

DIRECTOR'S REPORT

Bismillahir Rahmanir Rahim,

Dear Shareholders,
Assalamu Alykum,

On behalf of the members of the Board of Directors of your company, I welcome you all to the 22nd Annual General Meeting of M.L. Dyeing & Textile Ind. PLC. We, the members of the Board are pleased to present Directors' Report, Auditors' Report and Audited Financial Statements for the financial year ended on June 30, 2023 before you for your consideration and approval. In terms of provisions of section 184 of the Companies Act 1994, Rule 12 (and the schedule there under) of the Securities and Exchange Rules 1987 and IAS-1 (International Accounting Standards-1) codes as adopted by the Institute of Chartered Accountants of Bangladesh (ICAB), these reports have been prepared and being presented before the shareholders for the financial year ended on June 30, 2023.

Principal Activity: The principal activities of the Company are to carry on the business of dyeing and finishing yarn for 100% export oriented sweater industries in Bangladesh.

Another production plant of M.L. Dyeing & Textile Ind. PLC is Spinning Unit (New Unit) which situated at Mohona, Vabanipur, Gazipur Sadar, Gazipur, started its production from 30 June 2021.

Company's Operational Activity: The Company's Annual production capacity of Acrylic & Cotton Yarn Dyeing and cotton yarn production are 19,840,000 Lbs & 5,250,000 Kg. respectively in the year of 2022-2023. The production during the year ended on June 30, 2023 was 2,418,801 Lbs & 2,704,529 Kg respectively. During the year under review, the company was able to sell Tk. 107.46 Crore in comparison to Tk. 165.61 Crore of Previous year. And the company was able to achieve Net Profit/ (Loss) after Tax Tk. 4.53 Crore in comparison to Tk. 10.01 Crore of Previous year.

1. CAPACITY / PRODUCTION:

The total capacity and production as of June 30, 2023 was as follows:

(i) Dyeing Unit :

2022-2023	2021-2022	2020-2021	2019-2020	2018-2019
-----------	-----------	-----------	-----------	-----------

Production Dyed Yarn (Lbs):

A	Installed Capacity	19,840,000	19,840,000	19,840,000	19,840,000	19,840,000
B	Actual Production	2,418,801	5,677,242	14,527,995	17,969,152	17,978,053
C	Efficiency (%)	12.19	28.62	73.23	90.57	90.62

(i) Spinning Unit :

2022-2023	2021-2022	2020-2021	2019-2020	2018-2019
-----------	-----------	-----------	-----------	-----------

Production Cotton Yarn (Kg):

A	Installed Capacity	5,250,000	4,900,000	4,900,000	-	-
B	Actual Production	2,704,529	3,898,281	1,200	-	-
C	Efficiency (%)	51.51	79.56	0.024	-	-

1. COST OF PRODUCTION:

The cost of production has varied during the past years primarily due to wide fluctuations in the price and availability of raw materials, packing materials, fuel & power, and spare parts which were beyond the control of Management. The level of costs and their incidences are given below:

30-06-2023	30-06-2022	30-06-2021	30-06-2020	30-06-2019
------------	------------	------------	------------	------------

a)	Production Dyed yarn (Lbs)	2,418,801	5,677,242	14,527,995	17,969,152	17,978,053
	Production Yarn (Kg)	2,704,529	3,898,281	1,200	-	-
b)	Cost of Production (BDT):					
	Raw Materials Consumed-Yarn	125,865,701	543,383,096	1,294,358,119	1,758,487,260	1,810,346,848
	Raw Materials Consumed-Cotton	499,724,616	645,152,097	755,971		
	Raw Materials Consumed-Chemicals	14,606,312	67,680,575	131,447,034	151,010,896	162,122,811
	Packing Materials Consumed	5,767,849	6,711,230	5,381,727	5,578,290	5,294,879
	WIP-Opening	8,168,610	8,016,511	8,917,632	9,357,214	9,506,397
	WIP-Closing	5,659,196	8,168,610	8,016,511	8,917,632	9,357,214
	Manufacturing Overhead	123,393,795	134,937,445	114,175,783	115,605,290	114,389,889
	Depreciation	173,707,922	174,016,737	132,195,718	132,193,524	134,652,795
	Total	945,575,609	1,571,729,081	1,679,215,473	2,163,314,842	2,226,956,405

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

Dyeing is the process of adding color to textile products like fibers, yarns, and fabrics. Dyeing is normally done in a special solution containing dyes and particular chemical material. After dyeing, dye molecules have uncut chemical bond with fiber molecules. The temperature and time controlling are two key factors in dyeing.

M.L. DYEING & TEXTILE IND. PLC

Bangladesh is one of the largest producers of textiles and garments products. Abundant availability of raw materials' demand and cheap labor has made the country a sourcing hub. With the improvement of the Textile & RMG sector in Bangladesh a lot of backward linkage industries have been established to support the Textile & RMG sector. Dyeing industry is one of the most important backward linkage industries for the Textile & RMG sector. The demand of dyeing industry is increasing day by day considering the development of the Textile & RMG sector.

[Source: BKMEA website]

The ongoing global economic crisis is having an impact on all export dependent economies. Even high performing countries like China and India have recorded slowdowns. Other high performing economies like those of Thailand, Philippines and Indonesia are also suffering badly because of the ongoing crisis. In contrast, export of textile products from Bangladesh surprisingly remains quite buoyant. Readymade Garments exports have increased by significant percent, during the year over the corresponding period of last year.

You know that your company's products are yarn dyeing and sell dyed yarns and has 22 years of experiences in yarn dyeing. On 30 June 2021 the company started a new production plant – Spinning Unit with a capacity of 20 ton yarn per day. The company also sale those cotton yarn. The company is one of the fast growing and leading textile processing sector in Bangladesh. The company produced 2,418,801 lbs dyed yarn and 2,704,529 Kg cotton yarn for the year ended June 30, 2023. We always focuses on more sustainable and eco-friendly products. We always recognized our valued customers through quality products with committed services.

(ii) Risks and concerns:

You know that your company's products selling is directly depends on the production of garments and textile sector. All sectors of the garments and textile industries face many of the same challenges. The main problems are lack of power and problem with labor unrest causing disruption of production. Price of power for industries is likely to increase as well. Gas price has increased for the industries but the government has further hinted the raise as well. Hence, coming year could be a year when the industries may need to be prepared to pay more for energy and fuel. So, this forcing the sector to be more cost effective in the ever challenging international market.

(iii) Analysis of Cost of Goods sold, Gross Profit Margin and Net Profit Margin:

(a) Cost of Goods Sold:

Cost of Goods Sold (COGS) is the expenses a company incurred in order to manufacture, create or to sell a product. It includes the purchase price of the raw materials as well as the expenses of turning it into a finished product. The Cost of goods sold for the 12 months ended on 30.06.2023 was Tk. 988.99 million as compared to the previous same period's cost of goods sold of Tk. 1,503.54 million. Production capacity (Dyeing Unit & Spinning Unit) utilized during the 12 months ended 30.06.2023 was 12.19% & 51.51% respectively whereas during the 12 months ended 30.06.2022 it was 28.62% & 79.56%.

(b) Gross Profit:

Gross Profit is the difference between sales and the cost of goods sold.

Gross Profit = (Sales-Cost of Goods Sold)

The Gross Profit margin is one indicator to diagnose the financial health of a business. Larger gross profit margins are better for business-the higher the percentage, the more the business retains of each Taka of sales for other expenses and net profit.

Gross Profit Margin % = (Gross Profit/Sales) X 100

The company has achieved an export turnover of Tk. 1,074.60 million during the 12 months ended June 30, 2023 which was Tk. 1,656.08 million in the last year. Gross Profit effected by Tk. 85.61 million during the 12 months ended June 30, 2023 which was Tk. 152.54 million in the last year.

(c) Net Profit:

Net Profit is calculated by subtracting expenses including Tax from the gross profit, showing what the business has earned (or lost) in a given period of time.

Net Profit= Gross Profit-Expenses with Tax

Net profit (after tax) earned during the 12 months ended June 30, 2023 was Tk. 45.26 million as compared to last year's Net profit (after tax) of Tk. 100.19 million.

(iv) Extra-Ordinary gain or loss:

There is no extraordinary gain or loss occurred during the reporting period except interest income.

(v) Related party transactions:

a) Equity Participation

M. L. Dyeing Limited has share investment in R.N. Spinning Mills Limited for 20,420,000 ordinary shares of Tk. 10/- each (at par) amounting Tk. 204,200,000. Carrying value of the investment as on June 30, 2023 stood at Tk. Nil being the proportioned fire loss has been adjusted with the investment for no. of share 34,589,966 ordinary shares being 8.812% of total ordinary shares of R.N. Spinning Mills Ltd

b) Business Transaction

Name of related party	Nature of transaction	Transaction type at the end of the period	Outstanding balance as on 30.06.2023
Samin Food and Beverage Inds. and Textile Mills Ltd.	Purchases	Bills Payable	Nil
S.F. Textile Industries Ltd.	Purchases	Bills Payable	Nil

Related Party Transactions are depicted in Note No. 3.21 in the Notes of Accounts.

(vi) Utilization of Proceeds from Public Issuer:

The company got IPO approval from Bangladesh Securities and Exchange Commission (BSEC) vide consent letter no. BSEC/CI/IPO – 152/2011/395 dated- June 10, 2018 for raising Tk. 20.00 Crore by issuing 20,000,000 Ordinary Shares of Tk. 10.00 each. As on the date of communication of this annual report and AGM notice, the Company raised Tk. 20.00 Crore by issuing 20,000,000 Ordinary Shares of Tk. 10.00 each from the capital market in order to meet up the Acquisition and Installation of Machineries & Equipment and IPO Expenses. The utilization of IPO fund has been disclosed as IPO Expenses as follows:

Particulars	Amount (Tk)	Amount (Tk)
Total IPO Proceeds		200,000,000
Fund utilization (Taka) up to June 2020	74,452,408	
Refund from cancellation of LC	(4,864,920)	
Actual Utilization	69,587,488	
Fund utilization (Taka) during the year ended June 2021	130,412,512	
Total IPO Proceeds utilized		200,000,000

M.L. DYEING & TEXTILE IND. PLC

(vii) There is no event of deterioration of the financial results during the year ended June 30, 2023 because none of event incurred in connection with Initial Public Offering (IPO), Repeat Public Offering (RPO), Rights Share Offer, Direct Listing, etc in the reporting period.

(viii) **Variance between Quarterly Financial performance and Annual Financial Statements:**

There is no significant variance between the Quarterly Financial performance and Annual Financial Statements.

(ix) **Remuneration to directors including independent directors:**

The remunerations of Directors for the 12 months ended 30.06.2023 are as follows:

Name	Status	Director Remuneration	Meeting attending fees	Total Taka
Mr. Abdul Mannan (Representative Director of M.N. Industries Ltd.)	Chairman	-	8,000	8,000
Mr. Golam Azam Chowdhury (Representative Director of Rajon Ind. Ltd.)	Managing Director	600,000	7,000	607,000
Mr. Abul Khair Manik (Representative Director of Total Spinning Mills Ltd.)	Director	-	8,000	8,000
Mr. Md Anisur Rahman (Representative Director of Faiaz Industries Ltd.)	Director	-	7,000	7,000
Mr. Md. Anwar Zahid Bhuiyan	Independent Director	-	2,000	2,000
Mr. Omar Faruk	Independent Director	-	2,000	2,000
Mr. Syed Md. Tajon Islam	Independent Director	-	2,000	2,000

Remuneration of Directors including Independent Directors have been shown in Note no. 31.C in the Notes of Accounts.

(xi) **Statement of Directors on Financial Reports:**

- The financial statements prepared by the management of the issuer company present fairly its state of affairs, the result of its operations, cash flows and changes in equity.
- Proper books of accounts of the issuer company have been maintained.
- Appropriate accounting policies have been consistently applied in preparation of the financial statements and that the accounting estimates are based on reasonable and prudent judgment.
- International Accounting Standards (IAS) or International Financial Reporting Standards (IFRS), as applicable in Bangladesh, have been followed in preparation of the financial statements and any departure there- from have been adequately disclosed.
- The system of internal control is sound in design and has been effectively implemented and monitored.
- Minority shareholders have been protected from abusive actions by, or in the interest of, controlling share holders acting either directly or indirectly and have effective means of redress;
- There are no significant doubts upon the issuer company's ability to continue as a going concern.

(xii) Deviation from the last year's operating results:

The operating results have been declined during the year compare to last year due to effect of Covid-19 and global impact of Ukraine – Russia unrest. The management's continuous endeavor to grow and sustain the pressure of international competitive market.

(xiii) Key operating and financial data of last preceding 5 (five) years:

Operational Data:

Particulars	Year ended on				
	30.06.2023	30.06.2022	30.06.2021	30.06.2020	30.06.2019
Turnover (Tk)	1,074,600,069	1,656,081,752	1,940,839,185	2,388,452,683	2,468,360,191
Gross Profit (Tk)	85,607,049	152,543,397	203,192,938	265,855,757	254,335,938
Net Operating Profit (Tk)	53,993,183	115,803,200	168,384,064	231,021,294	219,075,862
Net Profit before tax (Tk)	56,390,257	118,114,905	168,985,476	238,570,419	228,313,790
Net Profit after tax (Tk)	45,257,727	100,108,706	143,535,414	201,286,281	196,577,339
Basic EPS (Tk)	0.19	0.43	0.62	0.87	1.03
Dividend per share (%)	2% Cash	10% Cash	10% Cash	5% C & 5% Stock	5% C & 15% Stock

(xiv) Key operating and financial data of last preceding 5 (five) years:

Financial Data:

	Year ended as on				
	30.06.2023	30.06.2022	30.06.2021	30.06.2020	30.06.2019
Authorized Capital (Tk)	3,100,000,000	3,100,000,000	3,100,000,000	3,100,000,000	2,100,000,000
Paid up Capital (Tk)	2,324,340,900	2,324,340,900	2,324,340,900	2,213,658,000	1,924,920,000
Face value per share (Tk)	10	10	10	10	10
Retained Earnings (Tk)	777,417,164	1,203,315,346	1,335,640,730	1,413,471,116	1,597,243,835
Current Assets (Tk)	699,840,843	935,819,068	1,369,082,551	2,046,996,290	1,948,864,207
Current Liabilities (Tk)	295,862,334	160,812,549	164,716,524	155,865,204	147,092,991
Current Ratio	2.37	5.82	8.31	13.13	13.25
Quick Ratio	1.65	3.71	4.99	7.37	6.73
Debt-Equity Ratio	0.059	0.003	0.001	0.001	0.001
Time Interest Earned Ratio	8.67	17.46	226.52	376.86	306.00
Return on Assets	1.22%	2.56%	3.63%	5.21%	5.17%
Return on Equity	1.37%	2.79%	3.94%	5.63%	5.58%
Earnings per share	0.19	0.43	0.62	0.87	1.03
Dividend per share	2% Cash	10% Cash	10% Cash	5% C, 5% Stock	5% C, 15% Stock
Inventory Turnover	4.10	3.55	2.52	2.55	3.04
Asset Turnover	0.29	0.42	0.49	0.62	0.65
Number of Shares	232,434,090	232,434,090	232,434,090	221,365,800	192,492,000
Number of Shareholders	12,746	12,197	8,743	1,683	3,050

M.L. DYEING & TEXTILE IND. PLC

(xv) **Dividend:** Our Policy is to offer consistent dividends that closely reflect business performance. As announced by the Company on October 23, 2023 the Board has recommend dividend for all shareholders 2% Cash Dividend per share for the year ended on June 30, 2023 which will be paid after approval in the Annual General Meeting of the Company as per respective shareholding position on record date i.e. on November 16, 2023.

(xvi) **Interim Dividend:** Board of Directors confirm that no bonus share or stock dividend has been declared as interim dividend and shall not plan to declare any stock or bonus share as interim dividend in future.

(xvii) Number of Board Meetings:

The Board met 8 times during year ended June 30, 2023 following table shows the attendance of Directors in the meeting:

Name of the Director	Position	No. of Meeting held during the year	No. of Meeting attended
Mr. Abdul Mannan (Representative Director of M.N. Industries Ltd.)	Chairman	8	8
Mr. Golam Azam Chowdhury (Representative Director of Rajon Ind. Ltd.)	Managing Director	8	7
Mr. Abul Khair Manik (Representative Director of Total Spinning Mills Ltd.)	Director	8	8
Mr. Md Anisur Rahman (Representative Director of Faiaz Industries Ltd.)	Director	8	7
Mr. Md. Anwar Zahid Bhuiyan	Independent Director	8	2
Mr. Omar Faruk	Independent Director	8	2
Mr. Syed Md. Tajon Islam	Independent Director	8	2

The members who could not attend the meeting were granted leave and outside of the country.

(xviii) The pattern of shareholding:

a) Parent/ Subsidiary/ Associated Companies and other related parities

Rajon Industries Ltd., Total Spinning Mills Ltd., M.N. Industries Ltd. and Faiaz Industries Ltd. has following share investment in M.L. Dyeing & Textile Ind. PLC who have significant influence in decision making as Directors in M.L. Dyeing & Textile Ind. PLC.

Name	Position	Number of shares held
M.N. Industries Ltd. (Rep. by Mr. Abdul Mannan)	Chairman	17,778,035
Rajon Industries Ltd. (Rep. by Mr. Golam Azam Chowdhury)	Managing Director	9,346,050
Faiaz Industries Ltd. (Rep. by Mr. Md Anisur Rahman)	Director	13,909,664
Total Spinning Mills Ltd. (Rep. by Mr. Abul Khair Manik)	Director	9,882,180

b) Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer and Head of Internal Audit and Compliance and their spouses and minor children:

Name	Position	Number of share held
Mr. Abdul Mannan (Representative Director of M.N. Industries Ltd.)	Chairman	17,778,035
Mr. Golam Azam Chowdhury (Representative Director of Rajon Textile Mills Ltd.)	Managing Director	9,346,050
Mr. Md Anisur Rahman (Representative Director of Faiaz Industries Ltd.)	Director	13,909,664
Mr. Abul Khair Manik (Representative Director of Total Spinning Mills Ltd.)	Director	9,882,180
Mr. Md. Anwar Zahid Bhuiyan	Independent Director	-
Mr. Md. Jahidul Islam Bhuiyan	CFO	-
Mr. A.K.M. Atiqur Rahman	Company Secretary	-
Mr. Gopal Chandra Basak	Head of Internal Audit	-
Other than above, none of the spouse and minor children hold any shares of the company		

b) **Senior Corporate Executives :**

Number of shares held : Nil

c) **Shareholders holding ten percent (10%) or more voting interest in the company : Nil**

(xix) **Appointment/ re-appointment of directors of the company:**

Retirement:

Mr. Golam Azam Chowdhury (Representative Director of Rajon Textile Mills Ltd.), Managing Director and Mr. Abul Khair Manik (Representative Director of Total Spinning Mills Ltd.), Director of the Company will retire.

Appointment/Re-appointment:

Mr. Golam Azam Chowdhury (Representative Director of Rajon Textile Mills Ltd.), being eligible offering himself for re-election as Managing Director.

Mr. Abul Khair Manik (Representative Director of Total Spinning Mills Ltd.), being eligible offering himself for re-election as Director.

Appointment of Independent Director:

Mr. Syed Md. Tajon Islam has successfully completed 2nd term (consecutively 6 years) as Independent Director in the Company. The Board of Directors has appointed Mr. Md. Anwar Zahid Bhuiyan as Independent Director and duly approved by Bangladesh Securities and Exchange Commission (BSEC) which is subject to approval of the shareholders in the upcoming AGM.

xx) **Director's involvement in other companies:**

Sl. No.	Name of Directors	Position at M.L. Dyeing & Textile Ind. PLC	Entitles where they have interests	Position in other Companies
01.	Mr. Md. Anwar Zahid Bhuiyan	Independent Director	R.N. Spinning Mills Ltd.	Independent Director

M.L. DYEING & TEXTILE IND. PLC

(xxi) Auditors:

- a) Present Auditors Kazi Zahir Khan & Co., Chartered Accountants will retire in the 22nd AGM at the end of 3 years tenure. M.Z. Islam & Co., Chartered Accountants offer themselves for auditing accounts and affairs of the Company's Head Office as well as Factory for the year ended June 30, 2024 with an honorarium as per fees structure of the ICAB.

Accordingly, the Board of Directors of the company has appointed M.Z. Islam & Co., Chartered Accountants for the year ended June 30, 2024 as per order of Bangladesh Securities and Exchange Commission (BSEC) No SEC/CMRRCD/2009-193/174/Admin/61 dated July 08, 2015 as they have conveyed their willingness to accept for appointment.

- b) Mujibur Rahman & Co., Cost & Management Accountants acted as auditors to audit compliance conditions on the Corporate Governance code for the financial year ended June 30, 2023 and reported accordingly. Mujibur Rahman & Co., Cost & Management Accountants expressed their interest for re-appointment as auditors to audit compliance conditions on the Corporate Governance code for the financial year ended June 30, 2024 with an honorarium Tk. 50,000/- (taka fifty thousand) only. Subject to approval of shareholders in the AGM.

(xxii) Corporate Governance Compliance Report:

In accordance with the requirement of the Bangladesh Securities and Exchange Commission, Corporate Governance Report is annexed.

(xxiii) Going Concern:

The Directors consider that the Company has adequate resources to remain in operation for the foreseeable future and has therefore continued to adopt the going concern basis in preparing the financial statements.

(xxiv) Internal Control System:

The Company has an internal control system, commensurate with the size, scale and complexity of its operations. The scope and authority of the Internal Audit function is defined in the Internal Audit Charter. To maintain its objectivity and independence, the Internal Audit function reports to the Chairman of the Board.

The Internal Audit Department monitors and evaluates the efficacy and adequacy of internal control systems in the Company, its compliance with operating systems, accounting procedures and policies at all locations of the Company. Based on the report of internal audit function, process owners undertake corrective action in their respective areas and thereby strengthen the controls. Significant audit observations and corrective actions thereon are presented to the Board.

(xxv) Minority Shareholders' Protection:

The Board is and shall be committed to respect the rights of the minority shareholders to voting, right to information, dividends and appraisal of any alteration in Memorandum and Articles.

(xxvi) Management Discussion and Analysis:

The Board of Directors converse on the increase /decrease of revenue, cost of goods sold, gross and net profit margin. The Board also takes instant actions on the inquiry as required. A detailed report on discussion in the regard is included in the Annual Report.

(xxvii) Subsequent Events:

There is no subsequent event after the date of balance sheet and till the date of this report which could affect the ability of the users of these financial statements to make an appropriate evaluation.

(xxviii) **Audit Committee:**

The Board has constituted the Audit Committee as follows:

Chairman	: Mr. Md. Anwar Zahid Bhuiyan, Independent Director
Member	: Mr. Md. Anisur Rahman (Representative Director of Faiaz Industries Ltd.)
Member	: Mr. Abul Khair Manik, (Representative Director of Total Spinning Mills Ltd.)
Member Secretary	: Mr. A.K.M. Atiqur Rahman

During the reporting period under review, the Committee held four meetings. A detailed of the roles and activities of the Audit Committee has been provided in “The Report of The Audit Committee”.

(xxix) **Nomination and Remuneration Committee (NRC):**

Nomination and Remuneration Committee (NRC) has been formed as follows as per provision of Corporate Governance Guidelines notification No: BSEC/CMRRCD/2006-158/207/Admin/80 dated 03 June, 2018 by Bangladesh Securities and Exchange Commission (BSEC).

This is a subcommittee of the Board which encompasses by the following:

Chairman	: Mr. Md. Anwar Zahid Bhuiyan, Independent Director
Member	: Mr. Abdul Mannan (Representative Director of M.N. Industries Ltd.)
Member	: Mr. Abul Khair Manik, (Representative Director of Total Spinning Mills Ltd.)
Member Secretary	: Mr. A.K.M. Atiqur Rahman

Nomination and remuneration policy:

The Nomination and Remuneration Policy is prepared and adopted in compliance with Corporate Governance Code 2018 of Bangladesh Securities and Exchange Commission in view to formulate and recommend proper, fair, transparent and non-discriminatory nomination and remuneration for the Directors and Top Level Executives of the M.L. Dyeing & Textile Ind. PLC The Nomination and Remuneration Policy of Directors and Top Level Executives has been formulated by the Nomination and Remuneration Committee and has been approved by the Board of Directors of M.L. Dyeing & Textile Ind. PLC

The Nomination and Remuneration Committee has been constituted by the Board of Directors of the Company as a subcommittee to assist the Board under the Condition No. 6 of the Corporate Governance Code 2018 of Bangladesh Securities and Exchange Commission.

NRC is independent and responsible or accountable to the Board of Directors and to the Shareholders of Company.

Terms of Reference and objective of the NRC:

The Terms of Reference of the NRC have been defined and adopted by the Board of Directors of the Company. The objective of the NRC is to oversee, assist and guide the Board of Directors:-

- To formulate the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board a policy relating to the remuneration of Directors and Top Level Executives.

M.L. DYEING & TEXTILE IND. PLC

- To devise policy on Board's diversity taking into consideration of age, gender, experience, ethnicity, educational background and nationality.
- To the appointment, fixation of remuneration and removal of Directors and Top Level Executives.
- To formulate the criteria in respect to evaluate performance of the Independent Director and the Board.
- To identify the company's needs for employees at different levels and determine their selection, transfer or replacement and promotion criteria.
- To develop, recommend and review the company's human resources and training policies.
- To retain, motivate and promote talent and to ensure long term sustainability of talented Top Level Executive and create competitive advantage.
- To recommend Code of Conduct for the Chairman and other Members of the Board and Managing Director.
- To Implement and monitor policies and processes regarding principles of corporate governance.

Nomination and Appointment of Directors and Top Level Executives:

The committee is responsible to ensure that the procedures for nomination and appointment of Directors and Top Level Executive are taken place in transparent, rigorous and non-discriminatory way. The committee also responsible to identify and ascertain the combination of age, gender, educational background, experience, knowledge, ethnicity, diversity, nationality and other relevant personal values & attributes for nomination and appointment of Director and Top Level Executives.

Remuneration for Directors and Top Level Executives:

The committee shall oversee, review and make report with recommendation to the Board the level and composition of remuneration is reasonable and sufficient to attract, motivate and retain suitable, dependable and skilled Director and Top Level Executive. They also consider and review the relationship of remuneration to performance is clear and meets appropriate performance benchmarks, remuneration to Director and Top Level Executive involves a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the company and its goals.

Validation of the Policy:

This policy on Nomination and Remuneration of Directors and Top Level Executives of the Company has been formulated by the Nomination and Remuneration Committee and has been approved by the Board of Directors of M.L. Dyeing & Textile Ind. PLC

Amendments to the Policy:

The Board preserves the rights to amend and review time to time the provisions of the policy depending on the legal and other requirements or for a bonafide purpose.

Evaluation of Performance:

Evaluation of performance of Directors be carried out through completion of a preset confidential questionnaire and/or collective feedback or any other effective criteria adopted by the Board yearly or at such intervals of its work, function and performance as may be considered necessary in order to ascertain the effectiveness and to measure the contribution of the Directors as well as the Top Level Executives of the Company.

Activities of the NRC carried out during the reporting period:

The NRC carried out the following activities in line with Committee's Terms of Reference during the reporting period:

- i. Reviewed and recommended the Code of Conduct for the Chairman, other Members of the Board and Managing Director.
- ii. Reviewed the Company's existing policy relating to the remuneration of Directors and Top Level Executives.
- iii. Discussed and decided in regard to formulate the criteria of evaluation of performance of the Board and Independent Directors.
- iv. Reviewed the Company's existing Human Resource and Training policies.

(xxx) Contribution To National Exchequer:

Being a responsible business entity, M.L. Dyeing & Textile Ind. PLC is contributing and facilitating to Government's revenue. In the reporting period, we have contributed significant amount in this regards.

(xxxi) Corporate Social Responsibility (CSR):

Over the years, your company's commitment to Corporate Social Responsibility (CSR) activities is part and parcel of the Company's business model. Your Company has been contributing to the welfare of the community, research and development and protection of environment.

(xxxii) Awards & Recognition:

Following awards and recognitions are enjoying the Company:

1. Authorization to use trademark according to STANDARD 100 by OEKO-TEX®
2. ORI-ANAB ACCREDITED ISO 9001:2008 Certified.

(xxxiii) WEBSITE:

Company maintains a website namely **www.mldyeing.com** which is linked with the websites of the stock exchanges and it is functional from the date of listing and all disclosures and financials are available in the website of the company.

(xxxiv) Human Resources:

Human Resources are a fundamental asset across the entire business model. The development of the company builds its competitive advantage on the skills and commitment of its employees, promoting and rewarding pro-activity, goal orientation and teamwork. The HR Department of your company operates with specific policy, manual and plan which is approved by the Board of Directors. We provide on-the-job training and development opportunities to enhance our employees' carrier progression. Through different training, staff's professional knowledge in corporate operations, occupational and management skills are enhanced. M.L. Dyeing & Textile Ind. PLC is an equal opportunity employer and does not discriminate on the basis of personal characteristics. Company has employee handbooks outlining terms and conditions of employment, expectations for employees' conduct and behavior, employees right and benefits. We establish and implement policies that promote a harmony and respectful workplace.

(xxxv) Code Of Conduct:

The underlying philosophy of M.L. Dyeing & Textile Ind. PLC's Code is to conduct the business in an ethical manner as well as create a work environment that is conducive for members and stakeholders alike, based on the Company's values and beliefs. Code of Conduct for Board of Directors was framed and followed accordingly in discharging their duties and responsibilities.

(xxxvi) Directors' Responsibilities Statement

Pursuant to the BSEC notification No. BSEC/CMRRCD/2006-158/207/Admin/80 dated 03 June 2018 the Directors confirm that:

- i) The financial statements prepared by the management of M.L. Dyeing & Textile Ind. PLC fairly present its state of affairs, the result of its operations, cash flows and changes in equity.
- ii) Proper books of Account of the company have been maintained.
- iii) Appropriate accounting policies have been consistently applied in preparation of the financial statements and that the accounting estimates are based on reasonable and prudent judgment.
- iv) International Accounting Standards (IAS)/International Financial Reporting Standards (IFRS) as applicable in Bangladesh have been followed in preparation of the financial statements and any departure therefrom has been adequately disclosed.
- v) The system of internal control is sound in design and has been effectively implemented and monitored.

M.L. DYEING & TEXTILE IND. PLC

- vi) There are no doubts upon the Company's ability to continue as a going concern and the accounts have been prepared on going concern basis.
- vii) The significant deviations from previous period in the operating results of the company have been highlighted in the report and the reasons thereof have been explained.
- viii) The key operating and financial data of last 5 years have been disclosed in this report.
- ix) The number of Board Meeting held during the reporting period and the attendance by each director have been disclosed in this report.
- x) The pattern of shareholding is disclosed in in this report.
- xi) A compliance status report with requirements of Corporate Governance as required by BSEC is disclosed in Corporate Governance Report and is disclosed in in this report.
- xii) Directors' profile is attached in this report and their directorship and business interest in other organizations have been disclosed adequately.

(xxxvii) Management perspective on Emphasis of Matter:

The management of the company informed and well concerned about the following Emphasis of Matter given by the Auditor:

- a) A fire incident occurred on 29 November 2022, with a total reported loss amounting to Taka 238,721,819. At that period, inventories- Raw Cotton damaged amounting to Taka 120,698,229, inventories- Finished Yarn Taka. 59,487,188 and the property, plant & equipment carrying amount was damaged amounting to Taka 58,536,402. On the other hand, the Company's fixed assets and inventories were covered by Insurance Company amount of Taka 310,000,000. The Company reported that the amount of recoverable insurance benefits against fire loss is yet to be finalized by the insurance company (City General Insurance Company Limited) surveyor and relevant concerned authority. The process has taken to determine the assessment for more than (10) ten months since 29 November 2022, the date of the fire incident. Property, Plant & Equipment under Note-3 of the Financial Statements represent the amount of Taka 2,857,035,176 as carrying value. The property, plant & equipment register not updates and no impairment test took place as per IAS 36 from inception.
- b) Refer to Note no.6 amounting to Taka. 166,628,055, we didn't observe the physical counting of the inventory. The inventory balance is verified and counted by internal management. People charged with corporate governance provide related certificates on the closing balance. Subsequently, during the audit of the financial statements, we observe the process of maintaining physical inventory and consumption of the Inventories.
- c) As stated in Note no.5 Investment in Associate, the company had a block investment balance as of 30 June 2023 (Taka.204, 200,000 as hold the threshold limit as director) of R.N. Spinning Mills Ltd. M.L Dyeing Ltd, treat R.N. Spinning Ltd. as an associate. To consider equity method under IAS-28, due to the continuation of loss of R.N. Spinning Ltd., the initial investment balance (Taka. 204, 200,000) shown Nil in the current period since 2020.

APPRECIATION:

The board of directors wishes to place on record their appreciation of thanks to shareholders, customers and suppliers for their continued support. Your Directors also wish to place on record their appreciation for the contribution made by the employees at all levels to the continued growth and prosperity of the company.

The Board would also like to thanks all stakeholders including banks, Insurance Companies, BSEC, DSE, CSE, CDBL, RJSC and various government authorities, trade bodies for their extended co-operation.

We look forward to brighter future for all of us.

On behalf of the Board



Abdul Mannan
Chairman