirements of BSEC and other agencies.The Audit Committee of the Board held 4 (four) Meetings during the year 2016-2017.

OTHER GOVERNANCE APPARATUS:

The Company, in its efforts for Corporate Good Governance Practices, uses a series of top ranking professional service providers including Bankers, Insurers and Technical experts who continuously assist the Board of Directors and the Executive Management in properly discharging their duties to all the shareholders, stakeholders, the Government, and the Public as highlighted below:

(a) Independent Directors:

In compliance of the BSEC Regulations on Good Governance, after resignation of Mr. M. Sekander Ali, Independent Director, for his personal reasons the Board of Directors as empowered by the Regulations, appointed Mr. Nurul Alam, former Senior Procurement Specialist and Procurement Hub Leader, Europe and Central Asia (ECA), The World Bank, Former Lecturer, Department of Political Science, Chittagong University and trained in World Bank Executive Development Program, Conducted jointly by Harvard University, Graduate School of Business Administration, Stanford University, Stanford Graduate School of Business and INSEAD (European Institute of Business Administration) and Md. Qamrul Huda, one of the Senior Bankers of the country, former Managing Director of Pubali Bank Limited/Eastern Bank Limited and former Chief Executive of BCCI and additional Managing Director of Uttara Bank Limited and General Manager of Janata Bank, as the non-shareholder Independent Directors. It is expected that their expertise would help contribute to the further disclosure and protect the interest of all investors in general and smaller investors in particular.

(b) Bankers:

The degree of efficient business operation largely depends on the quality of efficiency of banking services received by the company. Efficient banking service brings down cost of operations. On the other hand, cost of financial services and interest on the lending by the banks are also required to be the minimum. With this end of view, the company has established long term business relationship with the banks namely Eastern Bank Limited, Dhaka Bank Limited, HSBC, One Bank Limited and Trust Bank Limited who provide most efficient service at minimum cost/interest that benefit the shareholders.

(c) Insurer:

Insurance services cover certain operational risks which are required by law/business practices to be covered by legitimate insurance service providers for protection of the interest of the company, the investors. To this end, the company has to select insurer with the most efficient, reputed and financially sound history so that claims, if any, are settled promptly and the premium rates are market competitive. The Company, based on these considerations, is maintaining insurance business relationship with the highly reputed and publicly listed insurance companies namely Pioneer Insurance Co. Ltd, Eastland Insurance Co. Ltd. and Reliance Insurance Co. Ltd.

The company has not yet faced any dispute over any claims and the company enjoys special premium rates which protects the interest of the investors.

(a) Auditors:

The role of the auditors in certification of the financial statement is the most significant aspect of Corporate Governance and protection of interest of investors. As evident from the Annual Reports, the company rigidly follows the code of International Accounting Standards (IAS) and International Standard of Auditing (ISA) with legally required disclosures of Accounts and Financial Statements. This has been possible due to the high level capability and integrity of Malek Siddiqui Wali, Chartered Accountants whose performance has played a very trustworthy role in the protection of interest of the investors.

EXECUTIVE MANAGEMENT:

The Executive Management is led by the Managing Director (CEO) who is appointed by the Board of Directors for a term of 5 years (renewable) with the approval of shareholders in the Annual General Meeting. The Managing Director is supported by professional, well educated, trained and experienced team consisting of Mr. Moshiur Rahman, Director and Mr. Azizur Rahim Chowdhury, Director, Mr. Ghaus Mohammad, Director-HR & Admin, Mr. Hasan Mahmood, Executive Director and Mr. B. K. Chaki, Chief Financial Officer and a host of Senior Executives in the hierarchy of management.

SEGMENT REPORT:

The Company's business and its geographic location is single and as such no segment reports are applicable. The company has 3 (Three) subsidiary companies of which Salek Textile Limited has been producing Yarn, Fabric & RMG products, J.M. Fabrics Limited has been producing fabric of RMG product and Newasia Synthetics Limited has not yet gone to operation. The financial statement of the subsidiary companies has been shown separately and attached to this report.

RISK PERCEPTION:

The Company Management perceives investment risk within the national and international economic situation in relation to legal and moral requirements involving inter alia, intellectual property right, scientific invention, WTO Regulations etc. and monetary and fiscal investment policies and has prepared its production & marketing strategy to meet the challenges from these risks.The Company Management also perceives Financial Risk, Credit Risk, Liquidity Risk and Market Risk.

WE STRIVE FOR

- We in Malek Spinning Mills Ltd., strive, above all, for top quality products at an appropriate cost.
- We owe our shareholders and strive for protection of their capital as well as ensure highest return and growth of their assets.
- We strive for best compensation to all the employees who constitute the back-bone of the management and operational strength of the Company.
- We strive for the best co-operation of the creditors and debtors the banks & financial institutions who provide financial support when we need them, the suppliers of raw materials & suppliers who offer them at the best prices at the opportune moments, the providers of utilities- power, gas & water etc. and the customers who buy our products and services by redeeming their claim in time by making prompt payment and by distributing proper product on due dates to our customers.
- We strive for fulfillment of our responsibility to the Government through payment of entire range of due taxes, duties and claims by various public agencies like municipalities etc.
- We strive, as responsible citizen, for a social order devoid of malpractices, anti environmental behaviors, unethical and immoral activities and corruptive dealings.
- We strive for practicing good-governance in every sphere of activities covering inter alia not being limited to, disclosure & reporting to shareholders, holding AGM in time, distribution of dividends and other benefits to shareholders, reporting/dissemination of price sensitive information etc.
- We strive for equality between sexes, races, religions and regions in all sphere of operation without any discriminatory treatment.
- We strive for an environment free from pollution and poisoning.

CORPORATE REVIEW

I. MANAGEMENT APPARATUS:

(a)	**BOARD OF DIRECTORS:**	Mr. A.F.M. Zubair	Chairman
		Mr. A. Matin Chowdhury	Managing Director
		Dr. Shamim Matin Chowdhury	Director
		Mr. Azizur Rahim Chowdhury	Director
		Ms. Saima Matin Chowdhury	Director
		Mr. Moshiur Rahman	Director (Nominee of Paragon Poultry Ltd.)
		Md. Qamrul Huda	Independent Director
		Mr. Nurul Alam	Independent Director
(b)	**AUDIT COMMITTEE:**	Mr. Nurul Alam	Chairman
		Dr. Shamim Matin Chowdhury	Member
		Mr. Azizur Rahim Chowdhury	Member
(c)	**MANAGEMENT COMMITTEE:**	Mr. A. Matin Chowdhury	Chairman
		Mr. Moshiur Rahman	Member
		Mr. Azizur Rahim Chowdhury	Member
		Mr. Ghaus Mohammad	Member
		Mr. Hasan Mahmood	Member
		Mr. B. K. Chaki	Member
(d)	**SENIOR CORPORATE OFFICIALS:**	Mr. Ghaus Mohammad	Director HR & Admin
		Mr. Hasan Mahmood	Executive Director
		Mr. B. K. Chaki	Chief Financial Officer
		Mr. Syed Saiful Haque	Company Secretary
		Md. Rakibul Islam	Head of Internal Audit
(e)	**AUDITORS:**	Malek Siddiqui Wali	Chartered Accountants
(f)	**BANKERS:**	i. Eastern Bank Ltd.	Principal Br, Dhaka
		ii. Dhaka Bank Ltd.	Karwan Bazar Br, Dhaka
		iii. The Trust Bank Ltd.	Sena Kalyan Br, Dhaka
		iv. HSBC	Main Br, Dhaka
		v. One Bank Ltd.	Principal Br, Dhaka
		vi. AB Bank Ltd.	Principal Br, Dhaka
		vii. BRAC Bank Ltd.	Head Office, Dhaka
(g)	**INSURERS:**	i. Pioneer Insurance Co. Ltd.	
		ii. Reliance Insurance Co. Ltd.	
		iii. Eastland Insurance Co. Ltd	
(h)	**LISTING:**	(a) Dhaka Stock Exchange Ltd.	
		(b) Chittagong Stock Exchange Ltd.	
(i)	**REGISTERED OFFICE:**	117/A, Tejgaon Industrial Area, Dhaka-1208.	
(j)	**CORPORATE HEAD OFFICE:**	Tower-117, 117/A, Tejgaon Industrial Area Dhaka-1208.	
(k)	**INVESTORS' RELATION DEPARTMENT:**	Md. Kamruzzaman,	Fax No-880-2-8878064, E-mail: kamruzzaman@knitasia.com Tel: 880-2-8878065, Cell: 88-01709998863
(l)	**FACTORY:**	Shafipur, Kaliakoir, Gazipur.	

AMARSTOCK

II. CORPORATE HISTORY:

- Year of Incorporation : 02 November, 1989
- Year of Commencement of Production : 01 January, 1991
- Year of Conversion to Public Ltd. Co. : 14 September, 2008
- Year of Initial Public Offering (IPO) : 2010
- Stock Exchange Listing date : 2nd August, 2010 (DSE & CSE)
- Authorized Capital : Tk.3,000 Million
- Paid Up Capital : Tk.1,936 Million
- Product Lines : Combed and carded yarn of various counts
- Number of Employees (30th June 2017) : a. Executive & staff : 193
  b. Workers : 1,191
- Subsidiary Companies : a. Salek Textile Ltd.
  b. Newasia Synthetics Ltd.
  c. J.M. Fabrics Ltd.

III.FIVE YEARS OPERATIONAL RESULTS:

(Figures in thousand Tk.)

Particulars	2016-17	2015-16	2014-15	2013-14	2012-13
Turnover	2,540,411	2,587,147	2,994,446	3,065,013	3,262,553
Gross Profit	284,629	336,612	372,972	395,471	520,463
Net Profit (Before Tax)	138,552	202,002	261,155	249,470	249,158
Net Profit (After Tax)	117,686	171,969	225,197	215,231	240,442
Shareholder's Equity	5,251,526	5,327,440	5,387,791	*5,356,194	5,461,466
Total Assets	6,403,382	6,825,321	6,942,375	7,113,508	7,504,000
Total Current Assets	2,520,411	2,928,056	2,959,887	3,043,633	3,353,939
Total Current Liabilities	861,318	1,208,294	1,216,712	1,405,194	1,766,205
Current Ratio	2.93	2.42	2.43	2.17	1.90
Number of shares outstanding	193,600,000	193,600,000	193,600,000	193,600,000	193,600,000
Face Value per share	10	10	10	10	10
Shareholder's Equity per Share	27.13	27.52	27.83	*27.67	28.21
Earning per share (MSML)	0.61	0.89	1.16	1.11	1.24
Earning per share (Consolidated)	1.05	1.52	2.05	2.33	2.81
Dividend Declared Per Share (Stock)	Nil	Nil	Nil	Nil	Nil
Dividend Declared Per Share (Cash)	1.00	1.00	1.20	1.00	1.00
Net Operating Cash Flow per Share (MSML)	1.42	1.20	2.22	2.62	1.46
Number of Shareholders	**16,093	19,585	23,249	27,537	30,699
Human Resources:					
Executives & Staff	193	190	269	250	246
Workers	1,191	1,061	1,007	1,299	1,342

* Shareholder's Equity and Shareholder's Equity per share for the year 2013-14 has been restated.

** Number of shareholders considered as on 30th June, 2017.

MESSAGE
FROM THE CHAIRMAN

Dear Shareholders,

It is a great pleasure for me to welcome you on behalf of the Board of Directors to the 28th Annual General Meeting of Shareholders of the Company. The Directors' Report containing inter alia Audited Accounts and Auditors Report thereon for the year ended 30th June 2017 is enclosed for your perusal.

The net profit of the company for the year stood at Tk.117,685,842 as against Tk.171,969,153 during the previous year, as a result net profit (after tax)decline of 31.57% over the previous year. During the year sales revenue of the company had decreased by 1.81% from Tk.2,587,146,675 in 2015-16 to Tk.2,540,411,247 in 2016-17 due to reduction of selling price in the face of stiff competition and consequent fall in prices in international market. As a result Net Profit percentage had decreased by 2.02% on sales over the previous year (6.65% of sales in the year 2015-16 & 4.63% of sales in the year 2016-17).

As you may be aware, the textile sector in general, RMG sector in particular, had faced various internal and external difficulties,including, not being limited to,enhanced compliance standards from customers, new regulations in regard to building and fire safety, negative publicity due to political chaos, among others, which had direct impact on cost of production, price of products and export revenue. Besides, some consecutive unexpected incidents within Bangladesh such as, Central Bank reserve theft and Terrorists attacks in Gulshan Holey Artisan changed the growth scenario of Bangladesh and as such, local and foreign investors became vigilant and restrained from further investing and doing business here.

Our sincere efforts were rewarded positively through recognition from our buyers who had vetted our factories to be safe and compliant for which we had succeeded in retaining our production and export levels.We retained our share in the market by reducing the sale price within the tolerable limit.

The Board of Directors in its meeting held on 08th May, 2016 had passed a BMRE plan of Tk.32.75 crore for re-structuring of the existing project by renovation/reconstruction in civil works, replacement/installation of new machinery and equipment for improving production & quality of products. In this regard we got sanction of a loan of Tk.30.85 crore from One Bank Ltd. Out of which as on 30th June 2017 Tk.8.05 crore were invested and the implementation of BMRE plan is under process.

Bangladesh Securities and Exchange Commission (BSEC) has introduced mandatory Guidelines on Corporate Governance. The Board of Directors of the Company is committed to provide good governance and exercise best practices in all respects, good governance is our core philosophy for managing the business effectively and responsibly and in a way which is honest, transparent and abiding by the laws of the land.

I would also like to take this opportunity to thank our Shareholders, Regulatory Bodies including Bangladesh Securities and Exchange Commission, Dhaka Stock Exchange Ltd., Chittagong Stock Exchange Ltd., Central Depository Bangladesh Limited, our Bankers, Insurers and different facilitators for their cooperation and support to our Company.



A. F. M. Zubair
Chairman

MALEK SPINNING MILLS LIMITED

DIRECTORS' REPORT

TO THE SHAREHOLDERS FOR THE YEAR 2016-2017

Dear Shareholders,

In terms of provisions of section 184 of the Companies Act 1994, Rule 12 of the Bangladesh Securities and Exchange Rules 1987, BSEC Notification dated 07 August, 2012 and IAS (International Accounting Standards) codes as adopted by the Institute of Chartered Accountants of Bangladesh (ICAB), it is the pleasure of the Board of Directors to submit its Report to the Shareholders of the Company for the year ended 30 June, 2017 in the following paragraphs:

The company has 3 (three) subsidiaries as follows:

1. **Salek Textile Limited**- A composite mill of the Textile sector with three operational units. The rotor unit produces open end yarn of various counts having a capacity of 14,621 tons yarn per annum. The fabric unit produces denim fabric of various size and grade having capacity of 9,600,000 yards and the RMG unit produces denim products having capacity of 4,500,000 pcs per annum.
2. **J.M. Fabrics Limited**- A knitting, dyeing, finishing and garments factory located at South Nayapara, 6 No. Dogri, P.O. Bhawal, Mirzapur, Gazipur with a capacity of 43.68 million pcs. T-Shirt & Intimate garments per annum.
3. **Newasia Synthetics Limited**- A project promoted for setting up a polyester staple fibre and chips plant the implementation of which has since been kept in abeyance due to non-availability of energy/fuel & gas.

COMPANY'S OPERATIONS (MSML):

(i) Industry outlook and possible future developments in the industry:

Our Company falls within the primary textile sector producing world class yarn of various counts. Bangladesh do not produce raw cotton, the basic raw materials of our company. So, we have to import 100% raw materials from outside. The success of the industry also depends on availability of raw materials, power & gas, world economy, international price trend, market situation of end product of export i.e. RMG export. Spinning mill is labour oriented industry.

The growth & challenges of the company depends on:

(a) Labor relations	(b) Labor productivity	(c) Energy
(d) Other infrastructures	(e) Law and order	(f) Financial costs

If these issues are appropriately addressed in time, the growth is expected to improve substantially as Bangladesh has already attained the name for being a quality manufacturer with a very reasonably priced supplier.

CAPACITY/PRODUCTION

(ii) Segment-wise or product wise performance:

Our company produces 100% export oriented Knit Yarn. The installed production capacity of the company is 12,600,000 kg. yarn per annum with 63,624 Spindles.

Comparative position of its operating/financial performance for the year 2016-2017 and 2015-2016 are given below:

Sl. No.	Description	2016-2017 (Kg.)	2015-2016 (Kg.)
01	Production capacity	12,600,000	12,600,000
02	Actual Production	10,777,354	11,233,237
03	Capacity Utilization	85.53%	89.15%
04	Quantity Sold (kg)	10,146,450	10,888,355
05	Sales Revenue (Tk.)	2,540,411,247	2,587,146,675
06	Average selling price (Tk.)	250.37	237.61

(iii) Risk and concerns:

All sectors of the textile industry face many of the similar challenges. These are lack of power, labor unrest, political unrest with hartal causing disruption of production and increased cost of fund. Since a Spinning Mill has to depend on imported raw materials and local supply of labour. Price variation of raw material and labour due to political turmoilare the main risk for this type of industry. Uninterrupted power supply due to irregular gas supply and price variation also affects this type of industry. The Company is also aware of Financial Risk including Credit Risk, Liquidity Risk and Market Risk and is prepared to meet those by systematic control:

(iv) Analysis of Cost of Goods Sold, Gross Profit Margin and Net Profit Margin:

(a) Cost of Goods Sold: The cost of goods sold was 88.80% during the year as compared to 86.99% during the previous year, as significant increase of 1.81%.

(b) Export: The company had achieved an export turnover of Tk.2,540.41 million during the year ended 30th June 2017. Last year's export turnover was Tk.2,587.15 million. The turnover had decreased by1.81% over the last year due to fall in sales quantity.

(c) Gross Profit: Gross Profit earned during the year amounted to Tk.284.63 million as against Tk.336.61 million during the previous year. Gross profit decreased due to decrease of sales compared to last year and Raw Material consumption is not proportionately decrease compare to last year.

(d) Net Profit/(Loss): The company had succeeded in earning a Net Profit of Tk.117.69 million compared to last year's Net Profit of Tk.171.97 million. The Net Profit decreased due to increase in cost of goods sold and operational expenses compared to last year and other expenses did not decrease proportionately compared to last year.

(v) Extra-Ordinary gain or loss:

During the year extra-ordinary gain of Tk.835,306 was earned from interest income from banks after adjustment of foreign currency exchange loss as against Tk.5,379,495 during the previous year which has been shown as Other Income in the Statement of Profit or Loss and other Comprehensive Income and in the note no.22.1in the Notes of Account.

(vi) Related party transactions:

Related party transactions are depicted in Note no.27.1 in the Notes of Account.

(vi) Related party transactions:

Related party transactions are depicted in Note no.27.1in the Notes of Account.

(vii) Utilization of proceeds from public issues and/or right issues:

There were no public issues and/or right issues during the year.

(viii) Financial results after the company goes for Initial Public Offering (IPO), Repeat Public Offering (RPO), Rights Offer, Direct Listing, etc.:

Initial Public Offering was made on the year 2010. There were no Repeat Public Offering, Rights Offer, Direct Listing, etc. in the history of the company.

(ix) Variance between Quarterly Financial performance and Annual Financial Statements:

The company's earnings per share (EPS) in all quarter were almost similar. There was no major fluctuation in EPS in between the quarters during the year. Profitability had marginally increased in the 2nd quarter from 1st quarter due to selling price was increased compared to previous quarter.

(x) Remuneration to directors including independent directors:

The remuneration of Directors are depicted in Note no.3.34 in the Notes of Account.

(xi) to (xvi) Statement of Directors on Financial Reports:

The above reports are depicted in Annexure-I.

(xvii) Significant deviations from the last year's operating results:

The company's Operating Profit ratio during the year 2016-2017, is 5.69% on sales compared to previous year 2015-2016 was 7.99%.The significant decrease in percentage of operating profit ratio is 2.3% due to fall in gross profit percentage during the year 2016-2017 at 11.20% on sales compared to previous year 2015-2016 which was 13.01%. The decrease ratio was 1.81%.

(xviii) Key operating and financial data of last 5(five) years have been presented in summarized form in page no 08.

(xix) Dividend:

Board of Directors has recommended for declaration of a Cash Dividend @ 10% i.e.Tk.1.00 (one) per share of Tk.10.00 each for ordinary shares held by the shareholdersas on the Record Date.

(xx)The number of Board Meeting and the Attendance of Directors during the year 2016-2017, stated in Annexure-I.

(xxi) The pattern of shareholding as required by clause 1.5 (xxi) of the BSEC Notification dated 07 August 2012, stated in Annexure-II.

(xxii) Appointment/re-appointment of the directors:

Brief resume and other required information of the directors who seek re-appointed and appointed as an Independent Director in the ensuing AGM are stated in Annexure-III.

CAPITAL EXPENDITURES:

The following Capital Expenditure was incurred during the years 2016-2017& 2015-2016.

Description	2016-2017 (Tk.)	2015-2016 (Tk.)
Land and Land Development	---	---
Factory Building	---	---
Plant & Machinery	---	13,324,704
Furniture & Fixtures	---	---
Office Equipments	1,495,871	571,153
Electrical Installation	---	---
Motor Vehicles	---	4,010,000
Total	**1,495,871**	**17,905,857**

The capital expenditures were financed by internal generation of fund.

SUBSIDIARY OPERATION:

Salek Textile Limited, Newasia Synthetics Limited and J.M. Fabrics Limited are subsidiaries and as such Directors Report along with, Auditors Report and Audited Accounts containing Statement of Financial Position, Statement of Profit or Loss and other Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows have been included as part of this report.

(a) Salek Textile Limited (STL): The Company (MSM) holds 97.925% share of Salek Textile Limited i.e. 47,259,700 shares of Tk.10.00 each amounting to Tk. 472,597,000.00 out of 48,260,870 shares of Tk.10.00 each amounting to Tk.482,608,700.00. To comply the condition No. 9 of capital raising consent order No.BSEC/CI/CPLC(Pvt)-333/2011/446 dated June 24, 2014 of Bangladesh Securities and Exchange Commission (BSEC) and Notification No. SEC/CMRRCD/2006-159/36/Admin/03-44 dated May 05, 2010 published in the Bangladesh Gazette dated 01-06-2010 the status of the Company was converted from Private Limited Company to Public Limited Company on 23rd August, 2014. Subsequently the par value of share was changed from Tk.100.00 per share to Tk.10.00 per share.

The production capacity of STL is14,621,000 kgs yarn,9,600,000 yards fabric and 4,500,000 Pcs RMG products per annum. The company made additional investment of Tk.184,756,388 during the year 2016-2017.

The Company's operating results as on 2016-2017 and 2015-2016 are given below:

Description	2016-2017	2015-2016
Production (Kg) Yarn	7,369,889	11,211,069
Production (Yards) Fabric	9,074,567	7,346,620
Production (Pcs) RMG	*5,369,936	*5,129,592
Sales Revenue (Tk.)	3,975,248,739	4,123,014,573
Gross Profit (Tk.)	425,146,023	450,416,422
Net Profit after tax provision (Tk.)	78,458,486	87,742,152
Gross Margin	10.69%	10.92%
Net Margin	1.97%	2.13%
EPS (Tk.)	1.63	1.82
NAV (Tk.)	56.30	54.67

- Production of RMG unit has been included sub- contract production.

(b) Newasia Synthetics Limited (NSL): The Company (MSM) holds 99.293% share of the Newasia Synthetics Ltd. i.e. 4,964,650 shares of Tk.100.00 each amounting to Tk. 496,465,000.00 out of 5,000,000 shares of Tk.100.00 each amounting to Tk.500,000,000.00 as on 30th June, 2017. The company had increased its paid up capital from Tk.93,715,000.00 to Tk.500,000,000.00 after obtaining capital raising consent from Bangladesh Securities and Exchange Commission (BSEC) vide their letter SEC/CI/CPLC-442/2013/2903 dated December 19, 2013. Due to non-availability of Gas connection from Titas Gas Transmission & Distribution Company Ltd. the project has been shelved until the situation changes regarding the availability of gas connection. The Company made additional investment of Tk.65,114,890.00 during the year 2016-2017under Land & Land Development. The Net Assets Value (NAV) per share of the company as on 30th June 2017stood at Tk.365.12.

(c) J.M. Fabrics Limited (JMFL): The Company (MSM) holds 99.998% share of J.M. Fabrics Limited i.e. 3,999,900 shares of Tk.100.00 each amounting to Tk. 399,990,000.00 out of 4,000,000 shares of Tk.100.00 each amounting to Tk.400,000,000.00. The Company is engaged in the production of 100% export oriented garments and knit fabric with a production capacity of 16 Metric Tons dyed fabric and 68 (sixty eight) lines of cutting and sewing operation with all necessary facilities, storage etc. During the year additional investment of Tk.135.39 million has been made. The investments made during the year 2016-2017 as follows:

Particulars	Taka
Factory Structures, Shades& Building	1,712,381
Plant & Machinery	116,391,032
Other Assets	17,283,466
Total	**135,386,880**

The Company's operating results as on 2016-2017 and 2015-2016 are given below:

Description	2016-2017	2015-2016
Production (Pcs)	38,290,113	33,364,310
Sales Revenue (Tk.)	3,433,029,643	3,167,901,596
Gross Profit (Tk.)	208,440,498	192,515,219
Net Profit (Tk.)	10,371,859	40,287,089
Gross Margin	6.07%	6.08%
Net Margin	0.30%	1.27%
EPS (Tk.)	2.59	10.07
NAV (Tk.)	211.90	209.30

FINANCIAL RESULTS:

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

(Tk. in million)

Description	2016-2017	2015-2016
Sales	2,540.411	2,587.147
Cost of goods sold	2,255.782	2,250.534
Gross profit	284.629	336.612
Operating expenses	100.060	84.747
Financial expenses	39.925	45.143
Operating profit	144.645	206.722
Other Income	0.835	5.379
Net Operating Profit/(Loss)	145.480	212.102
Contribution to WPPF	6.928	10.100
Provision for Income Tax	20.866	30.033
Net profit (after tax)	117.686	171.969
Gross Margin	11.20%	13.01%
Net Margin	4.63%	6.65%
Earning per share –EPS (Tk.)	0.61	0.89
Return on Equity (ROE)	2.24%	3.23%
No. of shares outstanding	193,600,000	193,600,000
Face value per share (Tk.)	10	10
Consolidated Earning per share–EPS (Tk.)	1.05	1.52

APPROPRIATION OF PROFIT:

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

Retained Earnings brought forward from previous year	: Tk. 392,780,614.00
Less: Dividend Distribution for the year 2015-2016	:(Tk.193,600,000.00)
Balance surplus brought forward	**: Tk. 199,180,614.00**
Add: Net Profit (after tax) during the year 2016-2017	: Tk. 117,685,842.00
Add: Transfer of excess depreciation of revalued assets	: Tk. 56,326,790.00
Total net free surplus available for appropriation	**:Tk.373,193,246.00**
Appropriation Proposed for the year 2016-2017:	
(a) Cash Dividend @ 10% i.e. Tk.1.00 (one) per share of Tk.10.00 each	:(Tk. 193,600,000.00)
Retained Earnings after payment of Dividend	**Tk. 179,593,246.00**

DECLARATION OF DIVIDEND:

In the line of proposed appropriation of profit, the Board of Directors proposed and recommended for declaration of Cash Dividend at the rate of 10% i.e Tk.1.00 (one) per share of Tk.10.00 each for the year 2016-2017. This will involve an amount of Tk.193,600,000.00 out of Reserve & Surplus/Retained Earnings (free reserves). The cash dividend will be available to the Shareholders whose names would appear in the Share Register of the Company or in the Depository on the record date.

CONSOLIDATION OF ACCOUNTS:

In terms of BSEC Regulations, the Company has consolidated the Accounts following the codes of International Accounting Standard -28 & IFRS-10 reflecting shareholders gross benefits/value of investments.

ELECTION OF DIRECTORS:

Rotation of Directors:

Pursuant to Article 110 of the Articles of Association of the Company Dr. Shamim Matin Chowdhury, Director and Mr. A. F. M. Zubair, Director would retire by rotation and being eligible as per Article 112 of the Articles of Association of the Company they offered themselves for re-election. Brief resume and other information of the above mentioned directors as per clause 1.5 (xxii) of BSEC notification dated 7th August, 2012 are depicted in ANNEXURE–III.

APPOINTMENT OF AUDITORS:

M/s. Malek Siddiqui Wali, Chartered Accountants, existing auditors of the company, will retire at this Annual General Meeting and being eligible offered themselves for re-appointment as auditors of the company for the year 2017-2018. The Board recommended M/s. Malek Siddiqui Wali, Chartered Accountants, 9-G, Motijheel C/A, Dhaka-1000 for re-appointment as auditors of the Company of the year 2017-2018 with fixation of their remuneration.

APPOINTMENT OF INDEPENDENT DIRECTOR:

The Board of Directors in its meeting held on 20th August, 2017 decided to appoint Mr.Nurul Alam as Independent Director of the Company for a period of 3 (three) years with effect from 20th August, 2017 as per BSEC Regulations and recommended for approval by the shareholders in the ensuing Annual General Meeting. Brief resume and other information of the above mentioned director is depicted in ANNEXURE-III.

CORPORATE GOVERNANCE:

Corporate Governance is the practice of good citizenship, through which the Company is governed by the Board, keeping in view its accountability to the shareholders and to the society. A statement in pursuance to clause 1.5, report of compliance, audit committee report as per clause 3.5, certificate from the CEO & CFO to the Board as per clause 6, certificate from professional accountant as per clause 7(i) and a status of compliance as per clause 7(ii) of the BSEC Notification No.SEC/CMRRCD/2006-158/134/Admin/44 dated 07th August 2012 are depicted/disclosed in the ANNEXURE -I, II, III, IV, V, VI and VII respectively.

ACKNOWLEDGEMENT:

The Board of Directors are pleased to record with appreciation and gratitude the co-operation and support provided by Shareholders, Customers, Bankers, Insurance Companies, Suppliers, BSEC, DSE, CSE, CDBL, RJSC and dedication by Workers and Employees of the company without whose active support the result achieved would not have been possible.

Looking forward for a bright future for all of us.

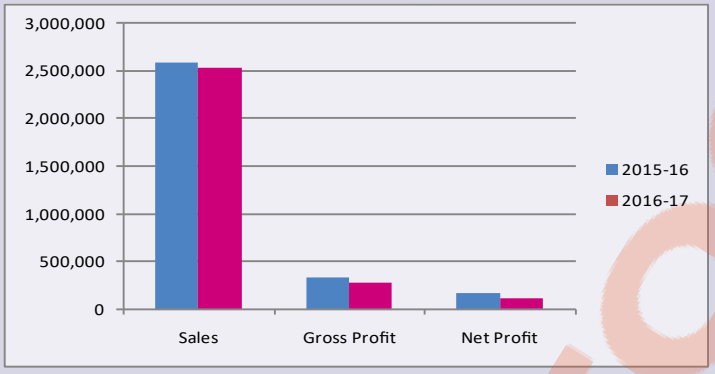
On behalf of the Board of Directors,

A. F. M. Zubair
Chairman

In the event of conflict between English text and Bangla text of this report, English text shall prevail.

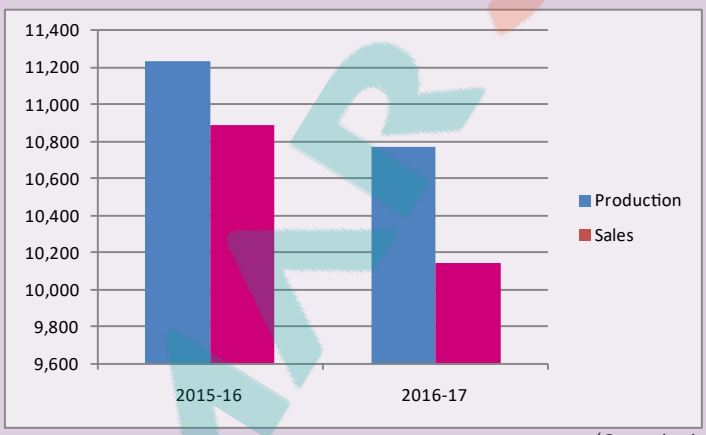
FINANCIAL PERFORMANCE

SALES & PROFITABILITY OVER 2 YEARS TIME



(Tk. in ,000)

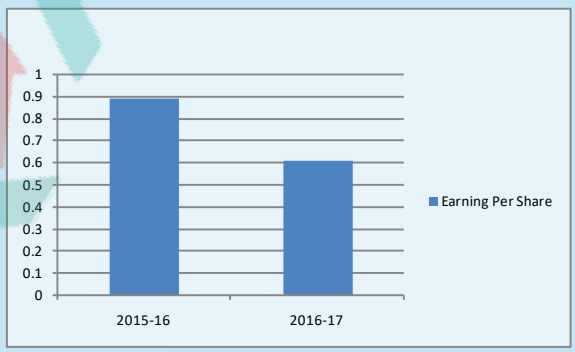
Particulars	2015-16	2016-17
Sales	2,587,147	2,540,411
Gross Profit	336,612	284,629
Net Profit	171,969	117,686



(Quantity in, 000 Kg.)

Particulars	2015-16	2016-17
Production	11,233	10,777
Sales	10,888	10,146

EARNING PER SHARE (EPS)



Particulars	2015-16	2016-17
Earning Per Share	0.89	0.61

মালেক স্পিনিং মিলস্ লিমিটেড
২০১৬-২০১৭ বছরের জন্য শেয়ারহোল্ডারবৃন্দের প্রতি পরিচালনা পর্ষদের প্রতিবেদন

সম্মানিত শেয়ারহোল্ডারবৃন্দঃ

পরিচালনা পর্ষদ আনন্দের সাথে কোম্পানী আইন ১৯৯৪ এর ১৮৪ নং পরিচ্ছেদ, সিকিউরিটিজ এন্ড এক্সচেঞ্জ রুলস ১৯৮৭ এর ১২ নং বিধি এবং তফসিল অনুযায়ী শর্তানুসারে, বিএসইসি নোটিফিকেশন তারিখ ০৭ আগষ্ট ২০১২ এবং দি ইনষ্টিটিউট অব চাটার্ড একাউন্ট্যান্টস অব বাংলাদেশ (আইসিএবি) কর্তৃক গৃহীত আই.এ.এস (আর্ন্তজাতিক হিসাব মানদন্ড) অনুসারে ৩০ শে জুন, ২০১৭ তারিখে সমাপ্ত আর্থিক বছরের প্রতিবেদন সম্মানিত শেয়ারহোল্ডারবৃন্দের কাছে নিম্নোক্ত পরিচ্ছেদগুলোতে পেশ করছেন:-

কোম্পানীর নিম্নে বর্ণিত ৩টি সাবসিডিয়ারী কোম্পানী আছে ঃ

১) **সালেক টেক্সটাইল লিমিটেড-** টেক্সটাইল সেক্টরের একটি কম্পোজিট মিলস্ যার তিনটি পরিচালন ইউনিট আছে। রোটর ইউনিটের ব্যাৎসরিক উৎপাদন ক্ষমতা ওপেন এ্যন্ড ইয়ার্ন বিভিন্ন কাউন্টের ১৪,৬২১ টন সুতা। ফেব্রিক্স ইউনিটের ব্যাৎসরিক উৎপাদন ক্ষমতা ৯,৬০০,০০০ গজ ফেব্রিক এবং আরএমজি ইউনিটের ব্যাৎসরিক উৎপাদন ক্ষমতা ৪,৫০০,০০০ পিস ডেনিম পণ্য।

২) **জে. এম. ফেব্রিক্স লিমিটেড-** যা একটি নিটিং, ডাই, ফিনিশিং এবং গার্মেন্টস ফ্যাক্টরী। দক্ষিণ নয়াপাড়া, ৬নং ডগরী, পোঃ ভাওয়াল, মির্জাপুর, গাজীপুরে অবস্থিত। যার বাৎসরিক উৎপাদন ক্ষমতা ৪৩.৬৮ মিলিয়ন পিস টি-শার্ট ও ইন্টিমেট গার্মেন্টস।

৩) **নিউ এশিয়া সিনথেটিক্স লিমিটেড-** পলেস্টার স্ট্যাপল ফাইবার এবং চিপস প্লান্ট স্থাপনের জন্য প্রজেক্টটি বাস্তবায়নের পরিকল্পনা করা হলেও জ্বালানী/গ্যাসের অপ্রাপ্ততার জন্য প্রজেক্টটি স্থগিত রাখা হয়েছে।

কোম্পানীর কার্যক্রম (এমএসএমএল) ঃ

১. শিল্প সম্পর্কিত ধারনা এবং এই শিল্পের ভবিষ্যৎ উন্নয়নের সম্ভাবনাঃ

আমাদের কোম্পানী টেক্সটাইল সেক্টরের প্রাথমিক শিল্পের অন্তর্ভূক্ত হওয়ায় বিশ্বমানের বিভিন্ন কাউন্টের সুতা উৎপাদন করছে। বাংলাদেশে তুলা উৎপন্ন হয় না যা আমাদের কোম্পানীর মূল কাচাঁমাল। এজন্য আমাদেরকে ১০০% কাচা তুলা বিদেশ থেকে আমদানী করতে হয়। এই শিল্পের সফলতা নির্ভর করে কাচাঁ মালের পর্যাপ্ততা, বিশ্ব অর্থনীতি, আর্ন্তজাতিক মূল্য ধারা এবং চুড়ান্ত পণ্য তথা গার্মেন্টস পণ্যের বাজারের উপর। স্পিনিং মিলস শ্রম নির্ভরশীল শিল্প।

এই শিল্পের বিস্তৃতি এবং চ্যালেঞ্জ সমূহ নিম্নে বর্ণিত বিষয়ের উপর নির্ভরশীলঃ

(ক)	শ্রমিক সম্পর্ক	(খ)	শ্রমিক উৎপাদনশীলতা	(গ)	জ্বালানী ও বিদ্যুৎ
(ঘ)	অন্যান্য অবকাঠামো	(ঙ)	আইন শৃঙ্খলা পরিস্থিতি	(চ)	আর্থিক ব্যয়

উপরোক্ত বিষয়গুলো দক্ষতার সাথে মেটানো সম্ভব হলে এ সেক্টরে ব্যবসা প্রসারের সম্ভাবনা বিপুল, যেহেতু বাংলাদেশ ইতিমধ্যে গুণগত মানসম্পন্ন পণ্য সস্তামূল্যে উৎপন্নকারী এবং সরবরাহকারী দেশ হিসেবে পরিচিত লাভ করেছে।

উৎপাদন ক্ষমতা/উৎপাদনঃ

২. খাতওয়ারী অথবা পন্য ভিত্তি ফলাফল ঃ

আমাদের কোম্পানী ১০০% রপ্তানীমুখী নীট সুতা উৎপাদন করছে। কোম্পানীর বাৎসরিক উৎপাদন ক্ষমতা ১২,৬০০,০০০ কেজি ইয়ার্ন ৬৩,৬২৪ স্পিন্ডলস্ এ।

২০১৬-২০১৭ এবং ২০১৫-২০১৬ সালের কোম্পানীর পরিচালনাগত/আর্থিক কার্যক্রমের তুলনাগত অবস্থা নিম্নে পেশ করা হল ঃ

ক্র:নং	বিবরন	২০১৬-২০১৭ (কেজি)	২০১৫-২০১৬ (কেজি)
১	উৎপাদন ক্ষমতা	১২,৬০০,০০০	১২,৬০০,০০০
২	প্রকৃত উৎপাদন	১০,৭৭৭,৩৫৪	১১,২৩৩,২৩৭
৩	উৎপাদন ক্ষমতার ব্যবহার	৮৫.৫৩%	৮৯.১৫%
৪	বিক্রয়ের পরিমান (কেজি)	১০,১৪৬,৪৫০	১০,৮৮৮,৩৫৫
৫	বিক্রয়মূল্য (টাকা)	২,৫৪০,৪১১,২৪৭	২,৫৮৭,১৪৬,৬৭৫
৬	মোট বিক্রয় (গড় টাকা)	২৫০.৩৭	২৩৭.৬১

৩. ঝুঁকি ও উদ্বিগ্নতা সমূহঃ

টেক্সটাইল সেক্টরে সকল শিল্পকে একই রকম সমস্যা মোকাবেলা করতে হচ্ছে। যার মধ্যে বিদ্যুৎ ঘাটতি, শ্রমিক অসন্তোষ, রাজনৈতিক অস্থিতিশীলতা ফলশ্রুতিতে হরতাল উৎপাদন বিঘ্নিত হওয়ায় তহবিল ব্যয় বাড়িয়ে দিচ্ছে। স্পিনিং মিল আমদানীকৃত কাচামাল ও স্থানীয়ভাবে সরবরাহকৃত শ্রমিকের উপর নির্ভরশীল। রাজনৈতিক অস্থিরতার কারণে কাচাঁমাল এবং শ্রম মূল্যের উঠা-নামা এধরণের শিল্পের জন্য প্রধান ঝুঁকি। অনিয়মিত বিদ্যুত সরবরাহ, অনিয়মিত গ্যাস সরবরাহ এবং মূল্যের উঠা-নামাও এ ধরণের শিল্পকে ক্ষতিগ্রস্থ করে। এছাড়াও কোম্পানীর আর্থিক ঝুঁকি যার মধ্যে ক্রেডিট ঝুঁকি, লিক্যুইডিটি ঝুঁকি ও মার্কেট ঝুঁকি মোকবেলায় সদা সতর্ক আছে।

৪. বিক্রিত পন্যের ব্যয় বিশ্লেষণ, মোট প্রান্তিক মুনাফা এবং নীট প্রান্তিক মুনাফা ঃ

(ক) **বিক্রিত পন্যের ব্যয় ঃ** চলতি বছরে বিক্রিত পন্যের ব্যয় ছিল ৮৮.৮০% যা বিগত বছরে ছিল ৮৬.৯৯%, যা বৃদ্ধি পেয়েছে ১.৮১% যা তাৎপর্যপুর্ণ।

(খ) **রপ্তানী ঃ** ৩০শে জুন ২০১৭ তারিখে সমাপ্ত বছরে রপ্তানী টার্নওভার হয়েছে ২,৫৪০.৪১ মিলিয়ন টাকা, যা বিগত বছরে ছিল ২,৫৮৭.১৫ মিলিয়ন টাকা। বিগত বছরের তুলনায় টার্নওভার হ্রাসের হার ১.৮১%। যা বিক্রয় হ্রাস পাওয়ার জন্য হয়েছে।

(গ) **মোট মুনাফা ঃ** চলতি বছরে মোট মুনাফা অর্জিত হয়েছে ২৮৪.৬৩ মিলিয়ন টাকা যা বিগত বছরে ছিল ৩৩৬.৬১ মিলিয়ন টাকা। বিগত বছরের তুলনায় মোট মুনাফা হ্রাস পাওয়ায় কারণ বিক্রয় হ্রাস পাওয়া এবং বিগত বছরের তুলনায় কাচাঁমালের ব্যবহার আনুপাতিক হারে না কমা।

(ঘ) নীট মুনাফা/(ক্ষতি) ঃ চলতি বছরে কোম্পানী নীট মুনাফা করেছে ১১৭.৬৯ মিলিয়ন টাকা যেখানে বিগত বছরে নীট মুনাফা ছিল ১৭১.৯৭ মিলিয়ন টাকা। নীট মুনাফা হ্রাস পাওয়ার কারণ বিক্রিত পণ্যের ব্যয়ের হার বৃদ্ধি পাওয়া এবং বিগত বছরের তুলনাই অপারেশনাল খরচ তুলনামূলকভাবে বৃদ্ধি পাওয়া ও অন্যান্য খরচ আনুপাতিক হারে হ্রাস না পাওয়া।

৫. অস্বাভাবিক লাভ বা ক্ষতি ঃ
চলতি বছরে কোম্পানী ব্যাংকের সুদ বাবদ ৮৩৫,৩০৬ টাকা নন অপারেটিং ইনকাম হিসেবে উপার্জন করেছে যা বিগত বছরের ছিল ৫,৩৭৯,৪৯৫ টাকা, যা অন্যান্য আয় হিসাবে আয়-বিবরণীতে ও হিসাবের নোট নং ২২.১ এ প্রদর্শন করা হয়েছে।

৬. আন্তঃসম্পর্কিত কোম্পানীর লেনদেন সমূহ ঃ
হিসাবের নোট নং ২৭.১তে আন্তঃসম্পর্কিত লেনদেনসমূহ বর্ননা করা হয়েছে।

৭. পাবলিক ইস্যু অথবা রাইট ইস্যু হতে প্রাপ্ত তহবিলের ব্যবহার ঃ
এ বছর কোন পাবলিক ইস্যু অথবা রাইট ইস্যু করা হয় নাই।

৮. ইনসিয়াল পাবলিক অফারিং (আইপিও), রিপিট পাবলিক অফারিং (আরপিও), রাইট অফার, ডাইরেক্ট লিস্টিং ইত্যাদি থেকে অর্থ বা তহবিল প্রাপ্তির পর কোম্পানীর আর্থিক অবস্থা ঃ
ইনসিয়াল পাবলিক অফারিং (আইপিও) সম্পন্ন হয়েছে ২০১০ সালে। পরবর্তীতে কোন রিপিট পাবলিক অফারিং (আরপিও), রাইট অফার, ডাইরেক্ট লিস্টিং ইত্যাদি করা হয় নাই।

৯. বার্ষিক আর্থিক বিবরনী ও ত্রৈমাসিক আর্থিক অবস্থার বিবরনীর মধ্যে পার্থক্য ঃ
সকল কোয়ার্টারে কোম্পানীর শেয়ার প্রতি আয় প্রায় একই রকম ছিল। চলতি বছরে বিভিন্ন প্রান্তিকের কোয়ার্টারে শেয়ার প্রতি আয়ে উল্লেখযোগ্য তারতম্য হয়নি। ২য় কোয়ার্টারে ১ম কোয়ার্টার অপেক্ষা মুনাফা সামান্য বৃদ্ধি পাওয়ার কারণ বিক্রয় মূল্য পূর্ববর্তী কোয়াটার অপেক্ষা বৃদ্ধি পাওয়া।

১০. স্বতন্ত্র পরিচালকসহ পরিচালকদের পারিশ্রমিক ঃ
হিসাবের নোট নং ৩.৩৪এ পরিচালকদের পারিশ্রমিক বর্ননা করা হয়েছে।

১১. আর্থিক প্রতিবেদনের উপর পরিচালকগণের বিবৃতি ঃ
উপরোক্ত রিপোর্টসমূহ এনেক্সার-১ এ বর্ননা করা হয়েছে।

১২. গত বছরের পরিচালনাগত ফলাফলের সহিত চলতি বছরের ব্যবধান ঃ
কোম্পানীর পরিচালনা মুনাফার হার চলতি বছরে ২০১৬-২০১৭ সালে ৫.৬৯% বিক্রয়ের উপর যা বিগত বছর অর্থাৎ ২০১৫-২০১৬ সালে ছিল ৭.৯৯%। পরিচালনা মুনাফার শতকরা হ্রাসের হার ২.৩% যা তাৎপর্যপূর্ণ যার কারন ২০১৬-২০১৭ বছরে মোট মুনাফার শতকরা হার বিক্রয়ের উপর ছিল ১১.২০% যা পূর্ববর্তী বছর অর্থাৎ ২০১৫-২০১৬ সালে ছিল ১৩.০১%। এই হ্রাসের হারের পার্থক্য ১.৮১%।

১৩. বিগত ০৫ (পাঁচ) বছরের মুখ্য পরিচালন এবং আর্থিক ডাটাসমূহ সংক্ষিপ্ত আকারে পৃষ্ঠা নং ০৮ এ বর্ননা করা হয়েছে।

১৪. লভ্যাংশ ঃ পরিচালনা পর্ষদ ১০% নগদ লভ্যাংশ অর্থাৎ প্রতি ১০.০০ টাকার সাধারণ শেয়ারের বিপরীতে ১.০০ টাকা নগদ লভ্যাংশ ঘোষনার জন্য অত্র সাধারন সভায় সুপারিশ করেছেন, রেকর্ড ডেটে যে সকল শেয়ার হোল্ডারবৃন্দ শেয়ার ধারণ করবেন তাদের জন্য।

১৫. ২০১৬-২০১৭ বছরের বোর্ড মিটিংয়ের সংখ্যা এবং পরিচালকদের উপস্থিতি এনেক্সার-১এ বর্ননা করা হয়েছে।

১৬. শেয়ার হোল্ডিং সংক্রান্ত বিবরণ ধারা ১.৫ অনুযায়ী বিএসইসি নোটিফিকেশন তারিখ ০৭ আগষ্ট ২০১২ অনুযায়ী এনেক্সার-২ এ বর্ননা করা হয়েছে।

১৭. কোম্পানীর পরিচালকবৃন্দের নিয়োগ/পুনঃনিয়োগ সংক্রান্ত পরিচালকদের সংক্ষিপ্ত জীবন বৃত্তান্ত এনেক্সার-৩ এ বর্ননা করা হয়েছে।

মুলধনী ব্যয়:

২০১৬-২০১৭ এবং ২০১৫-২০১৬ বছরের মুলধনী ব্যয় নিম্নরুপ হয়েছে:

বিবরণ	২০১৬-২০১৭ (টাকা)	২০১৫-২০১৬ (টাকা)
জমি ও জমি উন্নয়ন	--	--
ফ্যাক্টরী বিল্ডিং	--	--
প্লান্ট ও মেশিনারী	--	১৩,৩২৪,৭০৪
ফার্নিচার ও ফিক্সচার	--	--
অফিস সামগ্রী	১,৪৯৫,৮৭১	৫৭১,১৫৩
ইলেকট্রিক স্থাপনা	--	--
মোটর গাড়ী	--	৪,০১০,০০০
মোট	**১,৪৯৫,৮৭১**	**১৭,৯০৫,৮৫৭**

উপরোক্ত মূলধনী ব্যয় কোম্পানীর আভ্যন্তরীণ আর্থিক উৎস হতে নির্বাহ করা হয়েছে।

অধীনস্থ কোম্পানী:

সালেক টেক্সটাইল লিমিটেড, নিউ এশিয়া সিনথেটিকস লিমিটেড এবং জে, এম, ফেব্রিকস লিমিটেড সাবসিডিয়ারি কোম্পানী হওয়ায় পরিচালকবৃন্দের প্রতিবেদন একই সাথে নিরীক্ষকের প্রতিবেদন, আর্থিক বিবরনী, আয়-বিবরণী, ক্যাশ-ফ্লো বিবরণী ও ইক্যুইটি পরিবর্তন সম্পর্কিত বিবরণী এই রিপোর্টের অংশ হিসেবে সংযুক্ত করা হয়েছে।

(ক) সালেক টেক্সটাইল লিমিটেড (এসটিএল): কোম্পানী (এমএসএম) সালেক টেক্সটাইল লি: এর ৯৭.৯২৫% শেয়ার অর্থাৎ মোট ৪৮২,৬০৮,৭০০.০০ টাকার প্রতিটি ১০/- টাকা মুল্যমানের ৪৮,২৬০,৮৭০ শেয়ার থেকে ৪৭২,৫৯৭,০০০.০০ টাকার প্রতিটি ১০/- টাকা মুল্যমানের ৪৭,২৫৯,৭০০ টি শেয়ার ধারন করে। বিএসইসির মূলধন বৃদ্ধির সম্মতি পত্র নং BSEC/CI/CPLC (Pvt)-৩৩৩/২০১১/৪৪৬ তারিখ জুন ২৪, ২০১৪ এর ০৯ (নয়) নং শর্তানুযায়ী এবং বাংলাদেশ সিকিউরিটিজ এন্ড এক্সচেঞ্জ কমিশনের (বিএসইসি) নোটিফিকেশন নং SEC/CMRRCD/২০০৬-১৫৯/৩৬/Admin/০৩-৪৪ তারিখ মে ০৫, ২০১০ যা বাংলাদেশ গেজেটে প্রকাশিত তারিখ ০১-০৬-২০১০ অনুযায়ী কোম্পানীকে প্রাইভেট লিঃ কোম্পানী হতে পাবলিক লিঃ কোম্পানীতে রুপান্তর করা হয়েছে ২৩শে আগষ্ট ২০১৪ তারিখে। একই সাথে কোম্পানীর প্রতিটি ১০০.০০ টাকার শেয়ার মূল্যকে ১০.০০ টাকায় পরিবর্তন করা হয়েছে।

কোম্পানীর (এসটিএল) বাৎসরিক উৎপাদন ক্ষমতা সুতা ১৪,৬২১,০০০ কেজি, ফেব্রিক ৯,৬০০,০০০ গজ এবং আরএমজি পন্য ৪,৫০০,০০০ পিস। ২০১৬-২০১৭ বছরে কোম্পানী মোট বিনিয়োগ করেছে ১৮৪,৭৫৬,৩৮৮ টাকা।

কোম্পানীর ২০১৬-২০১৭ ও ২০১৫-২০১৬ সালের পরিচালনা ফলাফল নিম্নরুপ:

বর্ণনা	২০১৬-২০১৭	২০১৫-২০১৬
উৎপাদন (কেজি) ইয়ার্ন	৭,৩৬৯,৮৮৯	১১,২১১,০৬৯
উৎপাদন (গজ) ফেব্রিক্স	৯,০৭৪,৫৬৭	৭,৩৪৬,৬২০
উৎপাদন (পিস) আরএমজি	*৫,৩৬৯,৯৩৬	*৫,১২৯,৫৯২
বিক্রয় রেভিনিউ (টাকা)	৩,৯৭৫,২৪৮,৭৩৯	৪,১২৩,০১৪,৫৭৩
গ্রস লাভ (টাকা)	৪২৫,১৪৬,০২৩	৪৫০,৪১৬,৪২২
নিট লাভ কর প্রভিশন পরবর্তী (টাকা)	৭৮,৪৫৮,৪৮৬	৮৭,৭৪২,১৫২
গ্রস মার্জিন	১০.৬৯%	১০.৯২%
নিট মার্জিন	১.৯৭%	২.১৩%
ইপিএস (টাকা)	১.৬৩	১.৮২
এনএভি (টাকা)	৫৬.৩০	৫৪.৬৭

* আরএমজি ইউনিটের উৎপাদনের মধ্যে সাব কনট্রাক্ট অর্ন্তভুক্ত আছে।

খ) নিউ এশিয়া সিনথেটিকস লিমিটেড (এনএসএল): কোম্পানী (এমএসএম) নিউএশিয়া সিনথেটিক লিমিটেড এর ৯৯.২৯৩% শেয়ার ধারণ করে অর্থাৎ প্রতিটি ১০০/- টাকা মুল্যমানের ৫,০০০,০০০ টি শেয়ারের মধ্যে প্রতিটি ১০০/- টাকা মুল্যমানের ৪,৯৬৪,৬৫০ শেয়ার ধারন করে। বাংলাদেশ সিকিউরিটিজ এন্ড একচেঞ্জ কমিশনের (বিএসইসি) সম্মতিপত্র নং SEC/CI/CPLC-৪৪২/২০১৩/২৯০৩ তারিখ ডিসেম্বর ১৯, ২০১৩ অনুযায়ী কোম্পানীর পরিশোধিত মূলধন ৯৩,৭১৫,০০০.০০ টাকা হতে বৃদ্ধি করে ৫০০,০০০,০০০,০০ টাকায় উন্নীত করা হয়েছে। তিতাস গ্যাস ট্রান্সমিশন এন্ড ডিস্ট্রিবিউশন কোম্পানী থেকে গ্যাস সংযোগ না পাওয়ার জন্য প্রকল্পটি স্থগিত রয়েছে। কোম্পানীটি ২০১৬-২০১৭ বছরে ভূমি ও ভূমি উন্নয়ন বাবদ ৬৫,১১৪,৮৯০.০০ টাকা বিনিয়োগ করেছে। ৩০শে জুন ২০১৭ তারিখে কোম্পানীর প্রতি শেয়ারের নীট এ্যসেট ভ্যালু ৩৬৫.১২ টাকা।

(গ) জে. এম. ফেব্রিকস লিমিটেড (জেএমএফএল) ঃ কোম্পানী (এমএসএম) জে. এম. ফেব্রিকস লিমিটেড এর ৯৯.৯৯৮% শেয়ার ধারণ করে অর্থাৎ প্রতিটি ১০০/- টাকা মুল্যমানের ৪,০০০,০০০ শেয়ারের মধ্যে প্রতিটি ১০০/- টাকা মুল্যমানের ৩,৯৯৯,৯০০টি শেয়ার ধারন করে। কোম্পানীটি ১০০% রপ্তানীমুখী গার্মেন্টস এবং নীট ফেব্রিক উৎপাদনে নিয়োজিত, যার উৎপাদন ক্ষমতা ১৬ মেট্রিক টন ডাইড ফেব্রিক এবং ৬৮ লাইন কাটিং ও স্যুইং অপারেশন সাথে প্রয়োজনীয় সকল ফ্যাসিলিটিজ ও গুদামজাতকরণ সুবিধা বিদ্যামান। কোম্পানীটি চলতি বছরে বিনিয়োগ করেছে ১৩৫.৩৯ মিলিয়ন টাকা।

২০১৬-২০১৭ বছরের বিনিয়োগ নিম্নরুপ:

বিবরন	টাকা
ফ্যাক্টরী কাঠামো, শেড ও বিল্ডিং	১,৭১২,৩৮১
প্লান্ট ও মেশিনারী	১১৬,৩৯১,০৩২
অন্যান্য সম্পদ	১৭,২৮৩,৪৬৬
মোট	১৩৫,৩৮৬,৮৮০

২০১৬-২০১৭ এবং ২০১৫-২০১৬ সালের কোম্পানীর পরিচালনা ফলাফল নিম্নরুপ:

বর্ণনা	২০১৬-২০১৭	২০১৫-২০১৬
উৎপাদন (পিছ)	৩৮,২৯০,১১৩	৩৩,৩৬৪,৩১০
বিক্রয় রেভিনিউ (টাকা)	৩,৪৩৩,০২৯,৬৪৩	৩,১৬৭,৯০১,৫৯৬
গ্রস লাভ (টাকা)	২০৮,৪৪০,৪৯৮	১৯২,৫১৫,২১৯
নিট লাভ (টাকা)	১০,৩৭১,৮৫৯	৪০,২৮৭,০৮৯
গ্রস মার্জিন	৬.০৭%	৬.০৮%
নিট মার্জিন	০.৩০%	১.২৭%
ইপিএস (টাকা)	২.৫৯	১০.০৭
এনএভি (টাকা)	২১১.৯০	২০৯.৩০

আর্থিক ফলাফল :

বিগত বছরের সাথে কোম্পানীর (এমএসএম) তুলনামুলক আর্থিক ফলাফল নিম্নে সংক্ষিপ্তকারে উপস্থাপন করা হলো: *(মিলিয়ন টাকায়)*

বিবরণ	২০১৬-২০১৭	২০১৫-২০১৬
বিক্রয়	২,৫৪০.৪১১	২,৫৮৭.১৪৭
বিক্রিত পণ্যের ব্যয়	২,২৫৫.৭৮২	২,২৫০.৫৩৪
মোট লাভ	২৮৪.৬২৯	৩৩৬.৬১২
পরিচালন ব্যয়	১০০.০৬০	৮৪.৭৪৭
আর্থিক ব্যয়	৩৯.৯২৫	৪৫.১৪৩
পরিচালনা মুনাফা	১৪৪.৬৪৫	২০৬.৭২২
অন্যান্য আয়	০.৮৩৫	৫.৩৭৯
নীট অপারেটিং মুনাফা/(লোকসান)	১৪৫.৪৮০	২১২.১০২
ডব্লিউপিপিএফ এ চাঁদা	৬.৯২৮	১০.১০০
আয়কর প্রভিশন	২০.৮৬৬	৩০.০৩৩
নীট লাভ (কর পরবর্তী)	১১৭.৬৮৬	১৭১.৯৬৯
মোট আয়ের হার	১১.২০%	১৩.০১%
নীট আয়ের হার	৪.৬৩%	৬.৬৫%
শেয়ার প্রতি আয়-ইপিএস (টাকা)	০.৬১	০.৮৯
রিটার্ন অন ইক্যুইটি	২.২৪%	৩.২৩%
আউটস্ট্যান্ডিং শেয়ার সংখ্যা	১৯৩,৬০০,০০০	১৯৩,৬০০,০০০
শেয়ারের অভিহিত মূল্য (টাকা)	১০	১০
কনসলিডেটেড শেয়ার প্রতি আয়-ইপিএস (টাকা)	১.০৫	১.৫২

মুনাফা বন্টন:

পরিচালনা পর্ষদ নিম্নোক্ত উপায়ে মুনাফা বন্টনের সুপারিশ করেছেন:

পূর্ববর্তী বছরের রিটেইন আর্নিংস	টাকা ৩৯২,৭৮০,৬১৪.০০
বাদ : ২০১৫-২০১৬ বছরের লভ্যাংশ বিতরণ	টাকা(১৯৩,৬০০,০০০.০০)
উদ্বৃত্ত স্থানান্তর	**টাকা ১৯৯,১৮০,৬১৪.০০**
যোগ: নীট মুনাফা (কর পরবর্তী) ২০১৬-২০১৭ সালের	টাকা ১১৭,৬৮৫,৮৪২.০০
যোগ: সম্পত্তি পুন:মূল্যায়নের অবচয় সমন্বয়	টাকা ৫৬,৩২৬,৭৯০.০০
আবন্টনের জন্য নীট ফ্রি তহবিল	**টাকা ৩৭৩,১৯৩,২৪৬.০০**

প্রস্তাবিত লভ্যাংশ ২০১৬-২০১৭ সালের জন্য:

নগদ লভ্যাংশ ১০% প্রতি ১০.০০ (দশ) টাকার সাধারন শেয়ারের জন্য ১.০০ (এক দশমিক শূন্য) টাকা	টাকা(১৯৩,৬০০,০০০.০০)
লভ্যাংশ প্রদানের পর উদ্বৃত্তপত্রে স্থানান্তর	**টাকা ১৭৯,৫৯৩,২৪৬.০০**

লভ্যাংশ ঘোষনা:

প্রস্তাবিত মুনাফা আবন্টন অনুযায়ী পরিচালনা পর্ষদ ২০১৬-২০১৭ বছরের জন্য ১০% নগদ লভ্যাংশ ঘোষনার জন্য সুপারিশ করেছেন। এর জন্য প্রতিটি ১০.০০ (দশ) টাকার সাধারণ শেয়ারের বিপরীতে ১.০০ (এক দশমিক শূন্য) টাকা লভ্যাংশ প্রদান করতে হবে। যার জন্য প্রয়োজন হবে ১৯৩,৬০০,০০০.০০ টাকা যা রিটেইন আর্নিং (ফ্রি-রিজার্ভ) হতে প্রদান করা হবে। রেকর্ড ডেটে যে সকল শেয়ার হোল্ডারদের নাম কোম্পানীর শেয়ার রেজিষ্টার অথবা ডিপোজিটরি রেজিষ্টারে লিপিবদ্ধ থাকবে তারা উপরোক্ত লভ্যাংশ পাবেন।

হিসাবের একত্রীকরণ ঃ

বিএসইসি এর বিধিমালা ও ইন্টারন্যাশনাল এ্যাকাউন্টিং স্ট্যান্ডার্ড-২৮ এবং আই এফ আর এস-১০ এর নিয়মাবলী অনুসরণ করে শেয়ারহোল্ডারবৃন্দের মোট সুবিধা/বিনিয়োগ মূল্য নির্ধারণ করা হয়েছে।

পরিচালক নির্বাচন:

কোম্পানীর আর্টিকেলস অব এসোসিয়েশনের ১১০ অনুচ্ছেদ মোতাবেক ডাঃ শামীম মতিন চৌধুরী, পরিচালক ও জনাব এ. এফ. এম. জোবায়ের, পরিচালক, পরিচালনা পর্ষদ হতে রোটেশন অনুযায়ী অবসর নিচ্ছেন এবং যোগ্য বিধায় ১১২ অনুচ্ছেদ মোতাবেক তারা পূন:নির্বাচিত হওয়ার জন্য আগ্রহ প্রকাশ করেছেন। উপরে বর্ণিত পরিচালক বৃন্দের সংক্ষিপ্ত জীবন বৃত্তান্ত ও অন্যান্য তথ্যাদি বিএসইসি নোটিফিকেশন তারিখ ০৭ আগষ্ট, ২০১২ এর ধারা ১.৫ অনুযায়ী এনেক্সার-৩ এ সন্নিবেশিত করা হয়েছে।

নিরীক্ষক নিয়োগ:

মেসার্স মালেক সিদ্দিকী ওয়ালী, চার্টার্ড একাউন্ট্যান্টস বর্তমান নিরীক্ষক অত্র সাধারন সভায় অবসর গ্রহন করবেন এবং যোগ্য বিধায় ২০১৭-২০১৮ সালের জন্য নিরীক্ষা কার্য পরিচালনা করতে লিখিত ভাবে আগ্রহ প্রকাশ করেছেন। পরিচালনা পর্ষদ মেসার্স মালেক সিদ্দিকী ওয়ালী, চার্টার্ড একাউন্ট্যান্টস, ৯-জি, মতিঝিল বা/এ, ঢাকা-১০০০ কে ২০১৭-২০১৮ সালের জন্য নিরীক্ষক হিসেবে নিয়োগ করতে সুপারিশ করেছেন এবং তাদের পারিশ্রমিক নির্ধারনের সুপারিশ করেছেন।

স্বতন্ত্র পরিচালকের নিয়োগ:

পরিচালনা পর্ষদ ২০ শে আগষ্ট ২০১৭ তারিখে অনুষ্ঠিত সভায় জনাব নুরুল আলম সাহেবকে ৩ (তিন) বছরের জন্য স্বতন্ত্র পরিচালক হিসেবে বিএসইসির রেগুলেশন অনুযায়ী নিয়োগের সিদ্ধান্ত গ্রহন করেছেন যা ২০ শে আগষ্ট ২০১৭ তারিখ থেকে কার্যকর হয়, যা অত্র বার্ষিক সাধারন সভায় শেয়ারহোল্ডারবৃন্দের অনুমোদনের জন্য সুপারিশ করেছেন। জনাব নুরুল আলমের জীবন বৃত্তান্ত ও অন্যান্য তথ্যাদি সংক্ষিপ্তকারে এনেক্সার-৩ এ সন্নিবেশিত করা হয়েছে।

কর্পোরেট গভর্নেন্স প্রতিবেদন:

সিকিউরিটিজ এন্ড এক্সচেঞ্জ কমিশন এর নোটিফিকেশন নং এসইসি/সিএমআরআরসিডি/২০০৬-১৫৮/১৩৪/এডমিন/৪৪ তারিখ: ০৭ আগষ্ট ২০১২ এর নিরিখে একটি বিবরনী ১.৫ ধারা অনুসারে প্রতিপালন প্রতিবেদন, অডিট কমিটি প্রতিবেদন ৩.৫ ধারা অনুসারে, সিইও এন্ড সিএফও কর্তৃক প্রদত্ত সার্টিফিকেট ধারা ৬ অনুসারে, ধারা ৭(১) অনুসারে প্রফেশনাল একাউনটেন্ট কর্তৃক সার্টিফিকেট এবং কর্পোরেট গর্ভনেন্স প্রতিপালন ৭(২) এর অবস্থা যথাক্রমে সংযুক্তি- I, II, III, IV, V, VI এবং VII এর মধ্যে বর্ননা/প্রকাশ করা হলো।

ধন্যবাদ জ্ঞাপন :

পরিচালনা পর্ষদের পক্ষ থেকে কোম্পানীর শেয়ার হোল্ডার, গ্রাহক, ব্যাংক, ইন্স্যুরেন্স কোম্পানী, সরবরাহকারী, বিএসইসি, ডিএসই, সিএসই, সিডিবিএল, আরজেএসসি ও অন্যান্য প্রতিষ্ঠানের সহযোগীতা ও উপদেশের জন্য ধন্যবাদ জানাচ্ছি। তাছাড়া কোম্পানীর শ্রমিক, কর্মচারীদের নিষ্ঠা ও ঐকান্তিক কর্ম উদ্দীপনার জন্য সন্তোষ প্রকাশ এবং ধন্যবাদ জানাচ্ছি।

পরিচালনা পর্ষদের পক্ষে,

এ. এফ. এম. জোবায়ের
চেয়ারম্যান

ANNEXURE –I

The Directors also report that:

- Related Party Transactions are depicted in Note no. 27.1 in the Notes of Account.
- Remuneration of Directors including Independent Director have been shown in Note no. 3.34 in the Notes of Account.
- The Financial Statement of the Company present true and fair view of the Company's state of affairs, result of its operations, cash flows and changes in equity.
- Proper books of accounts as required by the prevailing law have been maintained.
- Appropriate accounting policies have been followed in formulating the financial statements and accounting estimates were reasonable and prudent.
- The financial statement was prepared in accordance with IAS/BAS/IFRS/BFRS.
- The internal control system is sound in design and is effectively implemented and monitored.
- There is no significant doubt about the company's ability to continue as a going concern.
- Significant deviation from the operating result compared to the last year is depicted in page no.11 clause (xvii) above.
- Key operating and financial data of last five years have been presented in summarized form in page no 08
- The number of Board Meeting and the Attendance of Directors during the year 2016-2017 were as follows:

Name of Directors	Position	Meeting Held	Attended
Mr. A. F. M. Zubair	Chairman	06	06
Mr. A. Matin Chowdhury	Managing Director	06	05
Dr. Shamim Matin Chowdhury	Director	06	05
Ms. Saima Matin Chowdhury	Director	06	03
Mr. Azizur Rahim Chowdhury	Director	06	05
Mr. Moshiur Rahman	Director	06	06
*Mr. M.SekanderAli	Independent Director	06	05
Md. Qamrul Huda	Independent Director	06	06

- **Notes:** Mr. M. Sekander Ali, Independent Director resigned from the Company for his personal reason on 3rd June, 2017 and Mr. Nurul Alam has been appointed as an Independent Director on 20th August, 2017.
- The pattern of shareholding as required by clause 1.5 (xxi) of the BSEC Notification dated 07th August, 2012, stated in **Annexure-II.**
- Information of Directors who seek appointment/re-appointment as required by clause 1.5 (xxii) of the BSEC Notification dated 07 August, 2012, stated in **Annexure-III.**
- Status of compliance with the conditions imposed by the Bangladesh Securities and Exchange Commission is enclosed as **Annexure –VII.**

ANNEXURE –II

Pattern of Shareholding as on June 30, 2017

Name of the Shareholders	Status	Shares held	%
i. Parent/Subsidiary/AssociatedCompanies and other related parties	Nil	Nil	Nil
ii. Directors:			
Mr. A.F.M. Zubair	Chairman	8,470,000	4.37%
Mr. A. Matin Chowdhury	Managing Director	17,575,200	9.08%
Dr. Shamim Matin Chowdhury	Director	13,310,000	6.88%
Mr. Azizur Rahim Chowdhury	Director	18,585,600	9.60%
Ms. Saima Matin Chowdhury	Director	15,004,000	7.75%
Mr. Moshiur Rahman	Director (Nominated by Paragon Poultry Ltd.)	12,100,000	6.25%
*Mr. M. Sekander Ali	Independent Director	Nil	Nil
Md. Qamrul Huda	Independent Director	Nil	Nil
iii. Chief Executive Officer, Chief Financial Officer, Company Secretary, Head of Internal Audit and their Spouses and Minor Childrens:			
Mr. A. Matin Chowdhury	Chief Executive Officer	17,575,200	9.08%
Mr. B. K. Chaki	Chief Financial Officer	Nil	Nil
Mr. Syed Saiful Haque	Company Secretary	Nil	Nil
Md. Rakibul Islam	Head of Internal Audit	Nil	Nil
iv. Executives	Nil	Nil	Nil
v. Shareholders holding 10% or more voting interest in the Company:			
ICB	Institution	22,424,671	11.58%

- Mr. M. Sekander Ali, Independent Director resigned from the Company for his personal reason on 3rd June, 2017 and Mr. Nurul Alam has been appointed as an Independent Director on 20th August, 2017.

ANNEXURE-III

Brief Resume of the Directors

Directors who seek re-appointment:

Dr. Shamim Matin Chowdhury:

Dr. Shamim Matin Chowdhury is a Director of the Company since 1991. She has more than 35 (thirty five) years' experience in the textile sector. She completed M.B.B.S from Dhaka Medical College and postgraduate studies from the U.K. Dr. Chowdhury is a famous Child and Adolescent Psychiatrist. She is the former Chief Consultant of Pabna Mental Hospital. She is also the Chairperson of Special Olympics in Bangladesh. She is the Director of Rahim Textile Mills Limited (listed company), Salek Textile Limited, Knit Asia Limited, J.M. Fabrics Limited, New Asia Limited, Hejaz Publications Limited, Fatehbagh Tea Company Limited and also the Managing Director of Newasia Synthetics Limited.She is the Member of Audit Committee of Malek Spinning Mills Limited and Rahim Textile Mills Limited.

Mr. A. F. M. Zubair:

Mr. A. F. M. Zubair is a Sponsor Director of the Company since 1989. He is a renowned and dynamic personality in the Textile Sector of Bangladesh. By profession Mr. Zubair is a Textile Engineer. He has done Post Graduate from Leeds University, U.K. He has vast knowledge in the Textile Sector in the country. He is the Chairman and Director of Malek Spinning Mills Limited and Salek Textile Limited and Director of Knit Asia Limited, J. M. Fabrics Limited, New Asia Synthetics Limited, Hejaz Publications Limited and also the Managing Director of Design Asia Limited.

Appointment of Independent Director:

Mr. Nurul Alam:

The Board of Directors in its meeting held on 20th August 2017 decided to appoint Mr. Nurul Alam as Independent Director of the Company for a period of 3 (three) years with effect from 20th August 2017. Mr. Nurul Alam, former Senior Procurement Specialist and Procurement Hub Leader, Europe and Central Asia (ECA), The World Bank, Former Lecturer, Department of Political Science, Chittagong University and trained in World Bank Executive Development Program, Conducted jointly by Harvard University, Graduate School of Business Administration, Stanford University, Stanford Graduate School of Business and INSEAD (European Institute of Business Administration). He also awarded President's Award for excellence, World Bank, 2002 and Operations Evaluation Department Good Practice Award, World Bank, 2003.

ANNEXURE-IV

AUDIT COMMITTEE REPORT
For the Year 2016-2017

Malek Spinning Mills Limited having an Audit Committee as a sub committee of the Board of Directors in order to assist the Board of Directors in ensuring and fulfilling its oversight responsibilities.

The Audit Committee consists of the following persons:

Mr. Nurul Alam, Independent Director	Chairman
Dr. Shamim Matin Chowdhury, Director	Member
Mr. Azizur Rahim Chowdhury, Director	Member
Mr. Syed Saiful Haque, Company Secretary	Secretary

The scope of Audit Committee was defined as under:

a. Review and recommend to the Board to approve the quarterly, half yearly and annual financial statements prepared for statutory purpose;
b. Monitor and oversee choice of accounting policies and principles, internal control risk management process, auditing matter, hiring and performance of external auditors;
c. Review statement of significant related party transactions submitted by the management;
d. Carry on a supervision role to safeguard the system of governance and independence of statutory auditors; and
e. Review and consider the report of internal auditors and statutory auditors observations on internal control.

Activities carried out during the year:

The Committee reviewed the quarterly, half yearly and annual financial statements and recommended to the Board for consideration. The Committee had overseen, reviewed and approved the procedure and task of the internal audit, financial report preparation and the external audit reports.The Committee found adequate arrangement to present a true and fair view of the activities and the financial status of the company and didn't find any material deviation, discrepancies or any adverse finding/observation in the areas of reporting.

Nurul Alam
Chairman
Audit Committee
Date: 19th October, 2017

ANNEXURE-V

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE COMPLIANCE OF MALEK SPINNING MILLS LIMITED

We have examined the compliance of the conditions of corporate governance guidelines of the Bangladesh Securities and Exchange Commission (BSEC) of Malek Spinning Mills Limited for the year ended on 30 June 2017 as stipulated in clause 7(i) of the BSEC Notification No. SEC/CMRRCD/2006-158/134/Admin/44 dated 07 August 2012.

The compliance of the conditions of corporate governance guidelines as stated in the aforesaid notification and reporting of the status of compliance is the responsibility of the management of Malek Spinning Mills Limited. Our examination for the purpose of issuing this certification was limited to the checking the procedures and implementation thereof as adopted by Malek Spinning Mills Limited for ensuring the compliance of conditions of corporate governance and correct reporting of compliance status on the attached statement on the basis of evidence gathered and representation received.

To the best of our information and according to the explanations given to us, we certify that, as reported on the attached status of compliance statement, Malek Spinning Mills Limited has complied with conditions of corporate governance stipulated in the above mentioned BSEC notification dated 07 August 2012 and subsequent amendment made thereon.

Dhaka, 19 November 2017

Das Chowdhury Dutta & Co.
Chartered Accountants

ANNEXURE-VI

CEO & CFO's DECLARATION TO THE BOARD OF DIRECTORS

The Board of Directors
Malek Spinning Mills Limited
117/A, Tejgaon Industrial Area
Dhaka-1208.

Subject: CEO & CFO's Declaration to the Board of Directors.

Dear Sirs:
In compliance with the condition no.6 imposed by the Bangladesh Securities and Exchange Commission's Notification No. SEC/CMRRCD/2006-158/134/Admin/44 dated 07 August 2012 issued under Section 2CC of the Securities and Exchange Ordinance, 1969, we do hereby certify to the Board of Directors that;

(i) We have reviewed the financial statements of the company for the year ended on 30th June 2017 and that to the best of our knowledge and belief:

(a) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

(b) these statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards and applicable laws.

(ii) There are, to the best of knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violation of the company's code of conduct.

Sincerely yours,

(B. K. Chaki)
Chief Financial Officer

(A. Matin Chowdhury)
Managing Director

Dated: 07th October, 2017
Dhaka

ANNEXURE-VII

Corporate Governance Compliance Report

Status of compliance with the conditions imposed by the Bangladesh Securities and Exchange Commission's Notification No. SEC/CMRRCD/2006-158/134/Admin/44 dated 07 August 2012.(Report under Condition No.7.00)

Condition No.	Title	Complied	Not Complied	Remarks (if any)
1.1	Board Size : The number of the Board members shall not be less than 5 (Five) and more than 20 (Twenty)	√		
1.2	**Independent Directors:**			
1.2 (i)	One fifth (1/5th) of the total number of directors	√		
1.2 (ii) a)	Does not hold any share or holds less than 1% shares of the total paid up shares	√		
1.2 (ii) b)	Not connected with any sponsor/ director/shareholder who holds 1% or more shares of the total paid up shares on the basis of family relationship.	√		
1.2 (ii) c)	Does not have any other relationship, whether pecuniary or otherwise, with the company or its subsidiary/associated companies	√		
1.2 (ii) d)	Not a member, director or officer of any stock exchange	√		
1.2 (ii) e)	Not a shareholder, director or officer of any member of stock exchange or an intermediary of the capital market	√		
1.2 (ii) f)	Not a partner or an executive or was not a partner or an executive during the preceeding 3 (three) years of any statutory audit firm	√		
1.2 (ii) g)	Not be an independent director in more than 3 (three) listed companies	√		
1.2 (ii) h)	Not been convicted by a court of competent jurisdiction as a defaulter in payment of any loan to a bank or a NBFI	√		
1.2 (ii) i)	Not been convicted for a criminal offence involving moral turpitude	√		
1.2 (iii)	Appointed by the Board of Directors and approved by the shareholders in the AGM	√		
1.2 (iv)	Not remain vacant for more than 90 (ninety) days	√		
1.2 (v)	Board shall lay down a code of conduct of all Board members and annual compliance of the code to be recorded	√		
1.2 (vi)	Tenure of office of an Independent Director shall be for a period of 3(three) years, which may be extended for 1(one) term only	√		
1.3	**Qualification of Independent Director (ID)**			
1.3 (i)	Knowledge of Independent Directors	√		
1.3 (ii)	Background of Independent Directors	√		
1.3 (iii)	Special cases for qualifications			N/A
1.4	**Individual Chairman of the Board and Chief Executive Officer**	√		
1.5	**The Director's Report to Shareholders:**			
1.5 (i)	Industry outlook and possible future developments in the industry	√		
1.5 (ii)	Segment-wise or product-wise performance	√		
1.5 (iii)	Risks and concerns	√		
1.5 (iv)	Discussion on Cost of Goods sold, Gross Profit Margin and Net Profit Margin	√		
1.5 (v)	Discussion on continuity of any Extra-Ordinary gain or loss	√		
1.5 (vi)	Basis for related party transactions	√		
1.5 (vii)	Utilization of proceeds from public issues, rights issues and/or through any others			N/A
1.5 (viii)	Explanation if the financial results deteriorate after the company goes for IPO, RPO, Rights Offer, Direct Listing			N/A
1.5 (ix)	Explanation about significant variance occurs between Quarterly Financial performance and Annual Financial Statements			N/A
1.5 (x)	Remuneration to directors including independent directors	√		
1.5 (xi)	Fairness of Financial Statements	√		
1.5 (xii)	Maintenance of proper books of accounts	√		
1.5 (xiii)	Adoption of appropriate accounting policies and estimates	√		
1.5 (xiv)	Followed IAS, BAS, IFRS and BFRS in preparation of financial statements	√		
1.5 (xv)	Soundness of internal control system	√		
1.5 (xvi)	Ability to continue as a going concern	√		
1.5 (xvii)	Significant deviations from the last year's	√		
1.5 (xviii)	Key operating and financial data of at least preceding 5 (five) years	√		
1.5 (xix)	Reasons for not declared dividend			N/A
1.5 (xx)	Number of Board meetings held during the year and attendance	√		
1.5 (xxi)	**Pattern of shareholding:**			
1.5 (xxi) a)	Parent/Subsidiary/Associated Companies and other related parties	√		
1.5 (xxi) b)	Directors, CEO, CS, CFO,HIA and their spouses and minor children	√		
1.5 (xxi) c)	Executives	√		
1.5 (xxi) d)	10% or more voting interest	√		
1.5 (xxii)	**Appointment/re-appointment of director:**			
1.5(xxii) a)	Resume of the director	√		

Condition No.	Title	Complied	Not Complied	Remarks (if any)
1.5(xxii)b)	Expertise in specific functional areas	√		
1.5(xxii) c)	Holding of directorship and membership of committees of the board other then this company	√		
2.1	**Appointment of CFO, HIA and CS:**	√		
2.2	Attendance of CFO and CS at the meeting of the Board of Directors	√		
3.0	**Audit Committee:**			
3 (i)	Constitution of Audit Committee	√		
3 (ii)	Assistance of the Audit Committee to Board of Directors	√		
3 (iii)	Responsibility of the Audit Committee	√		
3.1	**Constitution of the Audit Committee:**			
3.1 (i)	At least 3(three) members	√		
3.1 (ii)	Appointment of members of the Audit Committee	√		
3.1 (iii)	Qualification of Audit Committee members	√		
3.1 (iv)	Term of Service of Audit Committee members	√		
3.1 (v)	Secretary of the Audit Committee	√		
3.1 (vi)	Quorum of the Audit Committee meeting	√		
3.2	**Chairman of the Audit Committee:**			
3.2 (i)	Board of Directors shall select the Chairman	√		
3.2 (ii)	Chairman of the audit committee shall remain present in the AGM	√		
3.3	**Role of Audit Committee:**			
3.3 (i)	Oversee the financial reporting process	√		
3.3 (ii)	Monitor choice of accounting policies and principles	√		
3.3 (iii)	Monitor Internal Control Risk management process	√		
3.3 (iv)	Oversee hiring and performance of external auditors	√		
3.3 (v)	Review the annual financial statements before submission to the board for approval	√		
3.3 (vi)	Review the quarterly and half yearly financial statements before submission to the board for approval	√		
3.3 (vii)	Review the adequacy of internal audit function	√		
3.3 (viii)	Review statement of significant related party transactions	√		
3.3 (ix)	Review Management Letters/Letter of Internal Control weakness issued by statutory auditors	√		
3.3 (x)	Disclosure about the uses/applications of funds raised by IPO/RPO/Rights Issue			N/A
3.4	**Reporting of the Audit Committee:**			
3.4.1	Reporting to the Board of Directors:	√		
3.4.1 (i)	Activities of Audit Committee	√		
3.4.1 (ii)a)	Conflicts of interest	√		
3.4.1 (ii)b)	Material defect in the internal control system	√		
3.4.1 (ii)c)	Infringement of laws, rules and regulations	√		
3.4.1 (ii)d)	Any other matter	√		
3.4.2	**Reporting to the Authorities**	√		
3.5	**Reporting to the Shareholders and General Investors**	√		
4	**Engagement of External/Statutory Auditors:**			
4 (i)	Appraisal or valuation services or fairness opinions	√		
4 (ii)	Financial information systems design and implementation	√		
4 (iii)	Book-keeping	√		
4 (iv)	Broker-dealer services	√		
4 (v)	Actuarial services	√		
4 (vi)	Internal audit services	√		
4 (vii)	Services that the Audit Committee determines	√		
4 (viii)	Audit firms shall not hold any share of the company they audit.	√		
4 (ix)	Audit/certification services on compliance of corporate governance	√		
5	**Subsidiary Company:**			
5 (i)	Composition of the Board of Directors	√		
5 (ii)	At least 1 (one) independent director to the subsidiary company	√		
5 (iii)	Submission of Minutes to the holding company	√		
5 (iv)	Review of Minutes by the holding company	√		
5 (v)	Review of Financial Statement by the audit committee of the holding company	√		
6	**Duties of Chief Executive Officer and Chief Financial Officer:**			
6 (i) a)	Reviewed the materially untrue of the financial statement	√		
6 (i) b)	Reviewed about compliance of the accounting standard	√		
6 (ii)	Reviewed about fraudulent, illegal or violation of the company's code of conduct	√		
7	**Reporting and Compliance of Corporate Governance:**			
7 (i)	Obtain certificate about compliance of conditions of Corporate Governance Guidelines	√		
7 (ii)	**Annexure** attached, in the director's report	√		

MAJAR STOCK

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

Malek Siddiqui Wali
CHARTERED ACCOUNTANTS
9-G, Motijheel C/A, 2nd Floor,
Dhaka-1000, Bangladesh.
Extension Office: Property Heights, 1st Floor
12, RK Mission Road, Dhaka – 1000.

PHONE: 9513471, 9569867
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AUDITORS' REPORT

To the shareholders of
Malek Spinning Mills Limited & its Subsidiaries

We have audited the accompanying Consolidated Financial Statements of **Malek Spinning Mills Limited** (the company), which comprises the Consolidated Statement of Financial Position as at June 30, 2017 and the Consolidated Statement of Profit or Loss and Other Comprehensive Income, Consolidated Statement of Changes in Equity and Consolidated Statement of Cash Flows for the year then ended, and a summary of significant accounting policies and other explanatory notes. We have also audited the attached Financial Statements of Malek Spinning Mills Limited, which comprise Statement of Financial Position as at 30th June 2017 and the related Statement of Profit or Loss and Other Comprehensive Income, Statement of Change in Equity, Statement of Cash Flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements:

The Management is responsible for the preparation and fair presentation of these financial statements in accordance with Bangladesh Accounting Standard (BAS)/Bangladesh Financial Reporting Standards (BFRS), the Companies Act 1994 and other applicable laws and regulations and for such internal control as management determines, which is necessary to enable the preparation of financial statements that are free from material misstatement, where due to fraud or error.

Auditor's Responsibility:

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Bangladesh Standards on Auditing (BSA). Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance where the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments the auditor consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluation the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion:

In our opinion, the Financial Statements prepared in accordance with Bangladesh Accounting Standard (BAS)/Bangladesh Financial Reporting Standards (BFRS), give a true and fair view of the state of the company's affairs as of June 30, 2017 and of the results of its operations and its cash flows for the period then ended and comply with the Companies Act 1994 and other applicable laws and regulations.

We also report that:

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

b) In our opinion, proper books of accounts as required by law have been kept by the company so far as it appeared from our examination of those books;

c) The Company's Statement of Financial Position and Statement of Comprehensive Income dealt with by the report are in agreement with the books of accounts;

d) The expenditures incurred and payments made were for the purpose of the company's business.

Dated: Dhaka
October 22, 2017

Malek Siddiqui Wali
Chartered Accountants

MALEK SPINNING MILLS LIMITED
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30TH JUNE 2017

Particulars	Notes	JUNE'17 Taka	JUNE'16 Taka
ASSETS :			
Non-Current Assets :			
Property, Plant and Equipment	4	8,204,449,779	8,240,525,304
Capital Work-in-Progress	5	283,752,635	59,157,000
		8,488,202,414	**8,299,682,304**
Current Assets :			
Inventories	6	3,202,773,360	3,674,958,784
Accounts Receivable	7	2,582,346,695	2,990,668,997
Advances,Deposits and Pre-payments	8	724,090,932	525,525,897
Cash and Cash Equivalents	9	461,094,357	381,744,017
		6,970,305,344	**7,572,897,695**
TOTAL ASSETS :		**15,458,507,758**	**15,872,579,999**
SHAREHOLDER'S EQUITY AND LIABILITIES:			
Equity attributable to owners of the company			
Share Capital	10	1,936,000,000	1,936,000,000
Share Premium	11	1,500,000,000	1,500,000,000
Tax Holiday Reserve	12	210,883,871	210,883,871
Re-valuation Surplus	13	3,753,746,128	3,850,028,366
Retained Earnings	14	1,349,164,984	1,244,067,160
		8,749,794,983	**8,740,979,397**
Non Controlling Interest	15	**56,805,843**	**55,195,572**
Total Equity :		**8,806,600,826**	**8,796,174,969**
Non Current Liabilities:			
Long Term Loan	16	1,317,569,116	1,599,990,186
Deferred Tax Liabilities	17	434,245,743	446,644,257
		1,751,814,859	**2,046,634,443**
Current Liabilities :			
Short Term Loan	18	1,518,318,407	1,110,516,989
Current Portion of Long Term Loan	19	622,882,024	700,317,294
Loan from Director	20	34,000,000	50,000,000
Bank Acceptance Liabilities	21	1,804,968,465	2,321,471,534
Creditors and Accruals	22	919,923,177	847,464,770
		4,900,092,073	**5,029,770,587**
TOTAL SHAREHOLDER'S EQUITY AND LIABILITIES :		**15,458,507,758**	**15,872,579,999**
Net Assets Value Per Share (NAV)		**45.20**	**45.15**

Par Value Tk.10

The annexed notes are integral part of these financial statement.

These financial statements were approved by the Board of Directors on October 22, 2017 and were signed on it's behalf by.

A.F.M. Zubair	**A. Matin Chowdhury**	**B.K. Chaki**	**Syed Saiful Haque**
Chairman	Managing Director	Chief Financial Officer	Company Secretary

As per our report of same date

(Malek Siddiqui Wali)
Chartered Accountants

Dhaka
October 22, 2017

MALEK SPINNING MILLS LIMITED

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30TH JUNE 2017

Particulars	Notes	JUNE'17 Taka	JUNE'16 Taka
Sales	23	9,774,991,342	9,779,925,200
Cost of Goods Sold	24	(8,856,775,340)	(8,800,381,234)
Gross Profit :		**918,216,002**	**979,543,966**
Operating Expenses	25	(258,890,254)	(231,968,317)
Financial Expenses	26	(418,259,340)	(418,834,601)
Operating Profit/(Loss) :		**241,066,409**	**328,741,048**
Other Income/(Loss)	27	29,619,259	52,400,607
Net Operating Profit/(Loss) :		**270,685,667**	**381,141,654**
Provision for Contribution to WPPF	28	(10,523,109)	(18,338,127)
Profit/(Loss) before Tax :		**260,162,558**	**362,803,527**
Provision for Income Tax :		**(56,136,701)**	**(66,764,149)**
Current Tax	29	(68,535,214)	(79,294,676)
Deferred Tax	30	12,398,514	12,530,527
Net Profit/(Loss) after tax		**204,025,858**	**296,039,378**
Other Comprehensive Income		-	-
Total Comprehensive Income		**204,025,858**	**296,039,378**
Profit attributable to:			
Owners of the company		202,415,587	294,246,153
Non-controlling interest	31	1,610,271	1,793,225
		204,025,858	**296,039,378**
Total comprehensive income attributable to:			
Owners of the company		202,415,587	294,246,153
Non-controlling interest	31	1,610,271	1,793,225
		204,025,858	**296,039,378**
Earnings Per Share (EPS) Par Value Tk.10	**32**	**1.05**	**1.52**
Number of Shares used to compute EPS		**193,600,000**	**193,600,000**

The annexed notes are integral part of these financial statement.

These financial statements were approved by the Board of Directors on October 22, 2017 and were signed on it's behalf by.

A.F.M. Zubair	**A. Matin Chowdhury**	**B.K. Chaki**	**Syed Saiful Haque**
Chairman	Managing Director	Chief Financial Officer	Company Secretary

As per our report of same date

(Malek Siddiqui Wali)
Chartered Accountants

Dhaka
October 22, 2017

MALEK SPINNING MILLS LIMITED
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30TH JUNE 2017

Particulars	Share Capital	Share Premium	Revaluation Surplus of Fixed Assets	Tax holiday Reserve	Retained Earnings	Non Controlling Interest	Total
Balance as at 1st July 2016	1,936,000,000	1,500,000,000	3,850,028,366	210,883,871	1,244,067,160	55,195,572	8,796,174,969
Total Comprehensive Income					202,415,587	1,610,271	204,025,858
Transfer of excess depreciation of Revalued Assets			(96,282,238)		96,282,238		-
Cash Dividend for 2015-2016					(193,600,000)		(193,600,000)
As at 30th June 2017	**1,936,000,000**	**1,500,000,000**	**3,753,746,128**	**210,883,871**	**1,349,164,984**	**56,805,843**	**8,806,600,826**

FOR THE YEAR ENDED 30TH JUNE 2016

Particulars	Share Capital	Share Premium	Revaluation Surplus of Fixed Assets	Tax holiday Reserve	Retained Earnings	Non Controlling Interest	Total
Balance as at 1st July 2015	1,936,000,000	1,500,000,000	3,955,129,899	210,883,871	1,077,039,474	53,402,347	8,732,455,591
Total Comprehensive Income					294,246,153	1,793,225	296,039,378
Transfer of excess depreciation of Revalued Assets			(105,101,533)		105,101,533		-
Cash Dividend for 2014-2015					(232,320,000)		(232,320,000)
As at 30th June 2016	**1,936,000,000**	**1,500,000,000**	**3,850,028,366**	**210,883,871**	**1,244,067,160**	**55,195,572**	**8,796,174,969**

The annexed notes are integral part of these financial statement.

These financial statements were approved by the Board of Directors on October 22, 2017 and were signed on it's behalf by.

A.F.M. Zubair
Chairman

A. Matin Chowdhury
Managing Director

B.K. Chaki
Chief Financial Officer

Syed Saiful Haque
Company Secretary

As per our report of same date

(Malek Siddiqui Wali)
Chartered Accountants

Dhaka
October 22, 2017

MALEK SPINNING MILLS LIMITED
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30TH JUNE 2017

Particulars	JUNE'17 Taka	JUNE'16 Taka
CASH FLOW FROM OPERATING ACTIVITIES :		
Collection from Turnover & Bills Receivable	10,182,803,541	9,650,545,035
Other Income received	48,118,098	52,460,574
Payment for Raw Materials, Indirect Materials and other expenses	(8,694,430,883)	(8,678,161,383)
Payment for Operating Expenses	(245,562,447)	(219,111,277)
Payment for Financial Expenses	(418,259,340)	(418,834,601)
Payment for Income Tax	(95,245,480)	(61,809,853)
Net Cash provided/(used) by Operating Activities	**777,423,490**	**325,088,496**
CASH FLOW FROM INVESTING ACTIVITIES :		
Acquisition of Fixed Assets	(330,063,929)	(392,270,158)
Acquisition of Capital work in progress	(222,474,247)	-
Disposal of Fixed Assets	14,339,325	35,000
Net cash provided/(used) in Investing Activities	**(538,198,851)**	**(392,235,158)**
CASH FLOW FROM FINANCING ACTIVITIES :		
Bank Loan Increase/(Decrease)	47,945,077	147,343,665
Loan from Directors	(16,000,000)	-
Refundable IPO Share Money paid	(25,001)	(32,500)
Dividend Paid	(191,794,374)	(230,033,602)
Net cash provided/(used) in Financing Activities	**(159,874,299)**	**(82,722,437)**
Increase/(Decrease) in Cash and Cash Equivalents	**79,350,340**	**(149,869,100)**
Opening Cash & Cash Equivalents	381,744,017	531,613,116
Closing Cash and Cash Equivalents	**461,094,357**	**381,744,017**
Net Operating Cash Flow Per Share (NOCFPS)	**4.02**	**1.68**

Par Value Tk.10

The annexed notes are integral part of these financial statement.

These financial statements were approved by the Board of Directors on October 22, 2017 and were signed on it's behalf by.

A.F.M. Zubair
Chairman

A. Matin Chowdhury
Managing Director

B.K. Chaki
Chief Financial Officer

Syed Saiful Haque
Company Secretary

As per our report of same date

(Malek Siddiqui Wali)
Chartered Accountants

Dhaka
October 22, 2017

MALEK SPINNING MILLS LIMITED

NOTES OF CONSOLIDATED FINANCIAL STATEMENT

FOR THE YEAR ENDED 30TH JUNE 2017

1. COMPANY AND ITS ACTIVITIES:

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

2. NATURE OF BUSINESS:

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

3. SIGNIFICANT ACCOUNTING POLICIES:

3.1 Basis of Accounting:

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

3.2 Principal Accounting Policies:

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

3.3 Basis of Consolidation:

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

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

All intra group transaction, balances, income and expenses are eliminated in full on consolidation. Minority interests in the net assets of consolidated subsidiaries are identified separately from the group equity therein.

These consolidate financial statements have been prepared in consolidation with the audited accounts of the company and the audited accounts of **Salek Textile Limited, Newasia Synthetics Limited and J.M. Fabrics Limited** for the period ended June 30, 2017, according to the relevant IFRS or IAS.

3.4 Percentage of Holding on Subsidiary Company:

Name of Company	Total No. Shares	Total Holding	Percentage of Holding
Salek Textile Ltd.	48,260,870	47,259,700	97.925%
Newasia Synthetics Ltd.	5,000,000	4,964,650	99.293%
J.M. Fabrics Ltd.	4,000,000	3,999,900	99.998%

3.5 Application of Bangladesh Accounting Standards (BAS):

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

BAS – 1	Presentation of Financial Statement
BAS – 2	Inventories
BAS – 7	Statement of Cash Flows
BAS – 8	Accounting Policies, Changes in Accounting Estimates and Errors
BAS – 10	Events after the Balance Sheet Date
BAS – 12	Income Tax
BAS – 16	Property, Plant & Equipment
BAS – 17	Leases
BAS – 18	Revenue
BAS – 20	Accounting for Government Grants and Disclosure of Government Assistance
BAS – 21	The effect of changes in Foreign Exchange rate

BAS – 23 Borrowing Cost
BAS – 24 Related Party Disclosure
BAS – 27 Consolidated Financial Statements and Accounting for Investment in Subsidiary
BAS – 33 Earnings per share
BAS – 37 Provisions, Contingent Liabilities and Contingent Assets
BAS – 38 Intangible Assets

3.6 Recognition of Property, Plant & Equipment and Depreciation:

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

The annual depreciation rates applicable to the principal categories are:

Building	5%
Plant & Machinery	7.5% - 10%
Generator	10% - 20%
Furniture & Fixture	10% - 20%
Motor Vehicles	10% - 20%
Office Equipments	15% - 20%
Electrical Installation	10% - 15%
Gas Line Installation	15%
Fire Installation	15%
Loose Tools	10% - 15%

3.7 Inventories:

Inventories comprise of Raw Materials, Raw Materials in Transit, Work-In-Process, Finished Goods and Stores and Spare Parts. They are stated at the lower of cost or net realizable value in accordance with the Para of 21 & 25 of BAS-2 "Inventories" after making due allowance for any obsolete or slow moving item.

3.8 Accounts Receivable:

Accounts Receivable represents the amounts due from export sales both to local and foreign buyers. All transaction related to export sales is performed through letter of credit, they are secured and collectible.

3.9 Cash and Cash Equivalents:

According to BAS-7 'Cash flow Statements' cash comprises of cash-in-hand and demand deposits. BAS-1 'Presentation of Financial Statements' provides that cash and cash equivalents are not restricted in use. Considering the provisions of BAS-7 and BAS-1, Cash in hand and Bank balances have been considered as cash and cash equivalents

3.10 Creditors and Accruals:

Liabilities are recognized for amounts to be paid in the future for goods and services received, whether or not billed by the supplier.

3.11 Income Tax:

a) Current Tax: The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported is the statement of Profit or Loss and other Comprehensive income because it excludes items of income or expenses that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted on date of Statement of Financial Position.

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

3.12 Statement of Cash Flows:

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

3.13 Risk and Uncertainties for use of Estimates in Preparation of Financial Statements:

The preparation of financial statements in conformity with the international accounting standards requires management to make estimates and assumption that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of affecting financial statements and revenues and expenses during the reported year. Actual results could differ from those estimates. Estimates are used for accounting of certain items such as long-term contracts; depreciation and employees benefit plans, taxes, reserves and contingencies.

3.14 Compliance with Local Laws:

The financial statements have been prepared in compliance with requirements of the Companies Act 1994, Securities and Exchange Rules 1987 and other relevant local laws and rules.

3.15 Compliance with Bangladesh Accounting Standards:

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

3.16 Contingent Liabilities and Assets:

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

3.17 Transaction with Related Parties:

In the period under review the company has transactions with related party in the normal course of business.

3.18 Reporting Year:

Financial statements of the company cover from 1st July 2016 to 30th June 2017

3.19 Reporting Currency and Level of Precision:

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

3.20 Comparative Information:

Comparative information have been disclosed in respect of year June 2016 for all numerical information in the financial statements and also the narrative and descriptive information when it is relevant for understanding of the current years financial statements. Figures of the year 2016 have been rearranged whenever considered necessary to ensure comparability with the current year.

3.21 Foreign Currency Transaction:

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

3.22 Revenue Recognition:

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

3.23 Accounting for Government Grants and Disclosure of Government Assistance:

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

3.24 Responsibility for Preparation and Presentation of Financial Statements:

The Board of Directors is responsible for the preparation and presentation of Financial Statements under Section 183 of the Companies Act 1994 and as per the provision of 'The Framework for the Preparation and Presentation of Financial Statements' issued by the International Accounting Standards Board (IASB).

3.25 Components of the Financial Statements:

According to the Bangladesh Accounting Standard BAS-1 'Presentation of Financial Statements' the complete set of Financial Statements includes the following components:

(i) Statement of Financial Position as at 30th June 2017.
(ii) Statement of Profit or Loss and other Comprehensive Income for the period from 1st July 2016 to 30th June 2017.
(iii) Statement of Cash flows for the period from 1st July 2016 to 30th June 2017.
(iv) Statement of changes in Equity for the period from 1st July 2016 to 30th June 2017.
(v) Accounting Policies and Explanatory Notes.

3.26 Earnings per Share:

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

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

3.27 Share Premium:

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

3.28 Lease Assets:

In Compliance with the BAS-17, Leases, cost of assets acquired under finance lease along with related obligation has been accounted for as assets and liabilities respectively of the company.

3.29 Impairment of Assets:

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

3.30 Credit Facility Not Availed:

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

3.31 Segment Reporting:

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

3.32 General Comments & Observations:

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

3.33 Attendance Status of Board Meeting of Directors:

During the year 2016-2017 six Board Meetings were held. The attendance status of all the meetings is as follows:

Name of Directors	Position	Meeting Held	Attended
Mr. A.F.M Zubair	Chairman	6	6
Mr. A. Matin Chowdhury	Managing Director	6	5
Dr. Shamim Matin Chowdhury	Director	6	5
Mr. Azizur Rahim Chowdhury	Director	6	5
Ms. Saima Matin Chowdhury	Director	6	3
Mr. Moshiur Rahman	Director	6	6
Mr. M. Sekander Ali	Independent Director	6	5
Md. Qamrul Huda	Independent Director	6	6

3.34 Disclosure as per requirement of Schedule XI, Part II of Company Act 1994

Employee Position for Malek Spinning Mills Ltd. (as per 30th June 2017)

Salary Range	Officer & Staff		Worker	Total Employee
	Head Office	Factory		
Below 3,000	-	-	-	-
Above 3,000	64	129	1191	1384
Total	**64**	**129**	**1191**	**1384**

Employee Position for Salek Textile Ltd. (as per 30th June 2017)

Salary Range	Officer & Staff		Worker	Total Employee
	Head Office	Factory		
Below 3,000	-	-	-	-
Above 3,000	42	605	2549	3196
Total	**42**	**605**	**2549**	**3196**

Employee Position for J.M. Fabrics Limited (as per 30th June 2017)

Salary Range	Officer & Staff		Worker	Total Employee
	Head Office	Factory		
Below 3,000	-	-	-	-
Above 3,000	56	299	4266	4621
Total	**56**	**299**	**4266**	**4621**

Disclosure as per requirement of schedule XI, part II, Para 4

Payment to Directors (From 1ST July 2016 to 30th June 2017) Tk. 7,110,000

Name of Directors	Remuneration
Mr. A.F.M Zubair	4,890,000
Mr. A. Matin Chowdhury	1,800,000
Mr. Azizur Rahim Chowdhury	420,000

Disclosure as per requirement of schedule XI, part II, Para 7

Detail of Production Capacity Utilization of Malek Spinning Mills Limited

Particulars	Installed Capacity	Actual Production 2016-2017	Capacity Utilization 2016-2017
Annual Production Capacity of Yarn in KG.	12,600,000	10,777,354	85.53%

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

Value of Raw Cotton, Spare Parts, Packing Materials and Capital Machinery (BDT) of Malek Spinning Mills Limited

Particulars	Local Purchase	Import	Total Purchase	Consumed
Raw Cotton	-	1,607,117,857	1,607,117,857	163,995,6761
Spare Parts	-	27,501,960	27,501,960	9,608,036
Packing Materials	25,511,956	-	25,511,956	25,511,956
Capital goods	-	-	-	-

3.35 Events after the reporting period:

The board of directors of the company has approved the financial statements as on 22nd October and recommended 10% Cash dividend for the financial year ended June 2017. Except the fact stated above, no circumstances have arisen that to be disclosed as note or adjusted in the financial statements.

3.36 Financial Risk Management:

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

Credit Risk:

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

Liquidity Risk:

Liquidity risk is the risk that the company unable to meet its financial obligations as the fall due. The Company's approach to managing liquidity is to ensure, as far as possible' that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the company's reputation. In general, management ensures that it has sufficient cash and cash equivalent to meet expected operation expenses, including the servicing of financial obligation through preparation of cash forecast, prepared based on timeline of payment of the financial obligation and accordingly arranged for sufficient liquidity/fund to make the expected payment within due date. Moreover, the company seeks to maintain short term lines of credit with scheduled commercial banks to ensure payments of obligations in the events that there is sufficient cash to make the required payment.

The requirement is determined in advance through cash flows projections and credit lines facilities with banks are negotiated accordingly. Seeks to maintain a balance between the higher returns that might be possible with the higher levels of borrowings and the advantages and security afforded by a sound capital position. The board also monitors dividend trend to ordinary shareholders.

Market Risk:

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

Amount in Taka

		JUNE'17	JUNE'16
4. CONSOLIDATED PROPERTY, PLANT AND EQUIPMENT:	**8,204,449,779**		
COST:			
Opening Balance		7,321,324,372	7,012,691,885
Addition during the year		386,754,029	308,749,488
		7,708,078,401	**7,321,441,372**
Sales/Adjustment during the year		42,167,234	117,000
Closing Balance		**7,665,911,167**	**7,321,324,372**
Accumulated Depreciation:			
Opening Balance		3,165,335,797	2,867,037,079
Adjustments during the year		10,598,879	22,033
Depreciation during the year		294,978,961	298,320,751
Closing Balance		**3,449,715,879**	**3,165,335,797**
Written Down Value at cost:		**4,216,195,288**	**4,155,988,575**
REVALUATION:			
Opening Balance		4,814,879,388	4,814,879,388
Addition of Revaluated Assets		-	-
Total Revaluated Assets:		**4,814,879,388**	**4,814,879,388**
Accumulated Depreciation:			
Opening Balance		730,342,659	625,241,126
Depreciation during the year		96,282,238	105,101,533
Closing Balance		**826,624,897**	**730,342,659**
Written Down Value of Revaluated Assets:		**3,988,254,491**	**4,084,536,729**
Total Written Down Value:		**8,204,449,779**	**8,240,525,304**
Allocation of depreciation charges for the year has been made in the accounts as follows:			
Factory Overhead		377,933,392	390,565,244
Administrative Overhead		13,327,807	12,857,040
		391,261,199	**403,422,284**
Details of Fixed Assets and Depreciation are shown in the **Annexure-1**			
5. CONSOLIDATED CAPITAL WORK-IN-PROGRESS:		**283,752,635**	**59,157,000**
6. CONSOLIDATED INVENTORIES :	**3,202,773,360**		
Raw Materials		1,440,730,541	1,395,971,811
Stock-in-Transit		-	149,656,891
Work-in-Process		405,392,587	538,395,065
Finished Goods		1,151,929,806	1,425,413,013
Stores and Accessories		204,720,426	165,522,005
		3,202,773,360	**3,674,958,784**
7. CONSOLIDATED ACCOUNTS RECEIVABLE :	**2,582,346,695**		
i) Malek Spinning Mills Limited		1,108,519,253	1,150,551,231
ii) Salek Textile Limited		1,192,302,053	1,570,423,304
iii) J.M. Fabrics Limited		637,028,058	619,599,965
		2,937,849,364	**3,340,574,500**
Less: Inter Company Receivable		355,502,669	349,905,503
Total:		**2,582,346,695**	**2,990,668,997**
8. CONSOLIDATED ADVANCE, DEPOSIT & PRE-PAYMENTS:	**724,090,932**		
Advance against construction materials, Suppliers & Others		338,603,012	222,192,860
Security Deposit on REB		178,875	178,875
Security Deposit on Titas Gas T&D Co.		30,211,852	29,844,237
Advance against Income Tax (Note: 8-A)		285,703,974	208,553,427
Security Deposit to CDBL		500,000	500,000
Advance to Hoque Trade International		5,104,820	5,104,820
Advance to M/S Barkat Enterprise		-	5,650,977
Advance to M/S Hira Enterprise		1,900,000	-
Advance to M/S Maznu Traders(For Land purchase)		73,073	73,073
Advance against Office Rent		750,000	750,000

Security Deposit against LC margin/ Bank Guarantee		420,285	420,285
Advance to M/S MR Traders (Land purchase-Ashugonj)		60,645,040	31,874,735
Advance to M/S Habib Enterprise		-	18,260,082
Advance to Mr. Abdus Salam(Land)		-	2,122,524
Total:		**724,090,932**	**525,525,897**
8-A. CONSOLIDATED ADVANCE INCOME TAX:	**285,703,974**		
Opening Balance		208,553,427	156,167,244
Payment/Adjustment for prior year Income		18,094,933	9,423,670
Last year Balance after adjustment-		**190,458,494**	**146,743,574**
Advance Income Tax paid (Against Export Proceeds)		70,598,703	59,618,155
Advance Income Tax paid (Against Import of Spare Parts)		44,275	-
Advance Income Tax paid (Against Interest Income)		151,667	211,613
Advance Income Tax paid (Against Cash Incentive)		1,395,747	1,532,585
Advance Income Tax paid (Against Yearly Income)		22,613,587	-
Advance Income Tax paid (Against Vehicle Fitness)		441,500	447,500
Total AIT paid for the year:		**95,245,480**	**61,809,853**
Total:		**285,703,974**	**208,553,427**
9. CONSOLIDATED CASH AND CASH EQUIVALENTS:	**461,094,357**		
Cash in Hand:		**1,080,977**	**3,794,424**
Cash at Banks :			
AB Bank Ltd. STD A/C: 4005-767482-430 (MSML)		237,742	236,379
Brac Bank STD A/C: 150510 (Deposit with IPO) MSML		43,196	42,975
Brac Bank A/C: 150120 (MSML)		7,422,325	7,239,346
The City Bank Ltd.-CD A/c(JM)		3,944,871	3,328,841
The City Bank Ltd.-FBPAR A/c(JM)		115,826,725	67,705,350
The City Bank Ltd.-ERQ A/C(JM)		5,353,530	778,226
Dhaka Bank Ltd A/C: 207.100.6276 (STL)		20,984,807	1,722,335
Dhaka Bank USD Margin A/C:0032 (STL)		3,741,315	203,085
Dhaka Bank Ltd A/C: 207.100.6643 (NSL)		1,254,481	278,483
Dhaka Bank Ltd. STD A/C: 207-150000000806(MSML)		19,219,939	16,699,066
Dhaka Bank Ltd.- Margin Account: (MSML)		6,701,691	12,370,521
Eastern Bank CD A/C: 5745 (NSL)		90,256	69,382
Eastern Bank CD A/C: 101-2050000180 (MSML)		2,241,508	-
Eastern Bank Ltd.- Margin Account: USD (MSML)		3,007,848	19,056,632
Eastern Bank Margin A/C:0311738 (STL)		33,895,658	41,579,960
Eastern Bank CD A/C: 01011060020990 (STL)		802	213,273
Eastern Bank Ltd. CD A/C: 0101-2040000780-STL		-	8,521,586
Eastern Bank Ltd. ERQ A/C:1043100255781(STL)		2,714,164	2,809,730
Eastern Bank FC A/C: (Deposit-NRB IPO) MSML		1,219,388	1,233,351
Eastern Bank STD A/C: BDT (Deposit IPO) MSML		6,483,298	8,166,467
HSBC Bank CD A/C: (NASL)		-	3,703,046
HSBC Bank CD A/C: 001-241389-011 (STL)		-	6,142,774
HSBC Bank USD Margin A/C: 091 (STL)		73,061,756	13,083,656
HSBC Bank USD Margin A/C: 047 (STL)		6,483,263	3,319,248
HSBC Bank-Margin A/C:091 USD (MSML)		20,889,931	41,677,744
Islami Bank-CD A/C: 010049410(STL)		29,126	2,303
Islami Bank-CD A/C: 0100222810(STL)		84,536	88,726
Islami Bank-FDR A/C: 228312(STL)		11,964,648	11,365,222
Islami Bank-FDR A/C: 3301(STL)		1,314,632	1,246,438
One Bank- Margin Account : USD (MSML)		10,264,338	712,313
Pubali Bank-CD A/C: 3311-901-12209 (STL)		1,445,025	2,416,778
Shahjalal Islami Bank A/C: 11100000252 8 (MSML)		12,548	13,698
Trust Bank CD A/C: 0003-0210006613 (MSML)		433,804	437,088
Trust Bank Ltd A/C: 0003-0210009816 (STL)		403,782	847,786
Trust Bank Ltd - Margin A/C: 5025000082(MSML)		7,297,467	42,342
Trust Bank Ltd - Margin A/C: 5025000028(STL)		1,631,669	370,651
Trust Bank Ltd.- CD A/C: (NSL)		537,508	540,233
Eastern Bank Limited FC- Margin-JM		46,530,227	50,141,406
Eastern Bank Ltd. CD A/C: 64055 (JM)		113,965	316
Eastern Bank Ltd. CD A/C: 44855 (JM)		-	15,453,318

Eastern Bank Ltd. ERQ A/C (JM)		1,761,410	703,126
HSBC Ltd. CD A/C(JM)		-	38,280
HSBC Ltd.Margin A/C(JM)		-	18,988
UCBL- FC Margin(JM)		38,815,092	32,986,547
UCBL- ERQ A/C, Banani Branch(JM)		2,555,110	342,577
		460,013,380	**377,949,593**
Total:		**461,094,357**	**381,744,017**
10. CONSOLIDATED SHARE CAPITAL:		**1,936,000,000**	**1,936,000,000**
It represents 19,36,00,000 ordinary shares of Tk.10 each.			
11. CONSOLIDATED SHARE PREMIUM:		**1,500,000,000**	**1,500,000,000**
It represents premium of 100,000,000 ordinary shares of Tk.15 each.			
12. CONSOLIDATED TAX HOLIDAY RESERVE:	**210,883,871**		
Opening Balance		210,883,871	210,883,871
Closing Balance		210,883,871	210,883,871
13. CONSOLIDATED RE-VALUATION SURPLUS:	**3,753,746,128**		
Opening Balance		3,850,028,366	3,955,129,899
Add: Addition of Revaluated Assets		-	-
Less: Transfer to Retained Earnings of excess depreciation		96,282,238	105,101,533
Net Written Down Value:		**3,753,746,128**	**3,850,028,366**
Detail of Re-valuation Surplus of Fixed Assets is given in the annexed **Annexure-1**			
14. CONSOLIDATED RETAINED EARNINGS:	**1,349,164,984**		
Opening Balance		1,244,067,160	1,077,039,474
Add: Net Profit/(Loss) during the year		202,415,587	294,246,153
		1,446,482,746	**1,371,285,627**
Add: Transfer of excess depreciation of revaluated assets		96,282,238	105,101,533
Less: Declared Cash Dividend		193,600,000	232,320,000
Total:		**1,349,164,984**	**1,244,067,160**
15. NON CONTROLLING INTEREST:	**56,805,843**		
Non Controlling Interest details as follows:			
Paid-up Capital-			
(i) Salek Textile Ltd.	2.0745%	10,011,700	10,011,700
(ii) Newasia Synthetics Ltd.	0.7070%	3,535,000	3,535,000
(iii) J.M Fabrics Ltd.	0.0025%	10,000	10,000
Total:	**-**	**13,556,700**	**13,556,700**
Retained Earnings-			
(i) Salek Textile Ltd.	2.0745%	21,663,376	19,257,588
(ii) Newasia Synthetics Ltd.	0.7070%	(113,503)	(95,896)
(iii) J.M Fabrics Ltd.	0.0025%	7,432	7,112
Total:		**21,557,306**	**19,168,804**
Tax Holiday reserve-			
(i) Salek Textile Ltd.	2.0745%	4,470,368	4,470,368
Total:	**-**	**4,470,368**	**4,470,368**
Revaluation Surplus-			
(i) Salek Textile Ltd.	2.0745%	7,732,244	8,510,413
(ii) Newasia Synthetics Ltd.	0.7070%	9,485,468	9,485,468
(iii) J.M Fabrics Ltd.	0.0025%	3,757	3,819
Total:		**17,221,469**	**17,999,700**
Total Non Controlling Interest:		**56,805,843**	**55,195,572**
This represents non controlling interest of Salek Textile Limited, Newasia Synthetics Limited, J.M. Fabrics Limited			
16. CONSOLIDATED LONG TERM LOAN:	**1,317,569,116**		
Eastern Bank Limited		585,930,790	819,703,489
Dhaka Bank Limited		52,444,222	224,274,600
Trust Bank Limited		352,436,917	16,510,083
HSBC Limited		395,914,107	542,832,036
One Bank Limited		8,851,111	-
The City Bank Ltd.		342,620,326	439,542,522
United Commercial Bank Ltd.		202,253,668	257,444,751
		1,940,451,140	**2,300,307,481**

Less: Current Portion of Long Term Loan Note: 19		622,882,024	700,317,294
Total Long Term Loan:		**1,317,569,116**	**1,599,990,186**
17. DEFERRED TAX LIABILITIES:	**434,245,743**		
Opening Balance		446,644,257	459,174,784
Add: Provision for the year		(12,398,514)	(12,530,527)
Total:	**-**	**434,245,743**	**446,644,257**
18. CONSOLIDATED SHORT TERM LOAN:	**1,518,318,407**		
Import Loan & Working Capital:			
Eastern Bank Ltd.		547,845,868	282,332,569
HSBC Ltd.		100,000,000	165,000,000
The City Bank Ltd.		394,019,602	226,679,212
United Commercial Bank Ltd.		402,794,067	346,824,301
Sub-total:		**1,444,659,537**	**1,020,836,082**
Bank Overdraft:			
Eastern Bank Ltd A/C: 01012050000180 & 11 (MSML)		-	33,543,972
Eastern Bank Ltd A/C: 01012040000780 (STL)		28,826,023	-
Dhaka Bank Ltd A/C: 207.175.23 (MSML)		10,745,348	19,246,703
One Bank Ltd A/C: 16426 008 (MSML)		513,202	8,460,652
HSBC OD A/C : 001-007475-011(MSML)		493,337	28,429,581
HSBC A/C: 001-241389-011 (STL)		33,080,960	-
Sub-total:		**73,658,870**	**89,680,907**
Total:		**1,518,318,407**	**1,110,516,989**
19. CONSOLIDATED CURRENT PORTION OF LONG TERM LOAN :			
Eastern Bank Ltd.		250,991,911	254,090,834
Dhaka Bank Ltd.		52,444,222	114,999,590
HSBC Ltd.		152,523,456	90,702,493
One Bank Ltd.		800,000	-
Trust Bank Ltd.		-	3,300,000
The City Bank Ltd.		119,313,100	118,061,251
United Commercial Bank Ltd.		46,809,335	119,163,126
Total:		**622,882,024**	**700,317,294**

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

20. LOAN FROM DIRECTOR:		**34,000,000**	**50,000,000**
21. CONSOLIDATED BANK ACCEPTANCE LIABILITIES:	**1,804,968,465**		
Raw Materials:			
Eastern Bank Limited		893,130,585	1,233,639,853
HSBC Ltd.		555,320,475	820,009,871
The City Bank Ltd.		5,095,809	3,966,407
One Bank Ltd.		66,220,295	30,795,059
Trust Bank Ltd		5,134,502	-
United Commercial Bank Ltd.		59,394,645	16,428,440
Dhaka Bank Limited		152,481,983	207,253,220
Sub-total:		**1,736,778,293**	**2,312,092,850**
Machinery:			
Trust Bank Ltd		6,911,784	-
Eastern Bank Ltd.		-	9,378,685
Sub-total:	**-**	**6,911,784**	**9,378,685**
Capital Work-in-progress		**61,278,388**	**-**
Total:		**1,804,968,465**	**2,321,471,534**
22. CONSOLIDATED CREDITORS & ACCRUALS:	**919,923,177**		
Gas Bill Payable		24,506,052	25,208,043
Electricity Bill Payable		326,626	-
Telephone & Mobile Bill Payable		170,000	-
Audit Fee Payable		377,200	290,950
Tax Deduction at Source		8,985,923	6,464,897
Vat Deduction at Source		3,851,728	3,457,802
Income Tax Payable (Note: 22-A)		305,820,615	255,380,333

Salary & Wages Payable		71,925,280	2,529,873
Contribution to WPPF Payable		193,401,196	182,878,087
Director's Remuneration Payable		834,650	-
Payable for Goods Suppliers & Others		365,816,555	430,654,571
Payable for Waste Cotton Purchase		251,886,715	244,763,035
Dividend Payable		34,632,573	32,826,948
Refundable IPO Share money		12,890,734	12,915,735
		1,275,425,846	**1,197,370,273**
Less: Inter Company Payable		355,502,669	349,905,503
Total:		**919,923,177**	**847,464,770**
22-A. CONSOLIDATED TAX PAYABLE:			
Opening Balance		255,380,333	185,509,326
Provision for the year (Current Tax): (Note: 29)		68,535,214	79,294,676
		323,915,547	**264,804,002**
Payment/Adjustment for prior year balance:		18,094,933	9,423,670
Total Payment/Adjustment for last year Income:		**18,094,933**	**9,423,670**
Total Payable-		**305,820,615**	**255,380,333**
23. CONSOLIDATED SALES:	**9,774,991,342**		
Export Sales		9,948,689,629	9,878,062,844
Less: Inter Co. Sales		173,698,287	98,137,644
Total:		**9,774,991,342**	**9,779,925,200**
24. CONSOLIDATED COST OF GOODS SOLD:	**8,856,775,340**		
Raw Material Consumed (Note: 24-A)		6,010,338,385	6,698,351,145
Direct Expenses (Note: 24-B)		1,222,332,010	1,058,157,524
Factory Overhead (Note: 24-C)		1,391,317,547	1,429,694,922
Total Manufacturing Cost		**8,623,987,942**	**9,186,203,591**
Add: Work-in-Process- Opening		538,395,065	449,819,295
Cost of Goods available for use		**9,162,383,007**	**9,636,022,886**
Less: Work-in-Process- Closing		405,392,587	538,395,065
Cost of Production		**8,756,990,420**	**9,097,627,821**
Add: Finished Goods- Opening		1,425,413,013	1,226,304,070
Cost of Goods Available for Sales		**10,182,403,433**	**10,323,931,891**
Less: Finished Goods- Closing		1,151,929,806	1,425,413,013
Less: Finished Goods Closing- Inter Company		173,698,287	98,137,644
Cost of Goods Sold:		**8,856,775,340**	**8,800,381,234**
24-A. CONSOLIDATED RAW MATERIALS CONSUMED:	**6,010,338,385**		
Opening Inventory of Raw Materials		1,395,971,811	1,347,535,686
Add: Purchase of Raw Materials		6,055,097,115	6,746,787,270
Less: Closing Stock of Raw Materials		1,440,730,541	1,395,971,811
Total Raw Materials Consumption:		**6,010,338,385**	**6,698,351,145**
24-B. CONSOLIDATED DIRECT EXPENSE:	**1,222,332,010**		
Direct Wages/Labour		1,222,332,010	1,058,157,524
Overtime Wages		-	-
Total		**1,222,332,010**	**1,058,157,524**
24-C. CONSOLIDATED FACTORY OVERHEAD:	**1,391,317,547**		
Factory Salary and Allowances		219,350,735	170,653,909
Overtime Wages for Worker		53,595,026	50,623,806
Festival Bonus		3,329,886	6,759,864
Electricity Charges		17,264,372	7,969,704
Gas Charges		287,189,552	241,542,058
Gardening Expenses		45,515	92,472
Repairs & Maintenance		88,936,108	75,081,623
Air Freight/Courier charges		6,141,632	8,375,532
Packing Materials		55,400,416	71,834,128
Fuel, Oil & Lubricant		85,359,758	35,254,491
Insurance Premium- Fire		10,856,044	11,237,187
Insurance Premium- (Group)		62,350	55,040
Stores & Accessories consump. (Note: 24-C-i)		46,064,442	111,202,176
Entertainment		17,881,025	15,794,843
Telephone, Mobile & Fax		2,621,690	2,158,464

Stationery expenses		6,187,081	3,980,693
Printing Charges		945,903	2,055,761
Other Carrying Charges		8,305,109	10,927,530
Factory Office Expenses others		234,291	347,419
Dyeing, Printing, Washing, Embroidary, Finishing Exp.		-	110,274,592
C&F and others expenses		17,517,530	10,395,013
Lab test & Inspection charges		26,086,168	44,789,777
Security Service charges		6,570,080	5,058,907
Factory Rent		17,160,000	15,990,000
Vehicles Maintenance		14,316,441	12,868,580
Medical Expenses		809,885	761,982
Uniform & Leverage		14,750	140,233
Central Fund expenses for RMG sector		1,609,690	-
Miscellaneous		8,062,509	3,652,681
Conveyances		9,291,761	5,302,895
House Rent for Worker Shed		2,174,407	3,948,319
Depreciation		377,933,392	390,565,244
Total:		**1,391,317,547**	**1,429,694,922**
24(C)-i. CONSOLIDATED CONSUMPTION OF STORES AND ACCESSORIES:			
Opening Stock of Stores and Accessories		165,522,005	175,240,567
Add: Purchase during the year		85,262,863	101,483,613
Less: Closing Stock of Stores and Accessories		204,720,426	165,522,005
Total Stores and Accessories Consumed		**46,064,442**	**111,202,176**
25. CONSOLIDATED OPERATING EXPENSES:	**258,890,254**		
Salaries & Allowances		110,677,929	69,357,521
Festival Bonus		19,089,208	13,780,649
Director's Remuneration		11,610,000	9,247,500
Fees, Forms & Others		11,132,186	9,891,852
Audit Fees		377,200	290,950
Legal Fees		57,625	152,950
Printing & Stationery		1,866,178	1,997,736
Telephone,Mobile & Internet Expenses		2,681,860	2,451,162
Postage & Stamp		532,800	491,693
Vehicle Maintenance		8,650,782	7,835,832
Miscellaneous Expenses		8,391,986	9,280,476
Business Development expenses		2,758,015	49,163,922
Office Rent		12,347,081	2,195,899
Rates & Taxes		1,123,971	2,710,045
Carriage Outward, Selling & Distribution, C&F, Sample charges		25,633,747	25,316,096
Travelling & Conveyance		3,480,146	3,499,558
Entertainments		1,994,110	1,464,573
Office Expenses		125,592	107,250
Fuel & Oil for Head Office		26,600	53,800
Advertisement/ Publicity Expenses		1,381,161	685,138
AGM Expenses		1,841,828	1,779,026
Marketing Expenses		4,676,762	4,539,065
Security Charges		550,425	470,606
Uniform & Leverage Security		19,125	30,639
Repairs & Maintenance		10,303,341	2,139,089
Donation & Subscription		100,000	-
Software Maintenance Expenditure		4,000,539	46,000
Credit Rating Charges		132,250	132,250
Depreciation		13,327,807	12,857,040
Total:		**258,890,254**	**231,968,317**
26. CONSOLIDATED FINANCIAL EXPENSES :	**418,259,340**		
EASTERN BANK LTD.:			
Interest on Long Term Loan		75,828,368	99,764,610
Interest on Short Term Loan		38,654,632	16,119,178
Interest on Overdraft		3,205,391	2,997,874
Bank Charges & Commission		16,567,734	30,842,259
Export L/C Negotiation Commission		13,677,674	11,786,865
Interest on Bill Discount		16,680,992	15,157,586
Total:		**164,614,791**	**176,668,371**

HSBC LTD.:		
Interest on Long Term Loan	41,876,890	72,446,560
Interest on Short Term Loan	13,989,433	-
Interest on Overdraft	3,494,495	2,604,045
Bank Charges & Commission	10,004,438	18,096,396
Export L/C Negotiation Commission	21,311,364	858,259
Interest on Bill Discount	2,165,261	4,939,625
Total:	**92,841,882**	**98,944,884**
DHAKA BANK LTD. :		
Interest on Long Term Loan	14,154,711	36,884,033
Interest on Short Term Loan	8,467,091	-
Interest on Overdraft	1,651,979	342,081
Bank Charges & Commission	3,040,057	1,674,426
Export L/C Negotiation Commission	1,080,475	4,226,612
Interest on Bill Discount	15,880,865	7,721,771
Total:	**44,275,178**	**50,848,922**
ONE BANK LTD. :		
Interest on Long Term Loan	204,120	-
Interest on Overdraft	715,414	503,694
Bank Charges & Commission	1,790,483	25,375
Export L/C Negotiation Commission	106,681	33,204
Interest on Bill Discount	655,011	-
Total:	**3,471,709**	**562,273**
TRUST BANK LTD. :		
Interest on Long Term Loan	10,808,938	10,083
Bank Charges & Commission	1,929,703	32,785
Export L/C Negotiation Commission	5,946	-
Interest on Bill Discount	64,855	-
Total:	**12,809,442**	**42,868**
SHAHJALAL ISLAMI BANK LTD. :		
Bank Charges & Commission	1,150	1,150
TOTAL	**1,150**	**1,150**
ISLAMI BANK BANGLADESH LTD.:		
Bank Charges & Commission	44,860	95,140
Total: -	**44,860**	**95,140**
AB BANK LTD :		
Bank Charges & Commission	1,650	9,985
TOTAL	**1,650**	**9,985**
BRAC BANK LTD:		
Bank Charges and Commission	1,300	1,530
Total:	**1,300**	**1,530**
THE CITY BANK LTD.:		
Bank Charges and Commission	4,909,141	2,771,247
Interest on Long Term Loan	25,586,735	36,049,526
Interest on Short Term Loan	20,877,654	3,026,093
Total:	**51,373,531**	**41,846,866**
PUBALI BANK LTD.:		
Bank Charges & Commission	3,168	4,430
Total:	**3,168**	**4,430**
UCBL:		
Interest on Short Term Loan	31,874,343	23,187,356
Interest on Term Loan	14,376,119	24,387,543
Bank Charges & Commission	2,570,217	2,233,284
Total:	**48,820,679**	**49,808,183**
	418,259,340	**418,834,601**

27. OTHER INCOME/(LOSS):	**29,619,259**		
CASH INCENTIVE:		**46,523,895**	**51,086,149**
OTHER INCOME/(LOSS):			
Interest Received from Dividend A/C with BRAC Bank Ltd.		221,564	509,732
Interest Received from Dividend A/C with Dhaka Bank Ltd.		791,331	909,049
Interest Income from STD A/C with AB Bank Ltd.		6,327	7,746
Interest Income from STD A/C with BRAC Bank Ltd.		436	794
Interest Income from STD A/C with Eastern Bank Ltd.		80,216	433,549
Interest Received from FDR A/C-Islami Bank		494,330	758,266
		1,594,203	**2,619,136**
Foreign currency exchange Gain/(Loss) against Import LC payment		(759,707)	(1,244,711)
Foreign currency exchange Gain/(Loss) against export realization		(510,103)	-
Gain/(Loss) on Sale of Assets		-	(59,967)
		(1,269,810)	**(1,304,678)**
Less: Loss on fire		17,229,030	-
Other Income/(Loss)		**(16,904,636)**	**1,314,458**
Total Non-operating Income/(Loss)		**29,619,259**	**52,400,607**
28. CONSOLIDATED PROVISION FOR WORKER'S PROFIT PARTICIPATION FUND:			
Provision for Contribution to WPPF(MSML)		6,927,610	10,100,084
Provision for Contribution to WPPF(STL)		3,595,499	5,323,403
Provision for Contribution to WPPF(JM)		-	2,914,640
Total:		**10,523,109**	**18,338,127**
29. CONSOLIDATED INCOME TAX PROVISION (CURRENT TAX):			
On Operating Income:			
Malek Spinning Mills Ltd.		27,348,394	35,703,365
Salek Textile Ltd.		15,100,728	24,665,007
J.M Fabrics Ltd.		24,370,744	16,752,917
		66,819,866	**77,121,288**
On Cash Incentive:			
Malek Spinning Mills Ltd.		-	109,864
Salek Textile Ltd.		733,632	80,707
J.M Fabrics Ltd.		662,115	1,342,015
		1,395,747	**1,532,586**
On Other Income:			
Malek Spinning Mills Ltd.		208,827	429,339
Salek Textile Ltd.		-	211,462
J.M Fabrics Ltd.		110,775	-
		319,602	**640,801**
Total:		**68,535,214**	**79,294,676**
30. CONSOLIDATED INCOME TAX PROVISION (DEFERRED TAX):			
Malek Spinning Mills Ltd.		(6,690,860)	(6,210,036)
Salek Textile Ltd.		(5,626,688)	(6,231,270)
J.M Fabrics Ltd.		(80,966)	(89,221)
Total:		**(12,398,514)**	**(12,530,527)**
31. NON CONTROLLING INTEREST:	**1,610,271**		
On Net Profit/(Loss) after tax			
Salek Textile Ltd.	2.0745%	1,627,618	1,820,208
Newasia Synthetics Ltd.	0.7070%	(17,607)	(27,990)
J.M. Fabrics Limited	0.0025%	259	1,007
Total:		**1,610,271**	**1,793,225**
32. CONSOLIDATED BASIC EARNINGS PER SHARE (EPS):	**1.05**		
(a) Consolidated Net Profit/(Loss) after tax		204,025,858	296,039,378
(b) Non Controlling Interest		1,610,271	1,793,225
Consolidated Net Profit/(Loss): (a-b)		**202,415,587**	**294,246,153**
(c) Number of total share		193,600,000	193,600,000
Basic Earnings per Share (EPS): [(a-b)/c]		**1.05**	**1.52**

MALEK SPINNING MILLS LIMITED

CONSOLIDATED FIXED ASSETS SCHEDULE AS AT 30TH JUNE 2017

ANNEXURE : 1

SL	PARTICULARS	COST				RATE	DEPRECIATION				WRITTEN DOWN
		AS AT 01.07.2016	ADDITION	ADJUSTMENT	AS AT 30.06.2017		AS AT 01.07.2016	THIS YEAR	ADJUSTMENTS	AS AT 30.06.2017	VALUE AS AT 30.06.2017
A.	**Malek Spinning Mills Ltd., Salek Textile, Newasia Synthetics Ltd. & JM Fabrics Ltd**										
1	Land and Land Development	866,339,431	65,114,890	-	931,454,321	0%	-	-	-	-	931,454,321
2	Factory Building	1,295,699,123	25,779,069	2,242,000	1,319,236,192	5%	477,897,060	41,008,942	-	518,906,003	800,330,189
3	Plant and Machinery	4,521,219,266	256,198,549	39,925,234	4,737,492,581	7.5%,10%	2,321,093,528	218,028,774	10,598,879	2,528,523,423	2,208,969,158
4	Electrical Installation	150,973,400	5,637,523	-	156,610,923	10%,15%	91,221,163	7,019,786	-	98,240,950	58,369,973
5	Tubewell and Water Pump	10,259,308	2,203,000	-	12,462,308	15%	7,235,931	663,094	-	7,899,025	4,563,283
6	Furniture and Fixtures	41,570,091	3,760,578	-	45,330,669	10%	13,765,010	2,889,693	-	16,654,703	28,675,966
7	Office Equipments	39,965,699	17,934,084	-	57,899,783	15%	16,228,269	4,092,133	-	20,320,401	37,579,382
8	Gas Line Installation	30,046,109	4,500,000	-	34,546,109	15%	18,882,288	2,012,073	-	20,894,361	13,651,748
9	Cargo Lift	5,552,823	-	-	5,552,823	10%	1,755,512	379,731	-	2,135,243	3,417,580
10	Loose Tools and Equipment	16,085,041	2,352,223	-	18,437,264	10%,15%	7,848,835	900,112	-	8,748,947	9,688,317
11	Motor Vehicle	94,987,319	2,133,592	-	97,120,911	15%	39,412,426	7,911,631	-	47,324,057	49,796,854
12	Telephone (PABX) Installation	790,975	-	-	790,975	15%	541,846	37,369	-	579,215	211,759
13	Crockaries and Cutlaries	146,774	-	-	146,774	15%	82,402	9,656	-	92,059	54,715
14	Generator	236,629,429	-	-	236,629,429	10%,15%	167,838,876	8,575,136	-	176,414,012	60,215,417
15	Fire Installation	11,059,585	1,140,520	-	12,200,105	15%	1,532,649	1,450,829	-	2,983,479	9,216,626
	Total (A) as at 30.06.2017	**7,321,324,372**	**386,754,029**	**42,167,234**	**7,665,911,167**		**3,165,335,797**	**294,978,961**	**10,598,879**	**3,449,715,879**	**4,216,195,288**
		-	-	-	-		-	-	-	-	-
	Total (A) as at 30.06.2016	**7,012,691,884**	**308,749,488**	**117,000**	**7,321,324,372**		**2,867,037,079**	**298,320,751**	**22,033**	**3,165,335,797**	**4,155,988,575**

MALEK SPINNING MILLS LIMITED AND ITS SUBSIDIARIES

CONSOLIDATED REVALUATED ASSETS SCHEDULE AS AT 30TH JUNE 2017

SL	PARTICULARS	RE-VALUED COST				RATE	DEPRECIATION				WRITTEN DOWN
		AS AT 01.07.2016	ADDITION	ADJUSTMENT	AS AT 30.06.2017		AS AT 01.07.2016	THIS YEAR	ADJUSTMENTS	AS AT 30.06.2017	VALUE AS AT 30.06.2017
B.	**Malek Spinning Mills Ltd., Salek Textile, Newasia Synthetics Ltd. & JM Fabrics Ltd.**										
1	Land and Land Development	2,859,354,760	-	-	2,859,354,760	-	-	-	-	-	2,859,354,760
2	Factory Building	348,907,426	-	-	348,907,426	5%	86,908,643	13,099,940	-	100,008,583	248,898,843
3	Plant and Machinery	1,448,886,907	-	-	1,448,886,907	7.5%,10%	569,975,530	74,087,377	-	644,062,907	804,823,999
4	Generator	157,730,295	-	-	157,730,295	10%,15%	73,458,485	9,094,921	-	82,553,407	75,176,888
	Total (B) as at 30.06.2017	**4,814,879,388**	**-**	**-**	**4,814,879,388**	**-**	**730,342,659**	**96,282,238**	**-**	**826,624,897**	**3,988,254,491**
	Total (B) as at 30.06.2016	**4,814,879,388**	**-**	**-**	**4,814,879,388**	**-**	**625,241,126**	**105,101,533**	**-**	**730,342,659**	**4,084,536,729**
	Total (A+B) as at 30.06.2017	**12,136,203,760**	**386,754,029**	**42,167,234**	**12,480,790,555**		**3,895,678,455**	**391,261,199**	**10,598,879**	**4,276,340,775**	**8,204,449,779**
	Total (A+B) as at 30.06.2016	**11,827,571,272**	**308,749,488**	**117,000**	**12,136,203,760**		**3,492,278,205**	**403,422,284**	**22,033**	**3,895,678,456**	**8,240,525,304**

Depreciation Charges to:

Factory Overhead:		**377,933,392**
Operating Expenses:		**13,327,807**
	Tk.	**391,261,199**

MALEK SPINNING MILLS LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT 30TH JUNE 2017

Particulars	Notes	JUNE'17 Taka	JUNE'16 Taka
ASSETS :			
Non-Current Assets:			
Property, Plant and Equipment	1.1	2,136,081,968	2,230,900,320
Capital Work-in-Progress	2.1	80,523,827	-
Investment in Subsidiary Company	3.1	1,666,365,000	1,666,365,000
		3,882,970,795	**3,897,265,320**
Current Assets :			
Inventories	4.1	1,053,500,320	1,354,780,813
Accounts Receivable	5.1	1,108,519,253	1,150,551,231
Advances, Deposits and Pre-payments	6.1	272,736,173	314,615,968
Cash and Cash Equivalents	7.1	85,655,023	108,107,923
		2,520,410,769	**2,928,055,935**
TOTAL ASSETS :		**6,403,381,564**	**6,825,321,255**
SHAREHOLDER'S EQUITY AND LIABILITIES :			
Shareholder's Equity :			
Share Capital	8.1	1,936,000,000	1,936,000,000
Share Premium	9.1	1,500,000,000	1,500,000,000
Re-valuation Surplus	10.1	1,442,332,804	1,498,659,595
Retained Earnings	11.1	373,193,246	392,780,614
		5,251,526,050	**5,327,440,209**
Non-Current Liabilities:			
Long Term Loan	12.1	14,420,248	6,779,384
Deferred Tax Liabilities	13.1	276,116,940	282,807,800
		290,537,188	**289,587,183**
Current Liabilities :			
Short Term Loan	14.1	11,751,887	89,680,907
Current Portion of Long Term Loan	15.1	7,183,880	15,037,848
Bank Acceptance Liabilities	16.1	484,187,913	797,360,006
Creditors and Accruals	17.1	358,194,646	306,215,102
		861,318,326	**1,208,293,863**
TOTAL SHAREHOLDER'S EQUITY AND LIABILITIES :		**6,403,381,564**	**6,825,321,255**
Net Assets Value Per Share (NAV)		**27.13**	**27.52**
Par Value Tk.10			

The annexed notes are integral part of these financial statement.

These financial statements were approved by the Board of Directors on October 22, 2017 and were signed on it's behalf by.

A.F.M. Zubair
Chairman

A. Matin Chowdhury
Managing Director

B.K. Chaki
Chief Financial Officer

Syed Saiful Haque
Company Secretary

As per our report of same date

(Malek Siddiqui Wali)
Chartered Accountants

Dhaka
October 22, 2017

MALEK SPINNING MILLS LIMITED

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30TH JUNE 2017

Particulars	Notes	JUNE'17	JUNE'16
		Taka	Taka
Sales	18.1	2,540,411,247	2,587,146,675
Cost of Goods Sold	19.1	(2,255,781,766)	(2,250,534,349)
Gross Profit/(Loss) :		**284,629,481**	**336,612,326**
Operating Expenses	20.1	(100,059,563)	(84,747,294)
Financial Expenses	21.1	(39,925,412)	(45,142,757)
Operating Profit/(Loss) :		**144,644,507**	**206,722,275**
Other Income/(Loss)	22.1	835,306	5,379,495
Net Operating Profit/(Loss) :		**145,479,813**	**212,101,770**
Provision for Contribution to WPPF	23.1	(6,927,610)	(10,100,084)
Profit/(Loss) before tax :		**138,552,203**	**202,001,686**
Provision for Income tax :		**(20,866,361)**	**(30,032,532)**
Current Tax	24.1	(27,557,221)	(36,242,568)
Deferred Tax	25.1	6,690,860	6,210,036
Net Profit/(Loss) after tax		**117,685,842**	**171,969,153**
Other Comprehensive Income		-	-
Total Comprehensive Income		**117,685,842**	**171,969,153**
Earnings Per Share (EPS)	26.1	**0.61**	**0.89**
Par Value Tk.10			
Number of Shares used to compute EPS		**193,600,000**	**193,600,000**

The annexed notes are integral part of these financial statement.

These financial statements were approved by the Board of Directors on October 22, 2017 and were signed on it's behalf by.

A.F.M. Zubair	**A. Matin Chowdhury**	**B.K. Chaki**	**Syed Saiful Haque**
Chairman	Managing Director	Chief Financial Officer	Company Secretary

As per our report of same date

(Malek Siddiqui Wali)
Chartered Accountants

Dhaka
October 22, 2017

MALEK SPINNING MILLS LIMITED

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30TH JUNE 2017

Particulars	Share Capital	Share Premium	Revaluation Surplus of Fixed Assets	Retained Earnings	Total
Balance as at 1st July 2016	1,936,000,000	1,500,000,000	1,498,659,595	392,780,614	5,327,440,209
Net Profit/(Loss) during the year				117,685,842	117,685,842
Transfer of excess depreciation of Revalued Assets			(56,326,790)	56,326,790	-
Declared Cash Dividend for 2015-2016 financial year				(193,600,000)	(193,600,000)
As at 30th June 2017	**1,936,000,000**	**1,500,000,000**	**1,442,332,804**	**373,193,246**	**5,251,526,050**

FOR THE YEAR ENDED 30TH JUNE 2016

Particulars	Share Capital	Share Premium	Revaluation Surplus of Fixed Assets	Retained Earnings	Total
Balance as at 1st July 2015	1,936,000,000	1,500,000,000	1,559,543,803	392,247,252	5,387,791,055
Net Profit/(Loss) during the year				171,969,153	171,969,153
Transfer of excess depreciation of Revalued Assets			(60,884,208)	60,884,208	-
Declared Cash Dividend for 2014-2015 financial year				(232,320,000)	(232,320,000)
As at 30th June 2016	**1,936,000,000**	**1,500,000,000**	**1,498,659,595**	**392,780,614**	**5,327,440,209**

The annexed notes are integral part of these financial statement.

These financial statements were approved by the Board of Directors on October 22, 2017 and were signed on it's behalf by.

A.F.M. Zubair
Chairman

A. Matin Chowdhury
Managing Director

B.K. Chaki
Chief Financial Officer

Syed Saiful Haque
Company Secretary

As per our report of same date

(Malek Siddiqui Wali)
Chartered Accountants

Dhaka
October 22, 2017

MALEK SPINNING MILLS LIMITED

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30TH JUNE 2017

Partuclars	JUNE'17	JUNE'16
	Taka	Taka
CASH FLOW FROM OPERATING ACTIVITIES :		
Collection from Turnover & Accounts Receivable	2,582,323,025	2,573,541,779
Payment for Raw Materials, Indirect Materials and other expenses	(2,130,573,640)	(2,203,449,711)
Other Income received	1,099,873	5,379,495
Payment for Operating Expenses	(97,527,846)	(82,613,007)
Payment for Financial Expenses	(39,925,412)	(45,142,757)
Payment for Income Tax	(39,701,980)	(15,643,796)
Net Cash provided/(used) by Operating Activities	**275,694,020**	**232,072,003**
CASH FLOW FROM INVESTING ACTIVITIES :		
Acquisition of Fixed Assets	(8,939,982)	(17,905,857)
Acquisition of Capital work in progress	(19,245,439)	-
Net cash used in Investing Activities	**(28,185,421)**	**(17,905,857)**
CASH FLOW FROM FINANCING ACTIVITIES :		
Bank Loan Increase/(Decrease)	(78,142,124)	(81,077,175)
Refundable IPO Share Money paid	(25,001)	(32,500)
Dividend Paid	(191,794,374)	(230,033,602)
Net Cash provided/(used) by Financing Activities	**(269,961,500)**	**(311,143,277)**
Increase/(Decrease) in Cash and Cash Equivalents	**(22,452,900)**	**(96,977,131)**
Opening Cash & Cash Equivalents	108,107,923	205,085,054
Closing Cash and Cash Equivalents	**85,655,023**	**108,107,923**
Net Operating Cash Flow Per Share (NOCFPS)	**1.42**	**1.20**
Par Value Tk.10		

The annexed notes are integral part of these financial statement.

These financial statements were approved by the Board of Directors on October 22, 2017 and were signed on it's behalf by.

A.F.M. Zubair
Chairman

A. Matin Chowdhury
Managing Director

B.K. Chaki
Chief Financial Officer

Syed Saiful Haque
Company Secretary

As per our report of same date

(Malek Siddiqui Wali)
Chartered Accountants

Dhaka
October 22, 2017

Amount in Taka

		JUNE'17	JUNE'16
1.1 PROPERTY, PLANT AND EQUIPMENT:	**Tk. 2,136,081,968**		
COST:			
Opening Balance		1,966,821,642	1,948,915,785
Addition during the year		1,495,871	17,905,857
		1,968,317,513	1,966,821,642
Sales/Adjustment during the year		-	-
Closing Balance		**1,968,317,513**	**1,966,821,642**
Accumulated Depreciation:			
Opening Balance		1,361,483,740	1,319,239,272
Depreciation during the year		39,987,433	42,244,468
Adjustments during the year		-	-
Closing Balance		**1,401,471,173**	**1,361,483,740**
Written Down Value at cost:		**566,846,340**	**605,337,902**
REVALUATION:			
Opening Balance		2,148,818,646	2,148,818,646
Addition of Revaluated Assets		-	-
Total Revaluated Assets		**2,148,818,646**	**2,148,818,646**
Accumulated Depreciation:			
Opening Balance		523,256,227	462,372,019
Depreciation during the year		56,326,790	60,884,208
Closing Balance		**579,583,018**	**523,256,227**
Written Down Value of Revaluated Assets:		**1,569,235,628**	**1,625,562,418**
Total Written Down Value:		**2,136,081,968**	**2,230,900,320**
Allocation of depreciation charges for the year has been made in the accounts as follows:			
i) Factory Overhead		93,782,507	100,994,390
ii) Administrative Overhead		2,531,717	2,134,287
Total		**96,314,224**	**103,128,676**

Land, Building, Plant & Machinery are registered Mortgage (Pari Passu charges among the existing lender Bank, Eastern Bank Ltd., HSBC, Dhaka Bank Ltd. & One Bank Ltd.)
Details of Fixed Assets and Depreciation are shown in the **Annexure- 1.1**

2.1 CAPITAL WORK-IN-PROGRESS:	**Tk. 80,523,827**		
Opening Balance		-	-
Addition for the year		80,523,827	-
Less: Adjustment for the year		-	-
Closing Balance		**80,523,827**	**-**

Building Structure are included in Capital Work-in-progress.

3.1 INVESTMENT IN SUBSIDIARY COMPANY : Tk. 1,666,365,000			
Salek Textile Limited (3,900,100 Shares @Tk,100 and 825,870 Share of Tk.460 each including Premium Tk.360)	46%	769,910,000	769,910,000
Newasia Synthetics Limited (4,964,650 Shares of Tk.100/- each)	30%	496,465,000	496,465,000
J.M. Fabrics Limited (3,999,900 Shares of Tk.100/- each)	24%	399,990,000	399,990,000
Total:	**100%**	**1,666,365,000**	**1,666,365,000**

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

4.1 INVENTORIES:	**Tk. 1,053,500,320**		
Raw Materials (Note: 4.1-A)		468,799,852	501,638,757
Stock-in-Transit (Note: 4.1-B)		-	149,656,891
Work-in-Process (Note: 4.1-C)		39,116,139	42,191,215
Finished Goods (Note: 4.1-D)		438,604,731	572,208,276
Stores and Accessories (Note: 4.1-E)		106,979,599	89,085,675
Total:		**1,053,500,320**	**1,354,780,813**

(i) The inventory counting was taken place at the year end in the presence of company management and auditors.
(ii) Inventories were hyphothecated to Dhaka Bank Ltd., HSBC Ltd., Eastern Bank Ltd., Trust Bank Ltd. and One Bank Ltd. as security of workings capital loan.

4.1-A RAW MATERIALS :	**Tk. 468,799,852**		
Raw Cotton USA	2,768,020 Kg	468,799,852	501,638,757
Total:		**468,799,852**	**501,638,757**
4.1-B STOCK IN TRANSIT : Tk.			
Raw Material		-	149,656,891
Total:		**-**	**149,656,891**

4.1-C WORK-IN-PROCESS :	**Tk. 39,116,139**			
Direct Materials	215,679 Kg		36,527,993	38,838,007
Direct Labour			862,715	1,117,736
Factory Overhead			1,725,431	2,235,472
Total:			**39,116,139**	**42,191,215**
4.1-D FINISHED GOODS INVENTORY:	1,884,756 Kg		**438,604,731**	**572,208,276**
4.1-E STORES & ACCESSORIES:	**Tk. 106,979,599**			
Spare Parts & Accessories			106,979,599	89,085,675
Total:			**106,979,599**	**89,085,675**
5.1 ACCOUNTS RECEIVABLE:		**Tk.**	**1,108,519,253**	**1,150,551,231**

(i) A/C Receivable occurred in the ordinary course of business.

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

(iii) Aging of the Receivables:

Below 120 Days:	Tk. 942,241,365
Above 120 Days:	Tk. 166,277,888
Total:	1,108,519,253

(iv)	Receivable from other company:	Tk. 732,956,857
(v)	Receivable from related party:- Knit Asia Limited:	Tk. 20,059,727
	Salek Textile Ltd.:	Tk. 218,680,062
	J.M. Fabrics Ltd.:	Tk. 136,822,608

6.1 ADVANCES, DEPOSITS & PRE-PAYMENTS:	**Tk. 272,736,173**		
Advance against materials, suppliers and others		47,403,764	42,585,539
Advance to Newasia Synthatics Ltd.		67,700,000	154,100,000
Security Deposit on REB		178,875	178,875
Security Deposit on Titas Gas T&D Co.		7,038,761	7,038,761
Advance Income Tax (Note-6.1-A)		149,914,773	110,212,793
Security Deposit to CDBL		500,000	500,000
Total:		**272,736,173**	**314,615,968**

a) All the advances & deposits amount is considered good and recoverable.

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

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

d) Advance against materials, supplies and others various party and other Indirect materials procurement.

e) Partial advance given to Subsidiary Co. shall be realised in future.

f) From the above advance security deposit to Titas Gas, REB and CDBL will be realised after one year.

g) Due to not having assesment of Income Tax is sattled by NBR 2012-2013, 2013-2014, 2014-2015, 2015-2016 the above advance income tax is not adjusted with the Income Tax payable.

6.1-A. ADVANCE INCOME TAX:		
Opening Balance	110,212,793	94,568,997
Payment/Adjustment for prior year Income	-	-
Last year Balance after adjustment-	**110,212,793**	**94,568,997**
Advance Income Tax paid (Against Export Proceeds)	16,782,306	15,152,319
Advance Income Tax paid (Against Cash Incentive)	-	109,864
Advance Income Tax paid (Against Vehicle Fitness)	185,000	170,000
Advance Income Tax paid (Against Yearly Income 2012-2015)	2,013,587	-
Advance Income Tax paid (Against Yearly Income 2015-2016)	20,600,000	-
Advance Income Tax paid (Against Interest Income)	121,087	211,613
Total AIT paid for the year:	**39,701,980**	**15,643,796**
Closing Balance	**149,914,773**	**110,212,793**

7.1 CASH AND CASH EQUIVALENTS:	**Tk. 85,655,023**		
Cash in Hand:		**180,000**	**180,000**
Cash at Banks:			
AB Bank Ltd.-STD Account: 4005-767482-430		237,742	236,379
BRAC Bank STD A/C: 1505-101-762043001		43,196	42,975
BRAC Bank CD A/C: 1501-201-762043001		7,422,325	7,239,346
Dhaka Bank Ltd. STD A/C: 207-150000000806		19,219,939	16,699,066
Dhaka Bank Ltd. Margin A/C: 207-130000000013		6,701,691	12,370,521
Eastern Bank CD A/C: 101-2050000180		2,241,508	-
Eastern Bank Ltd.-Margin A/C: 101-0100611		3,007,848	19,056,632
Eastern Bank Ltd.-FC A/C: (NRB IPO)		1,219,388	1,233,351
Eastern Bank Ltd.-STD A/C: 101-1230000068		6,483,298	8,166,467
HSBC Ltd.-Margin A/C: 001-007475-091		20,889,931	41,677,744
One Bank Ltd.- Margin A/C: 0016426-091		10,264,338	712,313
Shahjalal Islami Bank Ltd.-CD A/C: 4005 1110000252 8		12,548	13,698
Trust Bank Ltd.-CD A/C: 0003-0210006613		433,804	437,088
Trust Bank Ltd.-Margin A/C 003-5025000082		7,297,467	42,342
Sub-total:		**85,475,023**	**107,927,923**
Total:		**85,655,023**	**108,107,923**

a) It include Foreign Currency deposit amounting of US$ 6,21,140.41 (2016: US$ 9,66,446.63) equivalent to BDT 4,93,80,662.91 (2016: BDT 7,50,92,903.38).

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

c) Export proceeds are realised in the Margin A/C and is utilized for Payment of Deferred L/C Payment for Raw Cotton.

8.1 SHARE CAPITAL : **Tk. 1,936,000,000**

8.1(A) AUTHORISED CAPITAL: Tk.	**3,000,000,000**	**3,000,000,000**
300,000,000 Shares @ Tk. 10/- each		
8.1(B) ISSUED, SUBSCRIBED AND PAID-UP CAPITAL: Tk.	**1,936,000,000**	**1,936,000,000**
19,36,00,000 Ordinary Shares @ Tk.10/- each issued and paid-up.		

Share Holding Composition of Malek Spinning Mills Ltd. as at 30.06.2017 are as follows:

Shareholder's Group	No. of Shares held	% of Shares	No. of Shareholders
Sponsors & Directors	85,044,800	43.93%	6
Government	-	0.00%	0
Institutions	62,237,056	32.15%	178
Foreign Shareholders	10,000,478	5.17%	6
General Public	36,317,666	18.76%	15903
Total	**193,600,000**	**100%**	**16,093**

Classification of shareholders by holding:

Distribution schedule of each class of equity security setting out the number of holders and percentage as at 30.06.2017

Range of Holdings	No. of Holders	Holdings	Percentage
Less than 500 shares	3,780	568,567	0.29%
500 to 5,000 shares	11,176	11,915,650	6.15%
5,001 to 10,000 shares	532	3,952,272	2.04%
10,001 to 20,000 shares	299	4,332,698	2.24%
20,001 to 30,000 shars	109	2,749,515	1.42%
30,001 to 40,000 shares	49	1,693,740	0.87%
40,001 to 50,000 shares	37	1,720,434	0.89%
50,001 to 100,000 shares	49	3,524,266	1.82%
100,001 to 1,000,000 shares	39	10,688,359	5.52%
Over 1,000,000 shares	23	152,454,499	78.75%
Total	**16,093**	**193,600,000**	**100%**

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

This represents issuance of 10,000,000 ordinary shares in September 2008 for Tk.25 each including premium of Tk. 15/- each in compliance with The Securities and Exchange Commission (SEC) consent No.SEC/CI/CPLC (PVT.)-95/06/337 dated on 30.06.2008 and further Placement issuance of 50,000,000 ordinary shares in October 2009 for Tk.25/- each including premium of Tk.15 each in compliance with The Securities and Exchange Commission (SEC) consent No. SEC/CI/CPLC(PVT.)-95/ dated on June 03, 2009 and further issuance of IPO of 4,00,00,000 ordinary shares on July 2010 for Tk. 25/- each including Premium of Tk. 15/- each in compliance with the Securities and Exchange Commission (SEC) consent No. SEC/CI/IPO-118/2010/462 dated April 15, 2010.

10.1 RE-VALUATION SURPLUS: **Tk. 1,442,332,804**

Opening Balance	1,498,659,595	1,559,543,803
Less: Transfer to Retained Earnings of excess depreciation	56,326,790	60,884,208
Written Down Value:	**1,442,332,804**	**1,498,659,595**

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

11.1 RETAINED EARNINGS: **Tk. 373,193,246**

Opening Balance	392,780,614	392,247,252
Add: Net Profit/(Loss) during the year	117,685,842	171,969,153
	510,466,455	**564,216,406**
Add: Transfer of excess depreciation of revaluated assets	56,326,790	60,884,208
Less: Declared Cash Dividend	193,600,000	232,320,000
	373,193,246	**392,780,614**

12.1 LONG TERM LOAN: **Tk. 14,420,248**

Eastern Bank Limited	12,753,017	21,817,232
One Bank Limited	8,851,111	-
Total	**21,604,128**	**21,817,232**
Less: Current Portion of Long Term Loan (Note-15.1)	7,183,880	15,037,848
Total Long Term Loan:	**14,420,248**	**6,779,384**

Particulars	EBL	OBL
Opening Loan facility	21,817,232	Nil
Repayment Terms	Quarterly	Quarterly
Installment Size	1,795,970	Not yet due
Tenor	5 years	5 years
Interest Rate	9% - 11%	9% - 11%
Security	Pari-passue security sharing agreement.	

13.1 DEFERRED TAX LIABILITIES: **Tk. 276,116,940**

Opening Balance	282,807,800	289,017,836
Add: Provision for the year	(6,690,860)	(6,210,036)
Total Liabilities:	**276,116,940**	**282,807,800**

Deferred Tax Calculation:

Particulars	Accounts Base (WDV)	Tax Base (WDV)	Excess/(Short) value
Written Down Value of Fixed Assets at cost	566,846,340	295,302,369	271,543,970
WDV of Revaluation Surplus of Fixed Assets	1,569,235,628	-	1,569,235,628
Total	**2,136,081,968**	**295,302,369**	**1,840,779,598**
Deferred Tax Liability @ 15%			276,116,940

14.1 SHORT TERM LOAN : **Tk. 11,751,887**

Bank Overdraft:

Eastern Bank Ltd A/C:180 & 011	-	33,543,972
Dhaka Bank Ltd OD A/C: 207.175.23	10,745,348	19,246,703
One Bank Ltd OD A/C: 0010016426008	513,202	8,460,652
HSBC OD A/C: 001-007475-011	493,337	28,429,581
Total:	**11,751,887**	**89,680,907**

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

Particulars	EBL	OBL	DBL	HSBC
Opening Loan facility	33,543,972	8,460,652	19,246,703	28,429,581
Repayment Terms	N/A	N/A	N/A	N/A
Installment Size	N/A	N/A	N/A	N/A
Tenor	One year renewable	One year renewable	One year renewable	One year renewable
Interest Rate	8.5% - 10.5%	8.5% - 10.5%	8.5% - 10.5%	8.5% - 10.5%
Security	Pari-passue security sharing agreement.			

15.1 CURRENT PORTION OF LONG TERM LOAN: **Tk. 7,183,880**

Eastern Bank Limited	6,383,880	15,037,848
One Bank Limited	800,000	-
Total:	**7,183,880**	**15,037,848**

16.1 BANK ACCEPTANCE LIABILITIES: **484,187,913**

Raw Cotton:

Eastern Bank Limited	91,438,807	303,707,846
Dhaka Bank Limited	85,511,250	76,435,210
One Bank Ltd.	66,220,295	30,795,059
HSBC Limited	179,739,174	378,977,780
	422,909,525	**789,915,895**
Machinery:		
Eastern Bank Limited	-	7,444,111
	-	**7,444,111**
Capital Work-in-progress	**61,278,388**	**-**
Total:	**484,187,913**	**797,360,006**

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

17.1 CREDITORS AND ACCRUALS: **Tk. 358,194,646**

Gas Bill Payable	10,744,439	10,161,681
Electricity Bill Payable	326,626	-
Audit Fees Payable	172,500	115,000
Salary, Wages & Other allwance Payable	10,776,970	-
Tax Deduction at Source Payable	1,696,164	1,681,312
Vat Deduction at Source Payable	1,463,177	260,752
Income Tax Payable (Note:17.1-A)	162,573,466	135,016,245
Contribution to WPPF Payable (Note: 17.1-D)	112,082,783	105,155,173
Directors Remuneration Payable	446,525	-
Payable for Goods Supplies & Others	10,388,689	8,082,256
Dividend Payable (Note-17.1-C)	34,632,573	32,826,948
Refundable IPO Share money (Note-17.1-B)	12,890,734	12,915,735
Total:	**358,194,646**	**306,215,102**

a) Payable for Goods Supplies and others represents regular suppliers of packing materials, ball-bearing, belts, fuel & lubricants, stationery items and others.

b) Factory Salary and Wages payable for the month of 30th June 2017

c) Due to not having assesment of Income Tax is sattled by NBR 2012-2013, 2013-2014, 2014-2015, 2015-2016 the above Income Tax payable is not adjusted with the advance income tax.

17.1-A. INCOME TAX PAYABLE:

Opening Balance	135,016,245	98,773,677
Provision for the year (Current Tax): (Note-24.1)	27,557,221	36,242,568
Total Payable-	**162,573,466**	**135,016,245**

17.1-B. REFUNDABLE IPO SHARE MONEY:			
Eastern Bank FC A/C		1,220,850	1,233,351
Eastern Bank STD A/C		11,669,884	11,682,385
Total-		**12,890,734**	**12,915,735**
17.1-C. DIVIDEND PAYABLE:			
Brac Bank		10,211,405	10,215,605
Dhaka Bank		24,421,168	22,611,342
Total-		**34,632,573**	**32,826,948**
17.1-D. CONTRIBUTION TO WPPF PAYABLE:			
Opening Balance		105,155,173	95,055,088
Add: Provision for the year		6,927,610	10,100,084
Less: Payment		-	-
Closing Balance		**112,082,783**	**105,155,173**

***Provision for contribution to WPPF was made as per Section-234 of Labour Law-2013 but no disbursement was made in the part. The due amount is under process of payment.*

18.1 SALES:	**Tk. 2,540,411,247**		
Export Sales		**2,540,411,247**	**2,587,146,675**
19.1 COST OF GOODS SOLD:	**Tk. 2,255,781,766**		
Raw Material Consumed (Note:19.1-A)		1,639,956,761	1,725,339,951
Direct Expenses (Note:19.1-B)		111,513,893	111,165,907
Factory Overhead (Note:19.1-C)		367,632,490	349,832,802
Total Manufacturing Cost		**2,119,103,144**	**2,186,338,660**
Add: Work-in-Process- Opening		42,191,215	50,302,658
Cost of Goods available for use		**2,161,294,359**	**2,236,641,319**
Less: Work-in-Process- Closing		39,116,139	42,191,215
Cost of Production		**2,122,178,220**	**2,194,450,104**
Add: Finished Goods- Opening		572,208,276	628,292,521
Cost of Goods Available for Sales		**2,694,386,496**	**2,822,742,625**
Less: Finished Goods- Closing		438,604,731	572,208,276
Cost of Goods Sold:		**2,255,781,766**	**2,250,534,349**
19.1-(A) RAW MATERIALS CONSUMED:	**1,639,956,761**		
Opening Inventory Raw Materials		501,638,757	661,302,375
Add: Purchase during the year		1,607,117,857	1,565,676,332
Less: Closing Inventory of Raw Materials		468,799,852	501,638,757
Raw Materials Consumed		**1,639,956,761**	**1,725,339,951**
19.1-(B) DIRECT EXPENSES:	**TK. 111,513,893**		
Direct Labour/Wages		111,513,893	111,165,907
Total		**111,513,893**	**111,165,907**
19.1-(C) FACTORY OVERHEAD:	**Tk. 367,632,490**		
Factory Salary and Allowances		39,630,116	32,506,818
Overtime Wages for Worker		9,789,213	5,226,194
Festval Bonus Factory		3,329,886	6,759,864
Electricity Charges		3,624,837	2,229,728
Gas Charges		137,710,701	112,233,503
Repairs & Maintenance		27,638,790	22,583,584
Packing Materials		25,511,956	28,295,187
Fuel,Oil & Lubricant		10,038,332	9,798,538
Insurance Premium		1,509,552	1,447,100
Insurance Premium (Group)		37,900	32,940
Stores & Accessories consump. (Note:19.1-C-i)		9,608,036	22,891,800
Entertainment Factory		884,180	561,617
Telephone, Mobile & Fax		401,166	333,174
Stationery Charges		546,153	538,594
Printing Charges		113,650	151,118
Other Carrying Charges		126,880	110,240
Factory Office Expenses other		13,664	10,225
Vehicles Maintenance		2,139,391	2,093,371
Conveyances Factory		83,937	53,966
House Rent for Worker Shed		534,128	343,626
Medical Expenses		97,082	119,316
Uniform & Leverage		550	64,650
Miscellaneous Exp.		479,883	453,260
Depreciation		93,782,507	100,994,390
Total Factory Overhead-		**367,632,490**	**349,832,802**
19.1 (C)-i STORES & ACCESSORIES CONSUMED:	**Tk. 9,608,036**		
Opening Balance		89,085,675	78,031,079
Add: Purchase during the year		27,501,960	33,946,396
Less: Closing Balance		106,979,599	89,085,675
Total Consumed-		**9,608,036**	**22,891,800**

20.1 OPERATING EXPENSES:	**Tk. 100,059,563**		
Salaries & Allowances		42,451,660	35,298,734
Festival Bonus		3,830,882	3,524,273
Director's Remuneration		7,110,000	6,547,500
Fees, Forms & Others		3,037,590	5,007,260
Audit Fees		172,500	115,000
Printing & Stationery		1,124,156	813,406
Telephone,Mobile & Internet Expenses		1,750,757	1,775,882
Postage & Stamp		56,387	88,941
Vehicle Maintenance		6,270,211	5,384,759
Miscellaneous Expenses		5,347,254	2,961,715
Office Rent		5,999,470	1,578,634
Rate & Taxes		208,800	193,100
Carriage Outwards, Selling & Distribution exp.		5,563,560	4,698,840
Entertainment		1,241,257	888,908
Fuel for Head Office Generator		26,600	53,800
Advertisement & Publicity Expenses		728,261	674,938
AGM Expenses		1,841,828	1,779,026
Security Charges		550,425	470,606
Travelling & Conveyance		2,307,454	2,211,314
Uniform / Leveries Security		16,867	25,124
Repairs & Maintenance		3,792,638	1,355,395
Donation & Subscription		70,000	-
Business Development Exp.		-	7,091,102
Credit Rating Charges		74,750	74,750
Software Maintenance Expenditure		3,954,539	-
Depreciation		2,531,717	2,134,287
Total Operating expenses:		**100,059,563**	**84,747,294**
21.1 FINANCIAL EXPENSES:	**Tk. 39,925,412**		
EASTERN BANK LTD.:			
Interest on Long Term Loan		3,518,922	8,104,286
Interest on Overdraft		2,108,310	1,824,289
Bank Charges & Commission		3,229,841	4,081,426
Export L/C Negotiation Commission		1,466,179	3,502,383
Interest on Bill Discount		7,548,876	6,021,503
Total		**17,872,128**	**23,533,886**
HSBC LTD.:			
Interest on Short Term Loan		5,296,966	-
Bank Charges & Commission		1,514,052	8,515,904
Export L/C Negotiation Commission		1,157,092	600,861
Interest on Overdraft		599,158	32,895
Interest on Bill Discount		-	3,837,362
Total		**8,567,266**	**12,987,021**
DHAKA BANK LTD.:			
Interest on Long Term Loan		-	3,627
Interest on Overdraft		1,651,979	342,081
Bank Charges and Commission		1,093,943	584,513
Export L/C Negotiation Commission		399,804	3,268,947
Interest on Bill Discount		6,790,626	3,820,895
Total		**9,936,352**	**8,020,063**
ONE BANK LTD.:			
Interest on Long Term Loan		204,120	-
Interest on Overdraft		715,414	503,694
Bank Charges & Commission		1,790,483	25,375
Export L/C Negotiation Commission		106,681	33,204
Interest on Bill Discount		655,011	-
Total		**3,471,709**	**562,273**
TRUST BANK LTD.:			
Bank Charges and Commission		3,055	26,850
Export L/C Negotiation Commission		5,946	-
Interest on Bill Discount		64,855	-
Total		**73,856**	**26,850**
SHAHJALAL ISLAMI BANK LTD.:			
Bank Charge and Commission		1,150	1,150
Total		**1,150**	**1,150**
AB BANK LTD.			
Bank Charges and Commission		1,650	9,985
Total		**1,650**	**9,985**
BRAC BANK LTD.			
Bank Charges and Commission		1,300	1,530
Total		**1,300**	**1,530**
Total Financial Expenses-		**39,925,412**	**45,142,757**

22.1 OTHER INCOME/(LOSS):	**835,306**		
CASH INCENTIVE:		-	**3,662,137**
OTHER INCOME/(LOSS):			
Interest Received from BRAC Bank Ltd., STD A/C (1501201 762043001)		221,564	509,732
Interest Received from Dhaka Bank Ltd., STD A/C (0207-150000000806)		791,331	909,049
Interest Received from AB Bank Ltd., STD A/C (4005-767482-430)		6,327	7,746
Interest Received from BRAC Bank Ltd., STD A/C (1505101 762043001)		436	794
Interest Received from Eastern Bank Ltd., STD A/C (101-1230000068)		80,216	433,549
		1,099,873	**1,860,870**
Foreign currency exchange Gain/(Loss) against Import LC payment		(144,367)	(143,512)
Foreign currency exchange Gain/(Loss) against export realization		(120,200)	-
Gain/(Loss) on Sale of Assets		-	-
		(264,567)	**(143,512)**
Other Income/(Loss)		**835,306**	**1,717,358**
Total Other Income/(Loss):		**835,306**	**5,379,495**

23.1 PROVISION FOR WORKER'S PROFIT PARTICIPATION FUND:

Provision for Contribution to WPPF	6,927,610	10,100,084
	6,927,610	**10,100,084**

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

24.1 INCOME TAX PROVISION (CURRENT TAX) : **Tk. 27,557,221**

	Income	Tax	Tax
i) On Operating Income 15%	182,322,628	27,348,394	35,703,365
ii) On Cash Incentive	-	-	109,864
iii) On Other Income 25%	835,306	208,826.53	429,339
Total	**183,157,934**	**27,557,221**	**36,242,568**
Taxable Operating Income Calculation:			
Net Operating Profit before Tax	137,716,897		
Add: Accounting Depreciation	96,314,224		
Less: Tax Depreciation	51,708,492		
Taxable Operating Income:	**182,322,628**		

25.1 INCOME TAX PROVISION (DEFERRED TAX):Tk.	**(6,690,860)**	**(6,210,036)**

26.1 BASIC EARNINGS PER SHARE (EPS): **Tk. 0.61**		
(a) Net Profit/(Loss) after tax	117,685,842	171,969,153
(b) Number of total Share	193,600,000	193,600,000
Basic Earnings per Share (a/b):	**0.61**	**0.89**

27.1 RELATED PARTY TRANSACTION:

Related Party	Nature of Relationship	Nature of Transaction	Transaction Amount	Balance as at 30.06.2017
Knit Asia Limited	Common Director	Receivable		20,059,727
		Sales	258,818,977	
Salek Textile Limited	Subsidiary	Investment in equity		769,910,000
		Receivable		218,680,062
		Sales	82,032,128	
Newasia Synthetics Limited	Subsidiary	Investment in equity		496,465,000
J.M. Fabrics Limited	Subsidiary	Investment in equity		399,990,000
		Receivable		136,822,608
		Sales	91,666,159	
Directors	Director	Remuneration	7,110,000	
		Payable		446,525

28.1 CONTINGENT LIABILITIES:

The following Letter of Credit is outstanding due to the goods not shipped and no liabilities has made against the same:

Serial No.	L/C No.	L/C Date	L/C Amount(US$)
1	141417230006	04.06.2017	$1,109,674.48
2	141417230085	04.06.2017	$1,158,249.68
3	141417010071	04.06.2017	CHF 18,508.55

29.1 PRODUCTION CAPACITY:

Production capacity of Malek Spinning Mills Ltd. is 35,000kg per day and annual production capacity is 1,26,00,000Kg During this period produced 1,07,77,264 Kg and Capacity utilized 85.53%.

30.1 WPPF:

Provision for contribution to WPPF was made as per Section-234 of Labour Law-2013 but no disbursement was made in the part. The due amount is under process of payment.

MALEK SPINNING MILLS LIMITED

FIXED ASSETS SCHEDULE AS AT 30TH JUNE 2017

ANNEXURE : 1.1

	PARTICULARS	COST				RATE	DEPRECIATION				WRITTEN DOWN VALUE AS AT 30.06.2017
		AS AT 01.07.2016	ADDITION	ADJUSTMENT	AS AT 30.06.2017		AS AT 01.07.2016	THIS YEAR	ADJUSTMENT	AS AT 30.06.2017	
(A)-											
1	Land and Land Development	84,647,187	-		84,647,187	0%	-	-		-	84,647,187
2	Factory Building	313,690,859	-		313,690,859	5%	234,165,095	3,976,288		238,141,383	75,549,476
3	Plant and Machinery	1,338,107,118	-		1,338,107,118	7.5%	959,398,933	28,403,114		987,802,047	350,305,071
4	Electrical Installation	47,779,426	-		47,779,426	15%	40,397,138	1,107,343		41,504,481	6,274,945
5	Tubewell and Water Pump	2,463,406	-		2,463,406	15%	2,218,564	36,726		2,255,290	208,116
6	Furniture and Fixtures	3,340,478	-		3,340,478	10%	2,176,929	116,355		2,293,284	1,047,194
7	Office Equipments	11,771,240	1,495,871		13,267,111	15%	7,826,703	632,821		8,459,525	4,807,586
8	Gas Line Installation	10,618,384	-		10,618,384	15%	7,742,402	431,397		8,173,799	2,444,585
9	Loose Tools and Equipment	1,254,088	-		1,254,088	15%	1,196,485	8,640		1,205,125	48,963
10	Motor Vehicle	25,662,992	-		25,662,992	15%	13,863,176	1,769,972		15,633,149	10,029,843
11	Telephone (PABX) Installation	490,000	-		490,000	15%	413,319	11,502		424,821	65,179
12	Crockaries and Cutlaries	50,777	-		50,777	15%	43,669	1,066		44,736	6,041
13	Generator	126,692,586	-		126,692,586	10%	91,823,645	3,486,894		95,310,539	31,382,047
14	Fire Installation	253,100	-		253,100	15%	217,682	5,313		222,995	30,105
	Total (A) as at 30.06.2017	**1,966,821,642**	**1,495,871**	**-**	**1,968,317,513**		**1,361,483,740**	**39,987,433**	**-**	**1,401,471,173**	**566,846,340**
	Total (A) as at 30.06.2016	**1,948,915,785**	**17,905,857**	**-**	**1,966,821,642**		**1,319,239,272**	**42,244,468**	**-**	**1,361,483,740**	**605,337,902**

REVALUATED FIXED ASSETS SCHEDULE AS AT 30TH JUNE 2017

	PARTICULARS	RE-VALUED COST				RATE	DEPRECIATION				WRITTEN DOWN VALUE AS AT 30.06.2017
		AS AT 01.07.2016	ADDITION	ADJUSTMENT	AS AT 30.06.2017		AS AT 01.07.2016	THIS YEAR	ADJUSTMENT	AS AT 30.06.2017	
(B)-	REVALUATION OF FIXED ASSETS :										
1	Land and Land Development	846,018,824		-	846,018,824	-	-	-	-	-	846,018,824
2	Factory Building	219,355,567		-	219,355,567	5%	62,879,399	7,823,808	-	70,703,207	148,652,360
3	Plant and Machinery	951,297,577		-	951,297,577	7.5%	399,147,153	41,411,282	-	440,558,434	510,739,142
4	Generator	132,146,678		-	132,146,678	10%	61,229,676	7,091,700	-	68,321,376	63,825,301
	Total (B) as at 30.06.2017	**2,148,818,646**	**-**	**-**	**2,148,818,646**	**-**	**523,256,227**	**56,326,790**	**-**	**579,583,018**	**1,569,235,628**
	Total (B) as at 30.06.2016	**2,148,818,646**	**-**	**-**	**2,148,818,646**	**-**	**462,372,019**	**60,884,208**	**-**	**523,256,227**	**1,625,562,418**
	Total (A+B) as at 30.06.2017	**4,115,640,287**	**1,495,871**	**-**	**4,117,136,158**		**1,884,739,967**	**96,314,224**	**-**	**1,981,054,191**	**2,136,081,968**
	Total (A+B) as at 30.06.2016	**4,097,734,431**	**17,905,857**	**-**	**4,115,640,287**		**1,781,611,291**	**103,128,676**	**-**	**1,884,739,967**	**2,230,900,320**

Depreciation Charged to:

Operating Expenses:	2,531,717
Factory Overhead:	93,782,507
Tk.	96,314,224

SALEK TEXTILE LIMITED

DIRECTORS' REPORT

TO THE SHAREHOLDERS FOR THE YEAR ENDED 30TH JUNE, 2017

Dear Shareholders,

In terms of provisions of section 184 of the Companies Act'1994 and IAS (International Accounting Standards) codes as adopted by the Institute of Chartered Accountants of Bangladesh (ICAB), the Board of Directors is pleased to submit its Report to the Shareholders together with Audited Accounts and Auditors' Report thereon, containing Statement of Financial Position, Statement of Profit or Loss and other Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year ended 30 June 2017.

BACKGROUND:

The Company was incorporated with RJSC on 9th day of September 2007 as a Private Limited Company. The Authorized Share Capital of the company was increased from Tk.500,000,000.00 divided into 5,000,000 ordinary shares of Tk.100.00 each to Tk.3,000,000,000.00 divided into 30,000,000 ordinary shares of Tk.100.00 each on 14th August, 2013. Subsequently the par value of share has been changed from Tk.100.00 per share to Tk.10.00 per share. The paid-up capital as on 30th June, 2017 stood at Tk.482,608,700.00 consisting of 48,260,870 ordinary shares of Tk.10.00 each.

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

The Company is a subsidiary company of Malek Spinning Mills Limited which holds 97.925% share & other sponsors of Malek Spinning Mills Ltd. hold 2.08% share of the company as on 30th June 2017.

As a subsidiary of Malek Spinning Mills Limited and to comply with the Corporate Governance Guidelines of the Bangladesh Securities and Exchange Commission (BSEC) Notification No. SEC/CMRRCD/2006-158/134/Admin/44 dated 07 August 2012 the holding of positions of Chairman and Managing Director of the company has been separated. Mr. A.F.M. Zubair has been elected as Chairman by the Board of Directors and Mr. A. Matin Chowdhury has been retained as the Managing Director of the company. Mr. Nurul Alam, Independent Director of Malek Spinning Mills Limited has been appointed as Independent Director (Non Shareholding).

COMMERCIAL OPERATION:

Salek Textile Limited started its commercial operation from 1st day of April 2009. The production capacity of the project is 14,621,000 kgs of yarn,9,600,000 yards fabric and 4,500,000 Pcs RMG products per annum. The Company manufactures open end yarn for denim and home textile markets and denim RMG.

COMPANY'S OPERATIONS:

The position of its operating performance for the year ended 30th June, 2017compared to previous year is given below:

Sl. No.	Description	2016-2017 (Kg.)	2015-2016 (Kg.)
01	Production capacity (Yarn)	14,621,000	14,621,000
02	Production capacity (Fabric) yds	9,600,000	9,600,000
03	Production capacity (RMG) Pcs	4,500,000	3,600,000
04	Actual Production (Yarn)	7,369,889	11,211,069
05	Actual Production (Fabric) yds	9,074,567	7,346,620
06	Actual Production (RMG) Pcs	*5,369,936	*5,129,592
07	Capacity Utilization (Yarn)	50.41%	76.68%
08	Capacity Utilization (Fabric)	94.53%	76.53%
09	Capacity Utilization (RMG) Pcs	119.33%	142.49%
10	Quantity Sold (kg) Yarn	7,733,577	10,546,044
11	Quantity Sold (yds) Fabric	8,442,203	6,709,324

12	Quantity Sold (RMG) Pcs	5,167,616	4,862,836
13	Sales Revenue (Tk.) Yarn	1,106,784,532	1,508,833,697
14	Sales Revenue (Tk.) Fabric	1,400,460,626	1,025,027,041
15	Sales Revenue (Tk.) RMG	2,306,825,979	2,051,063,017
16	Average selling price (Tk.) Yarn	143.11	143.07
17	Average selling price (Tk.) Fab.	165.89	152.78
18	Average selling price (Tk.) RMG	446.40	421.78

- Actual production in RMG unit included sub contract production.

CAPITAL EXPENDITURES:

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

Description	2016-2017 (Tk.)	2015-2016 (Tk.)
Land and Land Development	---	8,016,150
Factory Building	24,066,688	18,851,342
Plant and Machinery	139,807,517	138,848,108
Motor Vehicle	2,117,592	---
Office Equipments	5,259,333	4,107,640
Furniture & Fixtures	734,215	2,493,703
Electrical Installation	5,637,523	13,617,472
Gas Line Installation	2,000,000	2,000,000
Fire Installation	1,140,520	3,075,888
Tube well and Water Pump	2,203,000	74,000
Tools and Equipment	1,790,000	---
Total	**184,756,388**	**191,084,303**

SHAREHOLDING:

The Shareholding Position of different shareholders as at 30th June 2017 as follows:

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

FINANCIAL RESULTS:

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

Tk. in million

Description	2016-2017	2015-2016
Sales	3975.25	4123.01
Cost of goods sold	3550.10	3672.60
Gross profit	**425.15**	**450.41**
Operating expenses	121.29	113.27
Financial Expenses	235.54	228.06
Operating profit	**68.32**	**109.08**
Provision for WPPF	3.60	5.32
Provision for Income Tax	10.21	18.72
Net profit	**78.46**	**87.74**
Gross Margin Ratio	10.69%	10.92%
Net Margin Ratio	1.97%	2.13%
Earnings per share (Tk.)	1.63	1.82

APPROPRIATION OF PROFIT:

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

Net Profit after tax provision 2016-2017	Tk. 78,458,486
Add: Balance of profit B/F from previous year	Tk. 928,301,857
Add: Transfer of excess depreciation of revalued assets	Tk. 37,511,254
Total net free surplus available for appropriation	**Tk.1,044,271,597**
Appropriation Proposed:	
Proposed Dividend	Nil
Balance carried forward to Balance Sheet as Retained Earnings	**Tk.1,044,271,597**

DECLARATION OF DIVIDEND:

In order to strengthen the financial position of the company no dividend be and is recommended by the Board for the year ended 30th June, 2017.

APPOINTMENT OF DIRECTORS:

Rotation of Directors:

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

RE-APPOINTMENT OF MANAGING DIRECTOR:

The current tenure of the Managing Director, Mr. A. Matin Chowdhury expired on 7th August 2017. The Board of Directors in its meeting held on 21st August 2017 decided to re-appoint him for a further period of 5 (five) years with effect from 7th August 2017 on the existing terms and conditions. Accordingly, the Board of Directors had recommended for approval of re-appointment of Mr. A. Matin Chowdhury by the shareholders in the ensuing Annual General Meeting.

APPOINTMENT OF AUDITORS:

The existing Auditor, M/s Malek Siddiqui Wali, Chartered Accountants would retire at the 10th Annual General Meeting and being eligible, they offered themselves for re-appointment as Auditors for the year 2017-2018 with re-fixation of their remuneration.

BOARD MEETINGS:

During the period 2016-2017, Six (06) Board meetings were held. The attendance record of the Directors are as follows:

Name of Directors	Position	Meeting held	Attended
Mr. A.F.M. Zubair	Chairman	06	06
Mr. A. Matin Chowdhury	Managing Director	06	05
Dr. Shamim Matin Chowdhury	Director	06	05
Mr. Azizur R. Chowdhury	Director	06	05
Ms. Saima Matin Chowdhury	Director	06	03
Mr. Shyan Zubair	Director	06	04
Mr.Moshiur Rahman	Director (Nominated by Malek Spinning Mills Ltd.)	06	06
*Mr. M. Sekander Ali	Independent Director (Non Shareholding)	06	05

- Mr. M. Sekander Ali, Independent Director resigned from the Company for his personal reason on 3rd June, 2017 and Mr. Nurul Alam has been appointed as an Independent Director on 21st August, 2017.

ACKNOWLEDGEMENT:

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

Looking forward for a bright future for all of us.

On behalf of the Board of Directors,

A.F.M. Zubair
Chairman

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

Malek Siddiqui Wali
CHARTERED ACCOUNTANTS
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AUDITORS' REPORT

To the shareholders of
Salek Textile Limited

We have audited the accompanying Financial Statements of **Salek Textile Limited,** which comprise Statement of Financial Position as at 30th June 2017 and the related Statement of Profit or Loss and Other Comprehensive Income, Statement of Change in Equity, Statement of Cash Flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements:

The Management is responsible for the preparation and fair presentation of these financial statements in accordance with Bangladesh Accounting Standard (BAS)/Bangladesh Financial Reporting Standards (BFRS), the Companies Act 1994 and other applicable laws and regulations and for such internal control as management determines, which is necessary to enable the preparation of financial statements that are free from material misstatement, where due to fraud or error.

Auditor's Responsibility:

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Bangladesh Standards on Auditing (BSA). Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance where the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments the auditor consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluation the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion:

In our opinion, the Financial Statements prepared in accordance with Bangladesh Accounting Standard (BAS)/Bangladesh Financial Reporting Standards (BFRS), give a true and fair view of the state of the company's affairs as of June 30, 2017 and of the results of its operations and its cash flows for the period then ended and comply with the Companies Act 1994 and other applicable laws and regulations.

We also report that:

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

b) In our opinion, proper books of accounts as required by law have been kept by the company so far as it appeared from our examination of those books;

c) The Company's Statement of Financial Position and Statement of Profit or Loss and other Comprehensive Income dealt with by the report are in agreement with the books of accounts;

d) The expenditures incurred and payments made were for the purpose of the company's business.

Dated: Dhaka
October 22, 2017

Malek Siddiqui Wali
Chartered Accountants

SALEK TEXTILE LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT 30TH JUNE 2017

Particulars	JUNE '17 Taka	JUNE '16 Taka
ASSETS :		
Non-Current Assets:		
Property, Plant and Equipment	2,608,619,324	2,615,351,359
Capital Work-in-Progress	203,228,808	59,157,000
Goodwill	168,600,020	168,600,020
	2,980,448,152	**2,843,108,379**
Current Assets :		
Inventories	1,446,953,961	1,698,893,133
Advance, Deposit and Pre-Payments	418,042,454	220,693,388
Accounts Rceivable	1,192,302,053	1,570,423,304
Cash and Cash Equivalents	157,919,149	95,910,089
	3,215,217,617	**3,585,919,914**
TOTAL ASSETS :	**6,195,665,769**	**6,429,028,293**
SHAREHOLDER'S EQUITY AND LIABILITIES:		
Shareholder's Equity :		
Share Capital	482,608,700	482,608,700
Share Premium	601,754,814	601,754,814
Re-valuation Surplus	372,728,706	410,239,959
Tax Holiday Reserve	215,491,736	215,491,736
Retained Earnings	1,044,271,597	928,301,857
	2,716,855,553	**2,638,397,067**
Non-Current Liabilities:		
Long Term Loan	854,119,050	958,622,517
Deferred Tax Liabilities	135,846,712	141,473,400
	989,965,762	**1,100,095,917**
Current Liabilities :		
Short Term Loan	211,906,983	177,151,515
Current Portion of Long Term Loan	339,127,943	336,358,966
Bank Acceptance Liabilities	1,217,603,747	1,485,796,857
Creditors and Accruals	720,205,781	691,227,971
	2,488,844,454	**2,690,535,309**
TOTAL SHAREHOLDER'S EQUITY AND LIABILITIES :	**6,195,665,769**	**6,429,028,293**
Net Assets Value Per Share (NAV)	**56.30**	**54.67**
Par Value Tk.10		

These financial statements were approved by the Board of Directors on October 22, 2017 and were signed on it's behalf by.

A.F.M. Zubair	**A. Matin Chowdhury**	**B.K. Chaki**	**Syed Saiful Haque**
Chairman	Managing Director	Chief Financial Officer	Company Secretary

As per our report of same date

(Malek Siddiqui Wali)
Chartered Accountants

Dhaka
October 22, 2017

SALEK TEXTILE LIMITED

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30TH JUNE 2017

Particulars	Rotor Unit	Fabrics Unit	RMG Unit	JUNE '17 Total	JUNE '16 Total
	Taka	Taka	Taka	Taka	Taka
Sales	1,106,784,532	1,400,460,626	2,306,825,979	3,975,248,739	4,123,014,573
Cost of Goods Sold	(994,422,033)	(1,230,551,838)	(2,163,951,243)	(3,550,102,716)	(3,672,598,151)
Gross Profit/(Loss) :	**112,362,499**	**169,908,788**	**142,874,736**	**425,146,023**	**450,416,422**
Operating Expenses	(23,395,057)	(37,555,102)	(60,336,327)	(121,286,485)	(113,271,045)
Financial Expenses	(51,598,866)	(109,216,102)	(74,726,407)	(235,541,375)	(228,064,024)
Operating Profit/(Loss) :	**37,368,577**	**23,137,584**	**7,812,002**	**68,318,163**	**109,081,354**
Other Income/(Loss)	(344,723)	15,344,036	8,944,180	23,943,493	2,710,107
Net Operating Profit/(Loss) :	**37,023,854**	**38,481,620**	**16,756,182**	**92,261,657**	**111,791,461**
Provision for Contribution to WPPF	(1,763,041)	(1,832,458)	-	(3,595,499)	(5,323,403)
Profit/(Loss) before Tax :	**35,260,813**	**36,649,162**	**16,756,182**	**88,666,158**	**106,468,058**
Provision for Income Tax :	**(5,340,830)**	**(3,644,872)**	**(1,221,969)**	**(10,207,672)**	**(18,725,906)**
Current Tax	(8,828,854)	(5,783,537)	(1,221,969)	(15,834,360)	(24,957,176)
Deferred Tax	3,488,024	2,138,664	-	5,626,688	6,231,270
Net Profit/(Loss) after tax	**29,919,983**	**33,004,290**	**15,534,213**	**78,458,486**	**87,742,152**
Other Comprehensive Income	-	-	-	-	-
Total Comprehensive Income	**29,919,983**	**33,004,290**	**15,534,213**	**78,458,486**	**87,742,152**
Earnings Per Share (EPS)				**1.63**	**1.82**
Par Value Tk.10					
Number of Shares used to compute EPS				**48,260,870**	**48,260,870**

These financial statements were approved by the Board of Directors on October 22, 2017 and were signed on it's behalf by.

A.F.M. Zubair	**A. Matin Chowdhury**	**B.K. Chaki**	**Syed Saiful Haque**
Chairman	Managing Director	Chief Financial Officer	Company Secretary

As per our report of same date

(Malek Siddiqui Wali)
Chartered Accountants

Dhaka
October 22, 2017

SALEK TEXTILE LIMITED

Statement Of Changes In Equity

FOR THE YEAR ENDED 30TH JUNE 2017

Particulars	Share Capital	Share Premium	Tax holiday Reserve	Revaluation Surplus of Fixed Assets	Retained Earnings	Total
Balance as at 1st July 2016	482,608,700	601,754,814	215,491,736	410,239,960	928,301,857	2,638,397,067
Net Profit/(Loss) during the year					78,458,486	78,458,486
Transfer of excess depreciation of Revalued Assets				(37,511,254)	37,511,254	-
As at 30th June 2017	**482,608,700**	**601,754,814**	**215,491,736**	**372,728,706**	**1,044,271,597**	**2,716,855,553**

FOR THE YEAR ENDED 30TH JUNE 2016

Particulars	Share Capital	Share Premium	Tax holiday Reserve	Revaluation Surplus of Fixed Assets	Retained Earnings	Total
Balance as at 1st July 2015	482,608,700	601,754,814	215,491,736	451,781,759	799,017,906	2,550,654,915
Net Profit/(Loss) during the year					87,742,152	87,742,152
Transfer of excess depreciation of Revalued Assets				(41,541,799)	41,541,799	-
As at 30th June 2016	**482,608,700**	**601,754,814**	**215,491,736**	**410,239,959**	**928,301,857**	**2,638,397,067**

These financial statements were approved by the Board of Directors on October 22, 2017 and were signed on it's behalf by.

A.F.M. Zubair
Chairman

A. Matin Chowdhury
Managing Director

B.K. Chaki
Chief Financial Officer

Syed Saiful Haque
Company Secretary

As per our report of same date

(Malek Siddiqui Wali)
Chartered Accountants

Dhaka
October 22, 2017

SALEK TEXTILE LIMITED
STATEMENT OF CASH FLOW
FOR THE YEAR ENDED 30TH JUNE 2017

Particulars	JUNE '17 Taka	JUNE '16 Taka
CASH FLOW FROM OPERATING ACTIVITIES :		
Collection from Turnover & Bills Receivable	4,352,980,087	4,057,077,512
Payment for Raw Materials, Indirect Materials and other expenses	(3,544,080,016)	(3,504,104,382)
Other Income received	24,948,736	2,710,107
Payment for Operating Expenses	(115,068,500)	(106,955,547)
Payment of Financial Expenses	(235,541,375)	(228,064,024)
Payment for Income Tax	(30,399,866)	(28,028,624)
Net Cash provided/(used) by Operating Activities	**452,839,067**	**192,635,042**
CASH FLOW FROM INVESTING ACTIVITIES :		
Acquisation of Fixed Assets	(120,622,178)	(271,332,944)
Aquisition of Capital work in progress	(203,228,808)	-
Net cash used in Investing Activities	**(323,850,986)**	**(271,332,944)**
CASH FLOW FROM FINANCING ACTIVITIES :		
Bank Loan Increase/(Decrease)	(66,979,021)	(13,012,703)
Net cash provided/(used) by Financing Activities	**(66,979,021)**	**(13,012,703)**
Increase/(Decrease) in Cash and Cash Equivalents	**62,009,060**	**(91,710,605)**
Opening Cash and Cash Equivalents	95,910,089	187,620,694
Closing Cash and Cash Equivalents	**157,919,149**	**95,910,089**
Net Operating Cash Flow Per Share (NOCFPS) Par Value Tk.10	**9.38**	**3.99**

These financial statements were approved by the Board of Directors on October 22, 2017 and were signed on it's behalf by.

A.F.M. Zubair Chairman	**A. Matin Chowdhury** Managing Director	**B.K. Chaki** Chief Financial Officer	**Syed Saiful Haque** Company Secretary

As per our report of same date

(Malek Siddiqui Wali)
Chartered Accountants

Dhaka
October 22, 2017

NEWASIA SYNTHETICS LIMITED

DIRECTORS' REPORT
TO THE SHAREHOLDERS
FOR THE YEAR ENDED 30TH JUNE, 2017

Dear Shareholders,
The directors are pleased to present their report on the activities of the company together with the Audited Accounts and Auditors' Report thereon containing Statement of Financial Position, Statement of Profit or Loss and other Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year ended 30 June 2017.

REFERRAL:
In terms of the provisions of section 184 of the Companies Act'1994 and IAS (International Accounting Standards) codes as adopted by the Institute of Chartered Accountants of Bangladesh (ICAB), it is the pleasure of the Board of Directors to submit its report to the Shareholders for the year ended 30 June 2017 in the following paragraphs:

BACKGROUND:
The Company was incorporated with RJSC on 30th day of July 2008 as a Private Limited Company and subsequently on October 24, 2009 it has been converted into a Public Limited Company. The Authorized Share Capital of the company has also been increased from Tk. 500,000,000.00 to Tk.5,000,000,000.00 divided into 50,000,000 ordinary shares of Tk.100.00 each. The paid-up capital as on 30th June, 2017 stood at Tk.500,000,000.00 consisting of 5,000,000 ordinary shares of Tk.100.00 each. The paid up capital of the company has been raised after receiving capital raising consent from Bangladesh Securities and Exchange Commission (BSEC) vide their letter No. SEC/CI/CPLC-442/2013/2903 dated December 19, 2013.

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

As a subsidiary of Malek Spinning Mills Limited and to comply the Corporate Governance Guidelines of Bangladesh Securities and Exchange Commission (BSEC) Notification No. SEC/CMRRCD/2006-158/134/Admin/44 dated 07 August 2012 the Chairman and Managing Director of the company has been separated. Mr. Nurul Alam, Independent Director of Malek Spinning Mills Limited has been appointed as Independent Director (Non Shareholding).

COMPANY'S OPERATION AND FINANCIAL RESULTS:
The following capital expenditure was incurred in the year 2016-2017 & 2015-2016.

Description	2016-2017 (Tk.)	2015-2016 (Tk.)
Land and Land Development	65,114,890	27,250,210
Total	**65,114,890**	**27,250,210**

IMPLEMENTATION SCHEDULE:
The project was undertaken to set up a PET Granule (Bottle grade & Industrial grade) and Polyester Staple Fibre manufacturing unit in the name of Newasia Synthetics Ltd. As on 30th June 2017, MSML is the holder of 99.293% shares of Newasia Synthetics Limited i.e. 4,964,650 shares of Tk.100.00 each total Tk. 496,465,000.00 out of 5,000,000 shares of Tk.100.00 each total Tk. 500,000,000.00. Due to failure of Gas connection by Titas Gas Transmission & Distribution Company Ltd. the project has been shelved until the Gas connection is provided.

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

APPOINTMENT OF AUDITORS:

The existing Auditor, M/s. Malek Siddiqui Wali, Chartered Accountants would retire at the 9th Annual General Meeting and being eligible, have offered themselves for re-appointment as Auditors for the year 2017-2018 with re-fixation of their remuneration.

BOARD MEETINGS:

During the year 2016-2017, Five (05) Board meetings were held. The attendance record of the Directors are as follows:

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

- Mr. M. Sekander Ali, Independent Director resigned from the Company for his personal reason on 10th July, 2017 and Mr. Nurul Alam has been appointed as an Independent Director on 21st August, 2017.

FINANCIAL ACCOUNTS:

As the Company did not commence production & marketing but due to operating and financial expenses Net Loss incurred Tk.2,490,330 in the Statement of Profit or Loss and other Comprehensive Income for the year ended on 30th June, 2017.

ACKNOWLEDGEMENT:

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

Looking forward for a bright future for all of us.

On behalf of the Board of Directors,



A. Matin Chowdhury
Chairman

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

Malek Siddiqui Wali
CHARTERED ACCOUNTANTS
9-G, Motijheel C/A, 2nd Floor,
Dhaka-1000, Bangladesh.
Extension Office: Property Heights, 1st Floor
12, RK Mission Road, Dhaka – 1000.

PHONE: 9513471, 9569867
PABX: 9576118-9, 9576128
FAX: +88029516236
Email: wali@satcombd.com
Web: www.msw-bd.com

AUDITORS' REPORT

To the shareholders of

Newasia Synthetics Limited

We have audited the accompanying Financial Statements of **Newasia Synthetics Limited,** which comprise Statement of Financial Position as at 30th June 2017 and the related Statement of Profit or Loss and Other Comprehensive Income, Statement of Change in Equity, Statement of Cash Flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements:

The Management is responsible for the preparation and fair presentation of these financial statements in accordance with Bangladesh Accounting Standard (BAS)/Bangladesh Financial Reporting Standards (BFRS), the Companies Act 1994 and other applicable laws and regulations and for such internal control as management determines, which is necessary to enable the preparation of financial statements that are free from material misstatement, where due to fraud or error.

Auditor's Responsibility:

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Bangladesh Standards on Auditing (BSA). Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance where the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments the auditor consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluation the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion:

In our opinion, the Financial Statements prepared in accordance with Bangladesh Accounting Standard (BAS)/Bangladesh Financial Reporting Standards (BFRS), give a true and fair view of the state of the company's affairs as of June 30, 2017 and of the results of its operations and its cash flows for the period then ended and comply with the Companies Act 1994 and other applicable laws and regulations.

We also report that:

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

b) In our opinion, proper books of accounts as required by law have been kept by the company so far as it appeared from our examination of those books;

c) The Company's Statement of Financial Position and Statement of Profit or Loss and Other Comprehensive Income dealt with by the report are in agreement with the books of accounts;

d) The expenditures incurred and payments made were for the purpose of the company's business.

Malek Siddiqui Wali
Chartered Accountants

Dated: Dhaka
October 22, 2017

NEWASIA SYNTHETICS LIMITED

STATEMENT OF FINANCIAL POSITION

AS AT 30TH JUNE 2017

Particulars	JUNE '17 Taka	JUNE '16 Taka
ASSETS :		
Non-Current Assets :		
Property Plant & Equipment	1,978,123,057	1,913,936,162
	1,978,123,057	**1,913,936,162**
Current Assets :		
Advance, Deposit and Pre-Payments	68,472,933	63,836,211
Cash and Cash Equivalents	1,882,245	4,591,144
	70,355,178	**68,427,355**
TOTAL ASSETS :	**2,048,478,235**	**1,982,363,517**
SHAREHOLDER'S EQUITY AND LIABILITIES:		
Shareholder's Equity :		
Share Capital	500,000,000	500,000,000
Re-valuation Surplus	1,341,650,365	1,341,650,365
Retained Earnings	(16,054,146)	(13,563,816)
	1,825,596,219	**1,828,086,549**
Current Liabilities :		
Creditors & Accruals	222,882,016	154,276,968
	222,882,016	**154,276,968**
TOTAL SHAREHOLDER'S EQUITY AND LIABILITIES :	**2,048,478,235**	**1,982,363,517**
Net Assets Value Per Share (NAV)	**365.12**	**365.62**
Par Value Tk.100		

These financial statements were approved by the Board of Directors on October 22, 2017 and were signed on it's behalf by.

A. Matin Chowdhury	**Dr. Shamim Matin Chowdhury**	**B.K. Chaki**	**Syed Saiful Haque**
Chairman	Managing Director	Chief Financial Officer	Company Secretary

As per our report of same date

(Malek Siddiqui Wali)
Chartered Accountants

Dhaka
October 22, 2017

NEWASIA SYNTHETICS LIMITED

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30TH JUNE 2017

Particulars	JUNE '17 Taka	JUNE '16 Taka
Sales	-	-
Cost of Goods Sold	-	-
Gross Profit/(Loss) :	**-**	**-**
Operating Expenses	(2,473,730)	(3,950,446)
Financial Expenses	(16,600)	(8,570)
Operating Profit/(Loss) :	**(2,490,330)**	**(3,959,016)**
Other Income/(Loss)	-	-
Net Operating Profit/(Loss) :	**(2,490,330)**	**(3,959,016)**
Provision for Contribution to WPPF	-	-
Profit/(Loss) before Tax :	**(2,490,330)**	**(3,959,016)**
Provision for Income Tax :	**-**	**-**
Current Tax	-	-
Deferred Tax	-	-
Net Profit/(Loss) after tax	**(2,490,330)**	**(3,959,016)**
Other Comprehensive Income	-	-
Total Comprehensive Income	**(2,490,330)**	**(3,959,016)**
Earnings Per Share (EPS)	**(0.50)**	**(0.79)**
Par Value Tk.100		
Number of Shares used to compute EPS	**5,000,000**	**5,000,000**

These financial statements were approved by the Board of Directors on October 22, 2017 and were signed on it's behalf by.

A. Matin Chowdhury Chairman	**Dr. Shamim Matin Chowdhury** Managing Director	**B.K. Chaki** Chief Financial Officer	**Syed Saiful Haque** Company Secretary

As per our report of same date

(Malek Siddiqui Wali)
Chartered Accountants

Dhaka
October 22, 2017

NEWASIA SYNTHETICS LIMITED
STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30TH JUNE 2017

Particulars	Share Capital	Revaluation Surplus of Fixed Assets	Share Money Deposit	Retained Earnings	Total
Balance as on 1st July 2016	500,000,000	1,341,650,365	-	(13,563,816)	1,828,086,549
Net Profit/(Loss) during the year				(2,490,330)	(2,490,330)
As at 30th June 2017	**500,000,000**	**1,341,650,365**	**-**	**(16,054,146)**	**1,825,596,219**

FOR THE YEAR ENDED 30TH JUNE 2016

Particulars	Share Capital	Revaluation Surplus of Fixed Assets	Share Money Deposit	Retained Earnings	Total
Balance as on 1st July 2015	500,000,000	1,341,650,365	-	(9,604,800)	1,832,045,565
Net Profit/(Loss) during the year				(3,959,016)	(3,959,016)
As at 30th June 2016	**500,000,000**	**1,341,650,365**	**-**	**(13,563,816)**	**1,828,086,549**

These financial statements were approved by the Board of Directors on October 22, 2017 and were signed on it's behalf by.

A. Matin Chowdhury
Chairman

Dr. Shamim Matin Chowdhury
Managing Director

B.K. Chaki
Chief Financial Officer

Syed Saiful Haque
Company Secretary

As per our report of same date

(Malek Siddiqui Wali)
Chartered Accountants

Dhaka
October 22, 2017

NEWASIA SYNTHETICS LIMITED
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30TH JUNE 2017

Particulars	JUNE '17 Taka	JUNE '16 Taka
CASH FLOW FROM OPERATING ACTIVITIES :		
Payment for Operating Expenses	153,459,313	(2,754,239)
Payment for Financial Expenses	(16,600)	(8,570)
Net Cash provided/(used) by Operating Activities	**153,442,713**	**(2,762,809)**
CASH FLOW FROM INVESTING ACTIVITIES :		
Acqusition of Fixed Assets	(69,751,612)	(79,565,631)
Net Cash used in Investing Activities	**(69,751,612)**	**(79,565,631)**
CASH FLOW FROM FINANCING ACTIVITIES :		
Advance received from Malek Spinning Mills Ltd	(86,400,000)	84,600,000
Net cash provided/(used) by Financing Activities	**(86,400,000)**	**84,600,000**
Increase/(Decrease) in Cash and Cash Equivalents	**(2,708,899)**	**2,271,560**
Opening Cash and Cash Equivalents	4,591,144	2,319,584
Closing Cash and Cash Equivalents	**1,882,245**	**4,591,144**
Net Operating Cash Flow Per Share (NOCFPS)	**30.69**	**(0.55)**
Par Value Tk.100		

These financial statements were approved by the Board of Directors on October 22, 2017 and were signed on it's behalf by.

A. Matin Chowdhury Chairman	**Dr. Shamim Matin Chowdhury** Managing Director	**B.K. Chaki** Chief Financial Officer	**Syed Saiful Haque** Company Secretary

As per our report of same date

(Malek Siddiqui Wali)
Chartered Accountants

Dhaka
October 22, 2017

J.M. FABRICS LIMITED
DIRECTORS' REPORT
TO THE SHAREHOLDERS
FOR THE YEAR ENDED 30TH JUNE, 2017

Dear Shareholders,
In terms of provisions of section 184 of Companies Act'1994 and BAS (Bangladesh Accounting Standards) codes as adopted by the Institute of Chartered Accountants of Bangladesh (ICAB), the Board of Directors is pleased to submit its Report to the Shareholders together with Audited Accounts and Auditors' Report thereon, containing Statement of Financial Position, Statement of Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year ended 30 June 2017.

BACKGROUND:
The Company was incorporated with RJSC on 25th day of May 2005 as a Private Limited Company. The Authorized Share Capital of the company is Tk.500,000,000.00 divided into 5,000,000 ordinary shares of Tk.100.00 each. The paid-up capital as on 30th June, 2017 stood at Tk.400,000,000.00 consisting of 4,000,000 ordinary shares of Tk.100.00 each of which 3,999,900 shares of Tk.100.00 each was held by Malek Spinning Mills Limited.

The Company is a subsidiary company of Malek Spinning Mills Limited which holds 99.998% share & another sponsor of Malek Spinning Mills Ltd. holds 0.002% share of the company as on 30th June 2017.

As a subsidiary of Malek Spinning Mills Limited and to comply the Corporate Governance Guidelines of Bangladesh Securities and Exchange Commission (BSEC) Notification No. SEC/CMRRCD/2006-158/134/Admin/44 dated 07 August 2012, Mr. Nurul Alam, Independent Director of Malek Spinning Mills Limited has been appointed as Independent Director (Non Shareholding).

COMMERCIAL OPERATION:
J. M. Fabrics Limited started its commercial operation from 18th day of August 2007. The Company is engaged in the production of 100% export oriented garments and knit fabric with a production capacity of 16 Metric Tons dyed fabric and 68 (sixty eight) lines of cutting and sewing operation with all necessary facilities, storage etc.

COMPANY'S OPERATIONS:
The position of its operating performance for the year ended 30th June, 2017 is given below:

(1) CAPACITY/PRODUCTION
The Company's installed estimated production capacity is 43,680,000 Pcs. of Basic T-Shirt, Polo-Shirt & Intimate Garments per annum. Due to increase of Intimate products order quantity, we had to re-arranged production line. As a result total number of production quantity increase but production line was remain same. A comparative position of its operating performance is given below:

Sl. No.	Description	2016-2017 (Pcs.)	2015-2016 (Pcs.)
01	Production capacity	43,680,000	43,680,000
02	Actual Production	38,290,113	33,364,310
03	Capacity Utilization	87.66%	76.38%
04	Quantity Sold (Pcs.)	39,063,125	32,296,148
05	Sales Revenue (Tk.)	3,433,029,643	3,167,901,596
06	Average selling price (Tk.)	87.88	98.09

CAPITAL EXPENDITURES:
The following Capital Expenditure was incurred during the year 2016-2017 as compared to the previous year:

Description	2016-2017 (Tk.)	2015-2016 (Tk.)
Factory Building	1,712,381	8,086,712
Plant and Machinery	116,391,032	47,996,344
Office Equipments	11,178,880	3,554,400
Furniture & Fixtures	3,026,363	1,213,941
Electrical Installation	---	215,400
Gas Line Installation	2,500,000	---
Fire Installation	---	3,190,606
Tools and Equipment	562,223	---
Cargo Lift	---	---
Motor Vehicle	16,000	8,246,312
Cookeries & Cutleries	---	5,403
Total	**135,386,880**	**72,509,118**

SHAREHOLDING:

The Shareholding Position of different shareholders as at 30th June 2017 as follows:

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

FINANCIAL RESULTS:

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

Tk. in million

Description	2016-2017	2015-2016
Turnover	3,433.03	3,167.90
Cost of goods sold	3,224.59	2,975.39
Gross profit	**208.44**	**192.51**
General and Administrative Expenses	177.85	175.62
Operating profit	**30.59**	**16.89**
Other income	4.84	44.31
Net Profit before provision of WPPF	**35.43**	**61.20**
Provision for Worker's Profit Participation Fund	---	2.91
Net Profit before tax	**35.43**	**58.29**
Provision for Income Tax	25.06	18.01
Net profit after tax	**10.37**	**40.28**
Gross Margin Ratio	6.07%	6.08%
Net Margin Ratio	0.30%	1.27%
Earnings per share (Tk.)	2.59	10.07

APPROPRIATION OF PROFIT:

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

Net Profit (after tax provision) during the year 2016-2017	Tk. 10,371,859
Add: Profit brought forward from previous year balance sheet	Tk.284,474,842
Add: Transfer for depreciation charged on revalued assets	Tk. 2,444,194
Total net free surplus available for appropriation	**Tk. 297,290,895**
Appropriation Proposed:	
Proposed Dividend	Nil
Balance carried forward to Balance Sheet as Retained earnings	**Tk. 297,290,895**

DECLARATION OF DIVIDEND:

In order to strengthen the financial position of the company no dividend be and is recommended by the Board for the year ended 30th June, 2017.

APPOINTMENT OF AUDITORS:

The existing Auditor, M/s. Das Chowdhury Dutta & Co., Chartered Accountants would retire at the 12th Annual General Meeting and being eligible, have offered themselves for re-appointment as Auditors for the year 2017-2018 with re-fixation of their remuneration.

ACKNOWLEDGEMENT:

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

Looking forward for a bright future for all of us.

On behalf of the Board of Directors,

A. Matin Chowdhury
Chairman

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

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Auditors' Report

to the Shareholders of
J. M. Fabrics Limited

We have audited the accompanying Financial Statements of **J. M. Fabrics Limited** which comprises of the Statement of Financial Position as at 30 June 2017 and the related Statement of Comprehensive Income, Statement of Changes in Equity, Statement of Cash Flows for the year then ended together with a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements:

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with Bangladesh Financial Reporting Standards (BFRS) and other applicable laws and regulations and for such internal control as management determines is necessary to enable the preparation of these financial statements that are free from material misstatement whether due to fraud or error.

Auditor's Responsibility:

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Bangladesh Standards on Auditing (BSA). Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion:

In our opinion, the financial statements give a true and fair view of the financial position of **J. M. Fabrics Limited as at 30 June 2017** and of its financial performance and its cash flows for the year then ended in accordance with Bangladesh Financial Reporting Standards, the Companies Act 1994 and other applicable laws and regulations.

We also report that:

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

(b) in our opinion, proper books of account as required by law have been kept by the Company so far as it appeared from our examination of those books; and

(c) the company's statement of financial position and statement of comprehensive income dealt with by the report are in agreement with the books of account.

(d) the expenditure incurred was for the purpose of the Company's business.

Dhaka, 22 October 2017

Das Chowdhury Dutta & Co.
Chartered Accountants

J. M. Fabrics Limited
Statement of Financial Position as at 30 June 2017

Particulars	Taka	
	30.06.2017	30.06.2016
ASSETS:		
Non-Current Assets	**1,481,625,430**	**1,480,337,463**
Property, plant and equipment	1,309,901,679	1,306,169,518
Revalued fixed assets	171,723,751	174,167,945
Current Assets	**1,742,524,449**	**1,494,499,995**
Inventories	702,319,079	621,284,839
Advance, deposits and pre-payments	187,539,372	80,480,331
Accounts receivable	637,028,058	619,599,965
Cash and cash equivalents	215,637,940	173,134,861
Total	**3,224,149,879**	**2,974,837,458**
SHARE HOLDERS' EQUITY AND LIABILITIES:		
Shareholders' Equity	**847,588,023**	**837,216,164**
Share capital	400,000,000	400,000,000
Revaluation reserve	150,297,128	152,741,322
General reserve and surplus	297,290,895	284,474,842
Non-Current Liabilities	**471,311,910**	**656,951,345**
Long term loan from bank	449,029,818	634,588,286
Deferred tax liabilities	22,282,092	22,363,058
Current Liabilities	**1,905,249,946**	**1,480,669,950**
Short term loan	1,294,659,537	843,684,566
Current portion of long term loan	276,570,200	348,920,480
Accounts payable	111,872,146	158,006,687
Loan from director	34,000,000	50,000,000
Bank acceptance liabilities	103,176,805	38,314,672
Liabilities for expenditure	84,971,258	41,743,545
Total	**3,224,149,879**	**2,974,837,458**
Net Assets Value (NAV) Per Share (Including Revaluation surplus)	**211.90**	**209.30**

A. Matin Chowdhury
Chairman

Azizur R.Chowdhury
Managing Director

Amit Kumar Saha
Chief Financial Officer

Syed Saiful Haque
Company Secretary

Signed in terms of our report of even date annexed

Dhaka, 22 October 2017

Das Chowdhury Dutta & Co.
Chartered Accountants

J. M. Fabrics Limited
Statement of Comprehensive Income
for the year ended on 30 June 2017

Particulars	Taka	
	30.06.2017	30.06.2016
Turnover		
Export earnings	3,433,029,643	3,167,901,596
Less: Cost of goods sold	3,224,589,145	2,975,386,378
Gross Profit / (Loss)	**208,440,498**	**192,515,219**
General and Administrative Expenses	**177,846,430**	**175,618,783**
Administrative expenses	30,393,714	25,460,468
Selling and distribution expenses	4,676,762	4,539,065
Financial expenses	142,775,954	145,619,250
Operating Profit / (Loss)	**30,594,068**	**16,896,436**
Other Income	**4,840,459**	**44,311,005**
Cash Incentive	22,069,489	44,311,005
Gain /(Loss) on Fire	(17,229,030)	-
Net Profit Before provision of WPPF	**35,434,527**	**61,207,441**
Provision for WPPF	-	2,914,640
Net Profit Before Tax	**35,434,527**	**58,292,801**
Provision for Income Tax	**25,062,668**	**18,005,712**
Provision for tax - current year	25,143,634	18,094,933
Provision for deferred tax	(80,966)	(89,221)
Net Profit After Tax	**10,371,859**	**40,287,089**
Earnings Per Share (EPS)	**2.59**	**10.07**
Number of shares used to compute EPS	**4,000,000**	**4,000,000**

A. Matin Chowdhury
Chairman

Azizur R.Chowdhury
Managing Director

Amit Kumar Saha
Chief Financial Officer

Syed Saiful Haque
Company Secretary

Signed in terms of our report of even date annexed

Dhaka, 22 October 2017

Das Chowdhury Dutta & Co.
Chartered Accountants

J. M. Fabrics Limited
Statement of Changes in Equity

For the year ended 30 June 2017

Particulars	Share Capital	General Reserve and Surplus	Revaluation Reserve	Total
Balance as at 01 July 2016	400,000,000	284,474,842	152,741,322	837,216,164
Net profit / (loss) for the year	-	10,371,859	-	10,371,859
Transfer to general reserve and surplus for depreciation charged on revalued assets	-	2,444,194	(2,444,194)	-
Balance as at 30 June 2017	**400,000,000**	**297,290,895**	**150,297,128**	**847,588,023**

For the year ended 30 June 2016

Particulars	Share Capital	General Reserve and Surplus	Revaluation Reserve	Total
Balance as at 01 July 2015	400,000,000	241,512,227	155,416,848	796,929,075
Net profit / (loss) for the year	-	40,287,089	-	40,287,089
Transfer to general reserve and surplus for depreciation charged on revalued assets	-	2,675,526	(2,675,526)	-
Balance as at 30 June 2016	**400,000,000**	**284,474,842**	**152,741,322**	**837,216,164**

A. Matin Chowdhury
Chairman

Azizur R.Chowdhury
Managing Director

Amit Kumar Saha
Chief Financial Officer

Syed Saiful Haque
Company Secretary

Signed in terms of our report of even date annexed

Dhaka, 22 October 2017

Das Chowdhury Dutta & Co.
Chartered Accountants

J. M. Fabrics Limited

Statement of Cash Flows
for the year ended on 30 June 2017

Particulars	Taka	
	30.06.2017	30.06.2016
Cash Flows from Operating Activities:		
Collection from turnover and bills receivable	3,415,601,550	3,059,441,634
Collection From Other Income	4,840,459	44,370,972
Payment for purchase of raw materials	(3,231,805,606)	(2,885,486,149)
Payment for operating expenses	(31,420,366)	(26,752,270)
Payment for financial expenses	(142,775,954)	(145,619,250)
Increase in advance, deposit and prepayment	(107,059,040)	(35,907,621)
Increase/(Decrease) in liabilities	61,874,338	(52,778,761)
Net Cash Provided/ (Used) by Operating Activities	**(30,744,619)**	**(42,731,444)**
Cash Flows from Investing Activities:		
Acquisition of fixed assets	(135,386,879)	(72,509,118)
Disposal of fixed assets	31,568,355	35,000
Net Cash Provided/(Used) by Investing Activities	**(103,818,524)**	**(72,474,118)**
Cash Flows from Financing Activities:		
Loan received from bank	193,066,223	151,752,637
Loan received from Directors	(16,000,000)	-
Net Cash Provided/(Used) by Financing Activities	**177,066,223**	**151,752,637**
Increase/(Decrease) in Cash and Cash Equivalents	**42,503,079**	**36,547,076**
Opening balance of Cash and Cash Equivalents	**173,134,861**	**136,587,785**
Closing balance of Cash and Cash Equivalents	**215,637,940**	**173,134,861**
Net Operating Cash Flows Per Share (NOCFPS)	**(7.69)**	**(10.68)**

A. Matin Chowdhury
Chairman

Azizur R.Chowdhury
Managing Director

Amit Kumar Saha
Chief Financial Officer

Syed Saiful Haque
Company Secretary

Signed in terms of our report of even date annexed

Dhaka, 22 October 2017

Das Chowdhury Dutta & Co.
Chartered Accountants

27th Annual General Meeting













27th Annual General Meeting













Malek Spinning Mills Limited

Registered Office: 117/A, Tejgaon Industrial Area, Dhaka-1208, Bangladesh
Corporate Head Office: Tower-117, 117/A, Tejgaon Industrial Area, Dhaka-1208, Bangladesh

PROXY FORM

I/We ----------

of ----------

being a shareholder(s) of Malek Spinning Mills Limited and a holder of ---------- shareshereby appoint

Mr/Mrs/Miss----------

of ----------

as my/our proxy to attend and vote on my/our behalf at the 28th Annual General Meeting of the Company to be held on Wednesday, December 27, 2017 at 10.30 a.m.at Spectra Convention Centre Limited, House # 19, Road # 7, Gulshan-1, Dhaka-1212 and at any adjournment thereof.

Signed this ---------- day of December, 2017

Afix Revenue Stamp

Signature shareholder(s)---------- Signature of Proxy----------

Name of shareholder (s) ---------- Name of Proxy----------

Folio/BOID No.

Folio/BOID No. of Proxy (if any):

Note: A member entitled to attend and vote at the Annual General Meeting may appoint proxy to attend and vote in his/her stead. The proxy form should reach the Corporate Head Office of the Company not less than 72 hours before the time fixed for the meeting.

Malek Spinning Mills Limited

Registered Office: 117/A, Tejgaon Industrial Area, Dhaka-1208, Bangladesh
Corporate Head Office: Tower-117, 117/A, Tejgaon Industrial Area, Dhaka-1208, Bangladesh

Attendance Slip

I hereby record my attendance at the 28th Annual General Meeting of Malek Spinning Mills Limited being held today, the December 27, 2017 at 10.30 a.m. at Spectra Convention Centre Limited, House # 19, Road # 7, Gulshan-1, Dhaka-1212 as a holder of ----------shares of the Company.

Signature of Shareholder/Proxy----------

Name of Shareholder/Proxy----------

Folio/BOID No.

NOTE: Shareholder(s) attending the meeting in person or by proxy are requested to complete the Attendance Slip and hand it over at the entrance of the meeting hall.

AMR STOCK

AMAR STOCK

Malek Spinning Mills Limited

Registered Office: 117/A, Tejgaon Industrial Area, Dhaka-1208
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