

Annual Report 2022-2023



M.L. DYEING & TEXTILE IND. PLC

Manufacturer of Quality Cotton Yarn and Sweater & Knit Yarn

OUR VISION

To be dynamic, comparable to international standard, to be customer- focused and worldwide competitive through better quality and continuous improvement.



OUR MISSION

To satisfy the best interest of all type stakeholders by accomplishing the efficient and committed requirement of the society and environment.



ABOUT THE COMPANY

M.L. Dyeing & Textile Ind. PLC is one of the fast growing and leading textile processing units in Bangladesh and well known for quality dyeing of all type of sweater and knit yard including piece dyeing with all original harmonic effects. Our long experience has given us deep understanding of the business and helps us to meet customer demand and satisfaction in the best possible way.

M.L. Dyeing & Textile Ind. PLC is the perfect choice to meet the global solutions to the problems of buyers who are seeking a dependable, reliable, experienced, aware of state of the art technology and modern fashion conscious textile dyeing house.

M.L. Dyeing & Textile Ind. PLC is committed to serve every need and demand of international markets with full energy and enthusiasm to provide better level of services, best quality products and timely delivery. The Company's meticulous attention towards its commitment has become easier to achieve with the help of complete state of the art in house vertically integrated production facilities backed up by quality control and quality assurance department and well equipped laboratories with Foreign National Dyeing expert and experienced textile Engineers in view of the high standard of work and system.

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.

Pictures of AGM & EGM - 2022



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Letter of Transmittal

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

Subject: Annual Report for the financial year ended on June 30, 2023.

Dear Sir(s),

We are pleased to enclose herewith a copy of the Annual Report together with the Audited Financial Statements including Statement of Financial Position as at June 30, 2023 Statement of Profit or Loss and other Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the financial year ended on June 30, 2023 along with notes thereon for your reference and record.

Sincerely Yours,



A.K.M. Atiqur Rahman
Company Secretary

Notice of the 22nd Annual General Meeting

Notice is hereby given that the 22nd Annual General Meeting of the shareholders of M.L. Dyeing & Textile Ind. PLC will be held on December 21, 2023 (Thursday) at 10:00 AM virtually by using digital platform through the link: <https://mldyeing.bdvirtualagm.com> to transact the following business:

AGENDA

1. To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended on June 30, 2023 together with reports of the Auditors and the Directors thereon.
2. To declare 2% Cash Dividend for the financial year ended on June 30, 2023 as recommended by the Board of Directors.
3. To consider the election/re-election of Directors.
4. To appoint Auditors for the financial year 2023-2024 and to fix their remuneration.
5. To transact any other business of the Company with the permission of the Chair.

By order of the Board



A.K.M. Atiqur Rahman
Company Secretary

Place: Dhaka

Dated: 23 October, 2023

Notes:

- (1) The Record Date of the Company shall be on November 16, 2023 (Thursday).
- (2) The Shareholders whose name will appear in the Share Register of the Company or in the Depository on the record date i.e. November 16, 2023, will be entitled to attend at the 22nd Annual General Meeting and to entitle the dividend.
- (3) A member entitled to attend and vote at the Annual General Meeting may appoint a Proxy to attend and vote in his/her stead. The Proxy Form, duly stamped, must be deposited at the Share Office at Corporate Office: House # 11 (Floor: 6-A), Road # 12, Block # F, Niketon, Gulshan-1, Dhaka-1212 or through e-mail: info@mldyeing.com not later than 48 hours before the time fixed for the meeting.
- (4) As per notification of BSEC, the soft copy of Annual Report will be sent to the shareholders' e-mail address available in their BO Accounts maintained by the Depository Participant (DP). The soft copy of Annual Report for FY 2022-23 and Proxy Form will also be available in the company's website at www.mldyeing.com. The shareholders may also collect the printed copy of Annual Report FY 2022-23 from the share department of the company.
- (5) Members may visit and vote through the link <https://mldyeing.bdvirtualagm.com> which will remain open prior from 24 hours of the meeting and continue until closure of the meeting.
- (6) **No gift or benefit in cash or kind shall be paid to the holders of equity securities as per Bangladesh Securities & Exchange Commission Notification No. SEC/CMRRCD/2009-193/154 dated 24 October 2013.**

CORPORATE DIRECTORY

BOARD OF DIRECTORS

| | |
|----------------------|-------------------------------------------------------------------------------------|
| Chairman | : Mr. Abdul Mannan (Representative Director of M.N. Industries Ltd.) |
| Managing Director | : Mr. Golam Azam Chowdhury (Representative Director of Rajon Textile Mills Ltd.) |
| Director | : Mr. Md. Anisur Rahman (Representative Director of Faiaz Industries Ltd.) |
| Director | : Mr. Abul Khair Manik (Representative Director of Total Spinning Mills Ltd.) |
| Independent Director | : Mr. Md. Anwar Zahid Bhuiyan Advocate, Bangladesh Supreme Court |

AUDIT COMMITTEE

| | |
|------------------|-----------------------------------------------------------------------------------|
| Chairman | : Mr. Md. Anwar Zahid Bhuiyan |
| 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 |

NOMINATION & REMUNERATION COMMITTEE (NRC)

| | |
|------------------|-----------------------------------------------------------------------------------|
| Chairman | : Mr. Md. Anwar Zahid Bhuiyan |
| 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 |

SENIOR CORPORATE OFFICIALS

| | |
|-------------------------|-----------------------------|
| Director Marketing | : Md. Humayun Kabir |
| Chief Financial Officer | : Md. Jahidul Islam Bhuiyan |
| Company Secretary | : Mr. A.K.M. Atiqur Rahman |
| Head of Internal Audit | : Mr. Gopal Chandra Basak |
| GM-Factory | : Mr. Nur Quashem |
| GM-Commercial | : Mr. Jogonnath Saha |

STATUTORY AUDITORS

Kazi Zahir Khan & Co.

(An associate firm of EHK Consulting)

Chartered Accountants

Head Office: Home Town Apartments (Level-15), 87 New Eskaton Road, Dhaka- 1000.

Tel: 57160824, Mobile: 01713-013955, E-mail: kzkc48@gmail.com, kzkc_bd@yahoo.com

Branch Office: 281/3, Jafraabad (Sankor), Ground Floor, West Dhanmondi, Dhaka-1207.

Tel: 9124642. E-mail mahmudkzkcdb@gmail.com

CORPORATE GOVERNANCE CODE AUDITOR

Mujibur Rahman & Co.

Cost & Management Accountants
Saj Bhaban, Suite # B-2, (1st floor)
27 Bijoy Nagar, Dhaka-1000.
Mobile No: 01716635751
E-mail: mujibfcma2005@gmail.com

CORPORATE OFFICE

House # 11 (Floor: 6-A), Road # 12, Block # F, Niketon,
Gulshan-1, Dhaka-1212, Bangladesh

REGISTERED OFFICE

Vill: Zamirdia, 10 Hobirbari, Bhaluka,
Mymensingh, Bangladesh.

FACTORY LOCATION

- ❑ Dyeing Unit: Vill: Zamirdia, 10 Hobirbari, Bhaluka, Mymensingh, Bangladesh.
- ❑ Spinning Unit: Mohona, Vabanipur, Gazipur Sadar, Gazipur.

WEBSITE

www.mldyeing.com

BANKERS

- ❑ *Islami Bank Bangladesh Limited, Local Office Branch, Motijheel, Dhaka.*
- ❑ *Social Islami Bank Limited, Principal Office Branch, Dilkusha, Dhaka.*
- ❑ *SBAC Bank Ltd., Principal Branch, Motijheel, Dhaka.*
- ❑ *Al-Arafah Islami Bank Ltd., Pragati Sarani Branch, Middle Badda, Dhaka.*

LISTING WITH

- ❑ **Dhaka Stock Exchange Ltd. (DSE)**
- ❑ **Chittagong Stock Exchange Ltd. (CSE)**

CORPORATE ACHIEVEMENTS

1. Date of Incorporation: 21 March, 2001
2. Commencement of Commercial Operation: 01 July, 2002
3. Date of Conversion to Public Limited Company: 02 June, 2010
4. Date of Approval for IPO : 10 June, 2018
5. Year of Listing with Dhaka Stock Exchange Ltd. (DSE): 2018
6. Year of Listing with Chittagong Stock Exchange Ltd. (CSE): 2018
7. Authorized Capital: BDT 3,100 Million

PROFILE OF DIRECTORS

Mr. Abdul Mannan
Chairman
(Representative Director of M.N. Industries Ltd.)



Mr. Abdul Mannan is Chairman of M.L. Dyeing & Textile Ind. PLC. He was born in the year of 1955. He is vastly experienced in Textile industry. He is highly qualified professional with proven record of success in managing marketing and project management. By course of time he becomes Chairman with his personal skill, bold leadership, very profound business concept and hardworking nature. He is involved in many social activities. He visited to many countries in connection with business and had gathered sufficient knowledge required to run a business smoothly and profitably.

Mr. Golam Azam Chowdhury
Managing Director
(Representative Director of Rajon Textile Mills Ltd.)



Mr. Golam Azam Chowdhury is the Managing Director of the Company. After completion of his masters' degree, he engaged himself as commercial officer in Garments and textiles industry. During his service career, he plays important roles in different department including commercial, marketing, manufacturing process & total operational process and techniques in garment and textile industry. By the course of time he became an executive of the group of industry with his skill and due leadership behavior. In course of time he became Managing Director of the concern. He is a man of target oriented, problem solving minded and properly equipped with modern tools & technique to challenge business environment and able to attain business object and goal.

Mr. Md. Anisur Rahman,
Director
(Representative Director of Faiaz Industries Ltd.)



Mr. Md. Anisur Rahman is Director of M.L. Dyeing & Textile Ind. PLC was born in a high esteemed Muslim business family in the year of 1982. He is a young, energetic and well educated person has proven capability of contributing values in Textile industries. He managed to bring a broader vision in sales, marketing and customer care. He always put positive impact towards the company to maximize wealth. He is involved in many social activities & related works. He traveled many countries for gaining technical knowledge.

**Mr. Abul Khair Manik,
Director
(Representative Director of Total Spinning Mills Ltd.)**



Mr. Abul Khair Manik is Director of the company, was born in a well-known business family in 1967. He started business career in their family business after completion of his educational achievement. He became a successful businessman in short of time of his business career with his sincerity, integrity and committed to target. During his tenor of business career, he gained business technique in Yarn Dyeing, Spinning, Garments and Chemical manufacturing and its operating, marketing and controlling systems. He is well traveled for business tour to know international environment of chemical industry.

**Mr. Md. Anwar Zahid Bhuiyan,
Independent Director**



Mr. Anwar Zahid Bhuiyan is the Independent Director of the Company. He was born in a high venerated Muslim family in the year of 1962. He obtained Bachelor of Laws from Dhaka University in 1985. As a Lawyer he has been practicing in the High Court Division of Bangladesh Supreme Court since January 22, 1991. He has vast knowledge of Company Laws. He visited to many countries in connection with his profession and had gathered sufficient knowledge.

M.L. DYEING & TEXTILE IND. PLC

October 19, 2023

To:

The Board of Directors

M.L. Dyeing & Textile Ind. PLC

From: The Audit Committee

Subject: Report of the Audit Committee.

The Audit Committee of M.L. Dyeing & Textile Ind. PLC is appointed by the Board of Directors, as recommended by Bangladesh Securities and Exchange Commission (BSEC) notification. The Audit Committee ensuring good governance of the Company and it is a sub-committee of the Board. The Audit Committee consists of three members, of which one is independent director who is chairperson of the committee. Meetings of the Committee were attended by the Managing Director, Chief Financial Officer of the Company on invitation.

The Composition of the Audit Committee

The terms of reference of Audit Committee has been set up by the Board of Directors in accordance with BSEC notification. The existing members of the committee are:

| | |
|------------------|-----------------------------------------------------------------------------------|
| Chairman | : Mr. Md. Anwar Zahid Bhuiyan |
| 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 |

Four (4) meetings of Audit Committee were held during the year under review. In all meetings internal auditor gave presentation to the committee which covered internal audit plan, number of audit carried out during the year, audit observations, audit recommendations and status of its implementation. Audit Committee also met external auditor to discuss their observations on statutory audit and their recommendations for improvement.

Role of Audit Committee

The Audit Committee is empowered with Boards oversight responsibility to investigate any activity within its terms of reference. The Committee reports to Board of Directors as per terms of reference, on the activities assigned. The role of the committee includes:

- Review the financial statement with respect to presentation, disclosure and accuracy of data.
- Monitor and review effectiveness of internal and external audit.
- Review effectiveness of the financial internal control of the Company.
- Review effectiveness of risk management system of the Company.
- Review ethical standard and procedures to ensure compliance with regulatory and financial reporting requirements.
- Any other activities as per audit committee charter.

Meeting

There were four meetings during the period. The quorum shall be not less than two directors, one of whom, at least, shall be independent director.

The audit committee may invite such other person (e.g., the CEO, CFO, internal auditor) to its meetings, as it deems necessary. The external auditor shall sometimes, normally attend the meetings of the committee at which it communicates audit risks and planning and the full year results. Company Secretary shall act as the secretary of the committee.

Activities carried out by the Audit Committee:

Audit Committee acted as per guideline mentioned in the charter of the Committee. The Committee reviewed effectiveness of internal control and external audit procedures and reports thereon and regularly updates the Board of Directors on their observations and status of control environment. The members of Committee were apprised duly by:

- The external auditor on accounting policies, internal controls, compliance of statutory provisions of law and other regulatory authorities, Compliance of IAS and IFRS and appropriateness of disclosure in the Financial Statements. The committee reviewed the audit findings and management responses.
- The Chief Financial Officer on financial performance of the Company for the period under review.

Reporting

Pursuant to condition # 5(6)(a) of the Corporate Governance Code–2018 issued by BSEC, the Committee reports that it did not find any conflict of interest, any fraud, irregularity or material defect in the internal control system. There also are no infringement of laws, rules and regulations.

After due verification Audit Committee formed the opinion that adequate financial control and procedures are in place to provide reasonable assurance that the Company’s resources are safeguarded and the financial position of the Company is well managed.



Md. Anwar Zahid Bhuiyan

Chairman

Audit Committee

M.L. Dyeing & Textile Ind. PLC

M.L. Dyeing & Textile Ind. PLC

Declaration by Managing Director & CFO

October 19, 2023

The Board of Directors
M.L. Dyeing & Textile Ind. PLC
House-11 (Floor - 6A), Road # 12,
Block – F, Niketon, Gulshan-1,
Dhaka- 1212

Subject: Declaration on Financial Statements for the year ended on June 30, 2023.

Dear Sirs,

Pursuant to the condition No. 1(5) (xxvi) imposed vide the commission's Notification No. BSEC/CMR-RCD/2006-158/207/Admin/80 Dated 03 June, 2018 under section 2CC of the Securities and Exchange Ordinance, 1969, we do hereby declare that:

- (1) The Financial Statements of M.L. Dyeing & Textile Ind. PLC for the year ended on June 30, 2023 have been prepared in compliance with International Accounting Standards (IAS) or International Financial Reporting Standards (IFRS), as applicable in the Bangladesh and any departure there from has been adequately disclosed;
- (2) The estimates and judgments related to the financial statements were made on prudent and reasonable basis, in order for the financial statements to reveal a true and fair view;
- (3) The form and substance of transactions and the Company's state of affairs have been reasonably and fairly presented in its financial statements;
- (4) To ensure above, the Company has taken proper and adequate care in installing a system of internal control and maintenance of accounting records;
- (5) Our internal auditors have conducted periodic audits to provide reasonable assurance that the established policies and procedures of the Company were consistently followed; and
- (6) The management's use of the going concern basis of accounting in preparing the financial statements is appropriate and there exists no material uncertainty related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern.

In this regard, we also certify that:-

- (i) We have reviewed the financial statements for the year ended on June 30, 2023 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 collectively present 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 in violation of the code of conduct for the company's Board of Directors or its members.

Sincerely yours,



Golam Azam Chowdhury
Managing Director



Md. Jahidul Islam Bhuiyan
Chief Financial Officer

Message from the Chairman



Bismillahir Rahmanir Rahim

Distinguished Members, Shareholders and Other Stakeholders,
Assalamu alaikum and Good Morning,

I, on behalf of the Board of Directors have the pleasure to welcome you all on the occasion of 22nd Annual General Meeting of your company and I also would like to exert my gratefulness towards all the honorable shareholders for their prodigious journey with us to make M.L. Dyeing & Textile Ind. PLC and this event a marvel of success.

Performance Review:

It is my pleasure to present before you the Audited Financial Statements, Auditors Report and Directors' Report for the financial year ended on June 30, 2023. It gives me immense pleasure that we get the opportunity to meet with all of you, discuss on the performance of the concerned year of the company and sharing the views of each other's.

I am pleased to report that the company's Sales Revenue for the year ended June 30, 2023 is Tk. 1,074,600,069 out of which after meeting up all costs including Corporate Income Tax, the net profit for the year is Tk. 45,257,727 and Earning Per Share (EPS) is Tk. 0.19 in the very complex post pandemic Covid era & International business scenario.

Proposed Dividend:

As an appreciation to our shareholders for their unwavering support, the Board of Directors is pleased to recommend 2% Cash Dividend for all Shareholders. This is subject to shareholders' approval at the 22nd Annual General Meeting.

Industry Risk & Concerns:

Changes in the existing global or national policies can have either positive or negative impacts for the company. Any scarcity or price hike of raw materials due to change in policy in the international market might hamper the production and profitability. Moreover, the performance of the company may be affected by the political and economic instability both in Bangladesh and worldwide. Any instance of political turmoil and disturbance in the country may adversely affect the economy in general. Similarly, risks and concern of the industry depends on the upcoming Government policy as well. However, garments being the major foreign currency earner have always enjoyed special consideration from all the successive Governments and expectation is that it will continue in the future. The management of the company continues to be committed in exploring and pursuing viable growth opportunities, while managing the risk exposure of the business vigilantly.

Conclusion:

Our utmost endeavors are there for restoration of better performance. I am confident that with your support and confidence the company would be able to grow and create value for all stake holders. I, on behalf of the Board, convey my sincere appreciation to our valued shareholders, regulators, suppliers, financing partners and all other stakeholders for their continued support. Our employees also deserve appreciation for their hard work and dedication to propel the Company towards betterment.

Once again, I convey my heartiest thanks to all our stakeholders and look forward to their continued support and cooperation in future.

Finally, my gratitude goes out to each and every loyal staff and management team member of the company for their efforts despite adverse external factors, to sustain high service levels and support the company with their hard work, dedication and loyalty.

Thanking you all with wishes of healthy and prosperous life.



Abdul Mannan

Chairman

M.L. Dyeing & Textile Ind. PLC

Message from the Managing Director

Bismillahir Rahmanir Rahim

Dear Shareholders,
Assalamu Alykum,



I am delighted to welcome you all at this 22nd Annual General Meeting of M.L. Dyeing & Textile Ind. PLC and thank you for virtually attending the meeting for consideration, adoption and approval, as it may be, of the agenda contained in the Annual Report which, I hope, you all have received and studied. I would like to summarize the highlights for your kind attention and consideration.

Business Operation:

Such a changing world each and every matter including business are becoming challenging. The fastest developing technology has changed human habit and choice in regards to their life style, their fashion etc. As a backward linkage industry of RMG, we are directly affected because of fluctuations in international RMG market.

Business Result:

As it would reveal to you, the Company's Turnover marginally decreased by 35.11%, where cost of goods sold decreased by 34.22% and resulting decrease of gross profit by 43.88% while operating expenses decreased by 13.25%. Company's "Net Profit after Tax" decreased by 54.79%, the operating results deteriorated from the previous year due to impact of prevailing COVID-19 pandemic worldwide and global impact of Ukraine – Russia unrest.

Other matrix of operational performance as may be found from the Directors' Report, such as, production efficiency, unit costs, local/export prices per unit all reflect signs of Management efficiency as a main contributor to the operational results.

Marketing and Promotion:

Activities of M.L. Dyeing & Textile Ind. PLC during the year kept rapidity with the symbolic process. Improved network among traders and consumers have made potentials for our marketing panel to continue the market base. This has become possible due to our commitment to the customers and continuous effort to improve on quality of products and services. We hope to carry on our endeavor through the year ahead at the same pace and competency.

Environmental & Ecological Obligation:

Suitable environmental and ecological balance is very important for a healthy society & nationalized improvement. We are evenly concerned and have been patiently pursuing the principle of maintaining appropriate environment, reducing environmental pollution and established a zero tolerance policy in order to make sure that we become environment friendly, not destroyers. In view of these statement, we have established and operating Effluent Treatment Plant (ETP) for processing the industrial dust to reduce the bad effect of such dust on the environment. We strongly believe that a healthy society can bring out the best for society.

Acknowledgements:

The world economy is struggling hard to rehabilitate and revive financially. As you know, our revenue is generated from exporting, and due to the unbalanced global factors we faced difficulties in marketing our products on a regular basis. However, we have set on a mission of Globalization using all of our experience, expertise and know-how developed in Bangladesh over the years. We are growing our perspective and we can attain this with our spiritual strength on our people and skill.

Conclusion:

I assure you that if factors such as energy process, transport costs, natural disasters, social violence and international price/market situation could be rationally and internationally diplomatically controlled, our costs of operation would be competitive and investment would continue to be profitable in not only in Textiles/RMG sectors, but also in other sectors enabling the Country to attain its national goal to become a member of the rich income group.

The Board of Directors are extremely grateful to honorable shareholders for their trust and faith. We got enormous support from Bangladesh Securities & Exchange Commission, Dhaka Stock Exchange Limited, Chittagong Stock Exchange Limited, National Board of Revenue, RJSCF, CDBL, Income Tax Authority, Customs and other government bodies, bankers and other stakeholders for their guidance and co-operation.

We also express our sincere note of appreciation to all officers, staffs and members of the management for their hard work and commitments.

As we are moving forward to the frontier of growth and excellence we seek your support and encouragement as we are used to get from you since beginning of our journey.

I embrace your support and seek your co-operation by all means for a brighter future for all.

Thanking you all for your kind participation.

Regards,



Golam Azam Chowdhury
Managing Director
M.L. Dyeing & Textile Ind. PLC

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.

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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 Machinerics & 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 |

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(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 |

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(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 |

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(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.

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- 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.

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- 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

Dividend Distribution Policy

M.L. Dyeing & Textile Ind. PLC

1.00 Introduction

The Dividend Distribution Policy is prepared and adopted in compliance with the provisions of the Directive No. BSEC/CMRRCD/2021-386/03 dated 14 January, 2021 of the Bangladesh Securities and Exchange Commission (BSEC) about dividend declaration, pay off, disbursement and compliance.

The Board of Directors (the Board) will consider the directive while declaring/ recommending dividend on behalf of the Company. The Policy is not an alternative to the decision of the Board for declaring/recommending dividend, which takes into consideration all the relevant circumstances enumerated hereunder or other factors as may be decided by the Board.

2.00 Definitions

“the Act” means Companies Act 1994

“the Company” means M.L. Dyeing & Textile Ind. PLC

“AGM” means Annual General Meeting

“Board” means Board of Directors of M.L. Dyeing & Textile Ind. PLC

“Shareholders” means Members whose name is registered in the Member Register of the Company/CDBL Report.

“Shares” means Ordinary Equity Shares.

3.00 Concept of Dividend

Dividend is the share of the profit that a Company decides to distribute among its Shareholders in proportion to the amount paid up on shares they hold in the form of Cash and/or Stock (Bonus). The profits earned by the Company can either be retained in the business or can be distributed among the Shareholders as dividend.

4.00 Types of Dividend

The Act deals with two types of dividend - Interim and Final.

- Interim dividend is the dividend declared by the Board between two AGMs as and when considered appropriate. The Act authorizes the Board to declare interim dividend during any financial year out of the profits for the financial year in which the dividend is sought to be declared and/or out of the surplus in the profit and loss account.

- Final dividend is recommended for the financial year at the time of approval of the annual financial statements as well as appropriation of profit. The Board shall have the power to recommend final dividend to the shareholders for their approval at the AGM of the Company. Dividend recommended by the Board of Directors cannot be changed prior to holding of the AGM.

5.00 Declaration of Dividend

Subject to the provisions of the Act, dividend shall be declared and paid out of:

a. Profits of the Company for the year for which the dividend is to be paid after setting off carried over previous losses and depreciation not provided in the previous year(s);

b. Undistributed profits of the previous financial years after providing for depreciation in accordance with law and remaining undistributed.

c. Out of a & b both.

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Before declaration of dividend, the Company may transfer a portion of its profits to reserves of the Company as may be considered appropriate by the Board at its discretion.

In the event of inadequacy or absence of profits in any financial year, the Company may declare dividend out of free reserves subject to the compliance with the Act and Rules.

6.00 **Factors Governing Declaration of Dividend**

The decision regarding dividend pay-out is a crucial decision as it determines the amount of profit to be distributed among the shareholders and amount of profit to be retained in business.

The circumstance for dividend pay-out decision depends on various external and internal factors which the Board of Directors shall consider while recommend/ declaring dividend including the following:

6.01 **External Factors:**

The Board shall endeavor to retain a larger portion of profits to build up reserves, in case of Adverse Economic Scenario.

The Board shall evaluate the market trends in terms of technological changes mandating investments, competition impacting profits, etc., which may require the Company to conserve resources.

The Board shall consider the restrictions, if any, imposed by the Act and other applicable laws with regard to declaration of dividend in order to ensure compliance with the applicable laws.

Dividend distribution tax or any tax deduction at source as required by tax regulations, applicable at the time of declaration of dividend may impact the decision with regard to dividend declaration.

Other factors beyond control of the Management like natural calamities, fire, etc. effecting operations of the Company may impact the decision with regard to dividend declaration.

6.02 **Internal Factors:**

- * Profitability
- * Availability and Liquidity of Funds
- * Capital Expenditure needs for the existing businesses
- * Expansion/Modernization of the business
- * Additional investments in subsidiaries/associates of the Company
- * Cost of raising funds from alternate sources
- * Cost of servicing outstanding debts
- * Funds for meeting contingent liabilities
- * Mergers and Acquisitions
- * Any other factor as deemed appropriate by the Board.

Apart from the above factors, the Board also considers past dividend history and sense of shareholders' expectations while determining the rate of dividend. The Board may additionally recommend special dividend in special circumstances.

7.00 **Financial Parameters for Declaring Dividend**

The Company is committed to deliver sustainable value to its stakeholders. The Company shall strive to distribute an optimal and appropriate level of the profits among the shareholders in the form of dividend.

To keep investment attractive and to ensure capital appreciation for the shareholders, the Company shall also endeavor to provide consistent return over a period of time. While deciding on the dividend, micro and macroeconomic parameters for the country in general and the Company in particular shall also be considered.

Taking into consideration the aforementioned factors, the Board shall endeavor to maintain a dividend pay-out.

8.00 Utilization of Retained Earnings

Subject to the provisions of the Act and other applicable laws, retained earnings may be utilized as under:

- * Issue of fully paid-up bonus shares
- * Declaration of dividend-Interim or Final
- * Augmenting internal resources
- * Funding for capital expenditure/expansion plans/acquisition;
- * Repayment of debt
- * Any other permitted use as may be decided by the Board.

9.00 Parameters for Various Classes of Shares

Currently, the Company has only one class of shares - Equity Shares. There is no privilege amongst Equity Shareholders of the Company with respect to dividend distribution.

10.00 Circumstances Impacting Dividend Payment

The Company has been paying dividend to its shareholders and continue with the dividend payment. Given here in below are some of the circumstances in which shareholders of the Company may or may not expect dividend payout:

10.01 May Expect Dividend:

- * Adequate profits and liquidity
- * Accumulated profits not warranted for immediate business needs.

10.02 May Not Expect Dividend:

- * Non availability of profits for dividend distribution
- * Funds available for dividend but need to be conserved due to:
 - * Business needs;
 - * Adverse economic /market scenario expected in near future;
 - * Augmenting internal resources.

11.00 Disclosure

This Dividend Distribution Policy shall be disclosed in the Annual Report of the Company and on the Company's website www.mldyeing.com.

If the Company proposes to declare dividend on the basis of any additional parameters apart from those mentioned in the Policy or proposes to change the parameters contained in this Policy, it shall disclose such changes along with the rationale for the same in the Annual Report and on the website.

12.00 Effective Date

This Policy has been approved by the Board of Directors of the Company at its meeting held on 16th February, 2021 and shall be effective and applicable for dividend, if any, declared for the Financial Year 2022-23 onwards.

13.00 Review/Amendment

The Board may amend, abrogate, modify or revise any or all provisions of this Policy. However, amendments in the Act or in the Listing Regulations shall be binding even if not incorporated in this Policy.

MANAGEMENT DISCUSSION AND ANALYSIS

OVERVIEW 2022-2023:

Let us present before you a short review on the total operational and financial performance of your company from 01 July 2022 to June 30, 2023.

ECONOMIC OUTLOOK:

RMG sector is the driver for growth of Bangladesh’s economy. It contributes 13% to national GDP (as per various industry related analysis). To achieve the \$50 billion export target Bangladesh will have to earn \$20 billion in the next four years as speculated by the industry insiders.

Still Bangladesh remains the world’s second largest garment exporter.

As said earlier, we have invested huge to ensure that we are well positioned for continued long-term and profitable growth.

ACCOUNTING POLICIES AND CHANGES:

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

For a proper understanding, these accounting policies are set out in a detailed statement in Note No: 3.00.

FY 2022-2023 Financial Performance and Position:

The discussions in this section relate to the financial results pertaining to the year that ended June 30, 2023. The financial statements of M.L. Dyeing & Textile Ind. PLC has been prepared in accordance with the International Accounting Standards (referred to as “IAS”), International Financial Reporting Standards (referred to as “IFRS”), as per the Companies Act, 1994, as amended from time to time. Significant accounting policies used in the preparation of the financial statements are disclosed in the notes to the financial statements – 3.00. The following table gives an overview of the financial results of the Company:

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 |

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

Financial Data:

| Particulars | 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 |

Cost Of Goods Sold (COGS):

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 utilized during the 12 months ended 30.06.2023 was 12.19% (Dyeing Unit) & 51.51% (Spinning Unit) respectively whereas during the 12 months ended 30.06.2021 it was 28.62% (Dyeing Unit) & 79.56%.

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

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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 earned during the 12 months ended June 30, 2023 was Tk. 85.61 million as compared to last year's gross profit/(loss) of Tk. 152.54 million.

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.

Risk and Concerns

Board of Directors reviews the risk management practices and actions deployed by the Management with respect to identification, impact assessment, monitoring, mitigation and reporting of key risks while trying to achieve its business objectives.

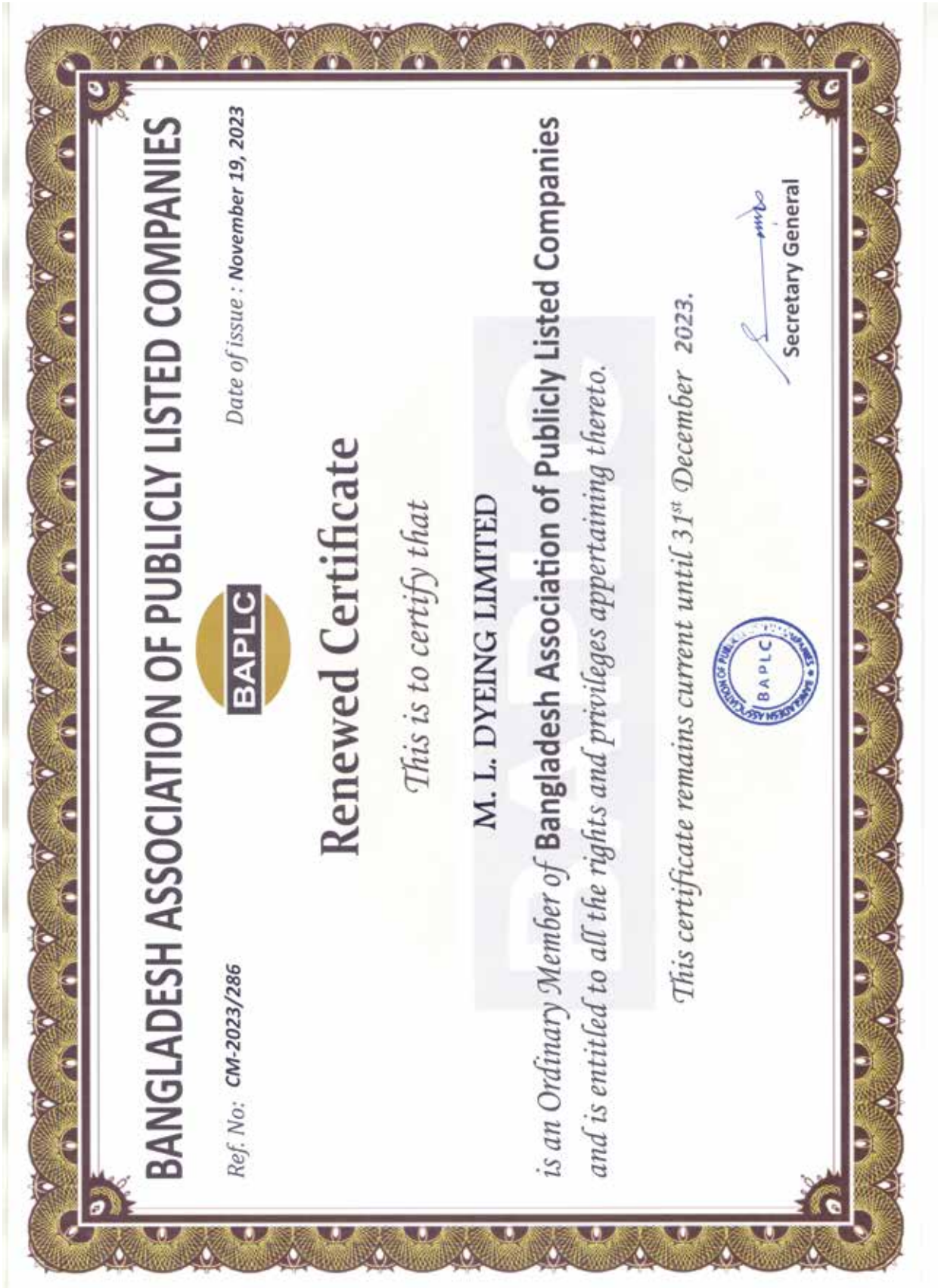
Forward-Looking Statements

Board of Directors and management of the company are looking forward to keep its progress in alignment with industry's growth and have made all preparation to this end. Overall industry is projected to grow in a steady way in next couple of years and your company will be in forefront to be one of the major player in the future booming market.



Golam Azam Chowdhury
Managing Director

Certificate Of BAPLC





Report to the Shareholders of M.L. Dyeing & Textile Ind. PLC on compliance on the Corporate Governance Code

We have examined the compliance status to the Corporate Governance Code by M.L. Dyeing & Textile Ind. PLC for the year ended on June 30, 2023. This Code relates to the Notification No. BSEC/CMRRCD/2006-158/207/Admin/80, Dated: 3 June 2018 of the Bangladesh Securities and Exchange Commission.

Such compliance with the Corporate Governance Code is the responsibility of the Company. Our examination was limited to the procedures and implementation thereof as adopted by the Management in ensuring compliance to the conditions of the Corporate Governance Code.

This is scrutiny and verification and an independent audit on compliance of the conditions of the Corporate Governance Code as well as the provisions of relevant Bangladesh Secretarial Standards (BSS) as adopted by Institute of Chartered Secretaries of Bangladesh (ICSB) in so far as those standards are not inconsistent with any condition of this Corporate Governance Code.

We state that we have obtained all the information and explanations, which we have required, and after due scrutiny and verification thereof, we report that, in our opinion:

- (a) The Company has complied with the conditions of the Corporate Governance Code as stipulated in the above mentioned Corporate Governance Code issued by the Commission;
- (b) The Company has complied with the provisions of the relevant Bangladesh Secretarial Standards (BSS) as adopted by the Institute of Chartered Secretaries of Bangladesh (ICSB) as required by this Code;
- (c) Proper books and records have been kept by the company as required under the Companies Act, 1994, the securities laws and other relevant laws ; and
- (d) The governance of the company is satisfactory.

Place: Dhaka
Dated: November 19, 2023

For Mujibur Rahman & Co.

Mohammad Mujibur Rahman FCMA
Cost & Management Accountants

Office:

Saj Bhaban Suite # C-30(15th floor), 27, Bijoy Nagar, Dhaka-1000
Cell # 01716-635751, E-mail: mujibcma2005@yahoo.com, mujibcma2005@gmail.com, Web: www.taxlabbd.com

M.L. Dyeing & Textile Ind. PLC

Status of Compliance with the Corporate Governance Guideline (CGC)
For the year ended June 30, 2023

Status of compliance with the conditions imposed by the Commission's Notification No. SEC/CMRCD/2006-158/207/Admin/80 dated 3 June 2018 issued under section 2CC of the Securities and Exchange Ordinance, 1969:

(Report under Condition No. 9.00)

| Condition No. | Title | Complied | Not Complied | Remarks (IF ANY) |
|---------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------|--------------|-------------------------------------------------------------------------------------|
| 1 | Board of Directors | | | |
| 1(1) | Size of the Board of Directors | | | |
| | The total number of the board members of the company shall not be less than 5 (five) and more than 20 (twenty) | ✓ | | The M.L. Dyeing Board is comprised of 05 Directors including the managing Director. |
| 1(2) | Independent Directors | | | |
| 1(2)(a) | At least one fifth (1/5) of the total number of directors in the company's board shall be independent directors; any fraction shall be considered to the next integer or whole number of independent director(s); | ✓ | | 01 out of 05 directors are appointed as Independent Director |
| 1(2)(b) | <i>For the purpose of this clause 'independent director' means a director-</i> | | | |
| 1(2)(b)(i) | Who either does not hold any share in the company or holds less than one percent (1%) shares of the total paid-up shares of the company; | ✓ | | |
| 1(2)(b)(ii) | who is not a sponsor of the company and is not connected with the company's any sponsor or director or nominated director or shareholder of the company or any of its associates, sister concerns, subsidiaries and parents or holding entities who holds one percent (1%) or more shares of the total paid up shares of the company on the basis of family relationship and his or her family members shall not hold above mentioned shares in the company; | ✓ | | |
| 1(2)(b)(iii) | who has not been an executive of the company in immediately preceding 2 (two) financial years; | ✓ | | |
| 1(2)(b)(iv) | who does not have any other relationship, whether pecuniary or otherwise, with the company or its subsidiary or associated companies; | ✓ | | |
| 1(2)(b)(v) | who is not a member or TREC (Trading Right Entitlement Certificate) holder, director or officer of any stock exchange; | ✓ | | |
| 1(2)(b)(vi) | who is not a shareholder, director excepting independent director or officer of any member or TREC holder of stock exchange or an intermediary of the capital market; | ✓ | | |
| 1(2)(b)(vii) | who is not a partner or an executive or was not a partner or an executive during the preceding 3 (three) years of the concerned company's statutory audit firm or audit firm engaged in internal audit services or audit firm conducting special audit or professional certifying compliance of this Code; | ✓ | | |
| 1(2)(b)(viii) | who is not independent director in more than 5 (five) listed companies; | ✓ | | |

M.L. DYEING & TEXTILE IND. PLC

| Condition No. | Title | Complied | Not Complied | Remarks (IF ANY) |
|---------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------|--------------|----------------------------------------------------------------------------------------------------------------------------------|
| 1(2)(b)(ix) | who has not been convicted by a court of competent jurisdiction as a defaulter in payment of any loan or any advance to a bank or a Non-Bank Financial Institution (NBF); | ✓ | | |
| 1(2)(b)(x) | who has not been convicted for a criminal offence involving moral turpitude; | ✓ | | |
| 1(2)(c) | The independent director(s) shall be appointed by the Board and approved by the shareholders in the Annual General Meeting (AGM); | ✓ | | The independent director has been appointed and will be duly approved by the shareholders in the upcoming Annual General Meeting |
| 1(2)(d) | The post of independent director(s) cannot remain vacant for more than 90 (ninety) days; | ✓ | | |
| 1(2)(e) | The tenure of office of an independent director shall be for a period of 3 (three) years, which may be extended for 1 (one) tenure only. | ✓ | | |
| 1(3) | Qualification of Independent Director | | | |
| 1(3)(a) | Independent Director shall be a knowledgeable individual with integrity who is able to ensure compliance with financial laws, regulatory requirements and corporate laws and can make meaningful contribution to business; | ✓ | | |
| 1(3)(b) | Independent Director shall have following qualifications | | | |
| 1(3)(b)(i) | Business leader who is or was a promoter or director of an unlisted company having minimum paid up capital of Tk. 100.00 million or any listed company or a member of any national or international chamber of commerce or business association; | - | - | - |
| 1(3)(b)(ii) | Corporate leader who is or was a top level executive not lower than Chief Executive Officer or Managing Director or Deputy Managing Director or Chief Financial Officer or Head of Finance or Accounts or Company Secretary or Head of Internal Audit and Compliance or Head of Legal Service or a candidate with equivalent position of an unlisted company having minimum paid up capital of Tk. 100.00 million or of a listed company; | - | - | - |
| 1(3)(b)(iii) | Former official of government or statutory or autonomous or regulatory body in the position not below 5th Grade of the national pay scale, who has at least educational background of bachelor degree in economics or commerce or business or law; | - | - | - |
| 1(3)(b)(iv) | University Teacher who has educational background in Economics or Commerce or Business Studies or Law; | - | - | - |
| 1(3)(b)(v) | Professional who is or was an advocate practicing at least in the High Court Division of Bangladesh Supreme Court or a Chartered Accountant or Cost and Management Accountant or Chartered Financial Analyst or Chartered Certified Accountant or Certified Public Accountant or Chartered Management Accountant or Chartered Secretary or equivalent qualification; | ✓ | | |
| 1(3)(c) | The independent director(s) shall have at least 10 (ten) years of experiences in any field mentioned in clause (b); | ✓ | | |
| 1(3)(d) | In special cases, the above qualifications or experiences may be relaxed subject to prior approval of the Commission; | | | No such issue arose |

| Condition No. | Title | Complied | Not Complied | Remarks (IF ANY) |
|---------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------|--------------|----------------------------------------------------------------------------------------|
| 1(4) | Duality of Chairperson of the Board of Directors and Managing Director or Chief Executive Officer | | | |
| 1(4)(a) | The positions of the Chairperson of the Board and the Managing Director and/ or Chief Executive Officer (CEO) of the company shall be filled by different individuals; | ✓ | | |
| 1(4)(b) | The Managing Director (MD) and/ or Chief Executive Officer (CEO) of a listed company shall not hold the same position in another listed company; | ✓ | | |
| 1(4)(c) | The Chairperson of the Board shall be elected from among the non-executive directors of the company; | ✓ | | |
| 1(4)(d) | The Board shall clearly define respective roles and responsibilities of the chairperson and the Managing Director and/ or Chief Executive Officer; | ✓ | | |
| 1(4)(e) | In the absence of the chairperson of the Board, the remaining members may elect one of themselves from non-executive directors as Chairperson for that particular Board's meeting; the reason of absence of the regular Chairperson shall be duly recorded in the minutes. | ✓ | | |
| 1(5) | The Directors' Report to Shareholders: | | | |
| 1(5)(i) | An industry outlook and possible future developments in the industry; | ✓ | | |
| 1(5)(ii) | The Segment-wise or product-wise performance; | ✓ | | |
| 1(5)(iii) | Risks and concerns including internal and external risk factors, threat to sustainability and negative impact on environment, if any; | ✓ | | |
| 1(5)(iv) | A discussion on Cost of Goods sold, Gross Profit Margin and Net Profit Margin, where applicable; | ✓ | | |
| 1(5)(v) | A discussion on continuity of any Extra-Ordinary activities and their implications (gain or loss); | ✓ | | |
| 1(5)(vi) | A detailed discussion on related party transactions along with a statement showing amount, nature of related party, nature of transactions and basis of transactions of all related party transactions; | ✓ | | |
| 1(5)(vii) | A statement of utilization of proceeds raised through public issues, rights issues and/or any other instruments; | - | - | N/A |
| 1(5)(viii) | An explanation if the financial results deteriorate after the company goes for Initial Public Offering (IPO), Repeat Public Offering (RPO), Rights Share Offer, Direct Listing, etc; | - | - | N/A |
| 1(5)(ix) | An explanation on any significant variance that occurs between Quarterly Financial performance and Annual Financial statements; | ✓ | | |
| 1(5)(x) | A statement of remuneration paid to the directors including independent directors | ✓ | | Independent Directors have not received any remuneration except meeting attending fees |
| 1(5)(xi) | A statement that 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; | ✓ | | |

M.L. DYEING & TEXTILE IND. PLC

| Condition No. | Title | Complied | Not Complied | Remarks (IF ANY) |
|----------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------|--------------|------------------------------------------------------------------------|
| 1(5)(xii) | A statement that proper books of account of the issuer company have been maintained; | / | | |
| 1(5)(xiii) | A statement that 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; | / | | |
| 1(5)(xiv) | A statement that 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 has been adequately disclosed; | / | | |
| 1(5)(xv) | A statement that the system of internal control is sound in design and has been effectively implemented and monitored; | / | | |
| 1(5)(xvi) | A statement that minority shareholders have been protected from abusive actions by, or in the interest of, controlling shareholders acting either directly or indirectly and have effective means of redress; | / | | |
| 1(5)(xvii) | A statement that there is no significant doubt upon the issuer company's ability to continue as a going concern, if the issuer company is not considered to be a going concern, the fact along with reasons there of shall be disclosed; | / | | |
| 1(5)(xviii) | An explanation that significant deviations from the last year's operating results of the issuer company shall be highlighted and the reasons thereof shall be explained; | / | | |
| 1(5)(xix) | A statement where Key operating and financial data of at least preceding 5 (five) years shall be summarized; | / | | |
| 1(5)(xx) | An explanation on the reasons if the issuer company has not declared dividend (cash or stock) for the year; | / | | The Company Board declared 2% cash dividend |
| 1(5)(xxi) | Board's statement to the effect that no bonus share or stock dividend has been or shall be declared as interim dividend; | / | | No bonus share or stock dividend has been declared as interim dividend |
| 1(5)(xxii) | The total number of Board meetings held during the year and attendance by each director; | / | | |
| 1(5)(xxiii) | A report on the pattern of shareholding disclosing the aggregate number of shares (along with name-wise details where stated below) held by:- | | | |
| 1(5)(xxiii)(a) | Parent or Subsidiary or Associated Companies and other related parties (name-wise details); | / | | |
| 1(5)(xxiii)(b) | Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer, Head of Internal Audit and Compliance and their spouses and minor children (name-wise details); | / | | |
| 1(5)(xxiii)(c) | Executives; | / | | |
| 1(5)(xxiii)(d) | Shareholders holding ten percent (10%) or more voting interest in the company (name-wise details); | / | | |
| 1(5)(xxiv) | In case of the appointment or reappointment of a director, a disclosure on the following information to the shareholders:- | | | |
| 1(5)(xxiv)(a) | a brief resume of the director | / | | |
| 1(5)(xxiv)(b) | nature of his or her expertise in specific functional areas; | / | | |

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| Condition No. | Title | Complied | Not Complied | Remarks (IF ANY) |
|---------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------|--------------|------------------|
| 1(5)(xxiv)(c) | names of companies in which the person also holds the directorship and the membership of committees of the Board; | ✓ | | |
| 1(5)(xxv) | A management's Discussion and Analysis signed by CEO or MD presenting detailed analysis of the company's position and operations along with a brief discussion of changes in the financial statements, among others, focusing on: | | | |
| 1(5)(xxv)(a) | Accounting policies and estimation for preparation of financial statements; | ✓ | | |
| 1(5)(xxv)(b) | Changes in accounting policies and estimation, if any, clearly describing the effect on financial performance or results and financial position as well as cash flows in absolute figure for such changes; | ✓ | | |
| 1(5)(xxv)(c) | Comparative analysis (including effects of inflation) of financial performance or results and financial position as well as cash flows for current financial year with immediate preceding five years explaining reasons thereof; | ✓ | | |
| 1(5)(xxv)(d) | compare such financial performance or results and financial position as well as cash flows with the peer industry scenario; | ✓ | | |
| 1(5)(xxv)(e) | briefly explain the financial and economic scenario of the country and the globe; | ✓ | | |
| 1(5)(xxv)(f) | risks and concerns issues related to the financial statements, explaining such risk and concerns mitigation plan of the company; | ✓ | | |
| 1(5)(xxv)(g) | future plan or projection or forecast for company's operation, performance and financial position, with justification thereof, i.e., actual position shall be explained to the shareholders in the next AGM; | ✓ | | |
| 1(5)(xxvi) | Declaration or certification by the CEO and the CFO to the Board as required under condition No. 3(3) shall be disclosed as per Annexure-A; | ✓ | | |
| 1(5)(xxvii) | The report as well as certificate regarding compliance of conditions of this Code as required under condition No. 9 shall be disclosed as per Annexure-B and Annexure-C. | ✓ | | |
| 1(6) | Meetings of the Board of Directors: | | | |
| | The company shall conduct its Board meetings and record the minutes of the meetings as well as keep required books and records in line with the provisions of the relevant Bangladesh Secretarial Standards (BSS) as adopted by the Institute of Chartered Secretaries of Bangladesh (ICSB) in so far as those standards are not inconsistent with any condition of this Code. | ✓ | | |
| 1(7) | Code of Conduct for the Chairperson, other Board members and Chief Executive Officer | | | |
| 1(7)(a) | The Board shall lay down a code of conduct, based on the recommendation of the Nomination and Remuneration Committee (NRC) at condition No. 6, for the Chairperson of the Board, other board members and Chief Executive Officer of the company; | ✓ | | |
| 1(7)(b) | The code of conduct as determined by the NRC shall be posted on the website of the company | ✓ | | |

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| Condition No. | Title | Complied | Not Complied | Remarks (IF ANY) |
|---------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------|--------------|------------------|
| 2 | Governance of Board of Directors of Subsidiary Company: | | | |
| 2(a) | Provisions relating to the composition of the Board of the holding company shall be made applicable to the composition of the Board of the subsidiary company; | - | - | N/A |
| 2(b) | At least 1 (one) independent director on the Board of the holding company shall be a director on the Board of the subsidiary company; | - | - | N/A |
| 2(c) | The minutes of the Board meeting of the subsidiary company shall be placed for review at the following Board meeting of the holding company; | - | - | N/A |
| 2(d) | The minutes of the respective Board meeting of the holding company shall state that they have reviewed the affairs of the subsidiary company also; | - | - | N/A |
| 2(e) | The Audit Committee of the holding company shall also review the financial statements, in particular the investments made by the subsidiary company. | - | - | N/A |
| 3 | Managing Director (MD) or Chief Executive Officer (CEO), Chief Financial Officer (CFO), Head of Internal Audit and Compliance (HIAC) and Company Secretary (CS) | | | |
| 3(1) | Appointment | | | |
| 3(1)(a) | The Board shall appoint a Managing Director (MD) or Chief Executive Officer (CEO), a Company Secretary (CS), a Chief Financial Officer (CFO) and a Head of Internal Audit and Compliance (HIAC); | ✓ | | |
| 3(1)(b) | The positions of the Managing Director (MD) or Chief Executive Officer (CEO), Company Secretary (CS), Chief Financial Officer (CFO) and Head of Internal Audit and Compliance (HIAC) shall be filled by different individuals; | ✓ | | |
| 3(1)(c) | The MD or CEO, CS, CFO and HIAC of a listed company shall not hold any executive position in any other company at the same time; | ✓ | | |
| 3(1)(d) | The Board shall clearly define respective roles, responsibilities and duties of the CFO, the HIAC and the CS; | ✓ | | |
| 3(1)(e) | The MD or CEO, CS, CFO and HIAC shall not be removed from their position without approval of the Board as well as immediate dissemination to the Commission and stock exchange(s). | ✓ | | |
| 3(2) | Requirement to attend Board of Directors' Meetings: | | | |
| | The MD or CEO, CS, CFO and HIAC of the company shall attend the meetings of the Board; | ✓ | | |
| 3(3) | Duties of Managing Director (MD) or Chief Executive Officer (CEO) and Chief Financial Officer (CFO) | | | |
| 3(3)(a) | The MD or CEO and CFO shall certify to the Board that they have reviewed financial statements for the year and that to the best of their knowledge and belief: | ✓ | | |
| 3(3)(a)(i) | these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading; | ✓ | | |

| Condition No. | Title | Complied | Not Complied | Remarks (IF ANY) |
|---------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------|--------------|------------------|
| 3(3)(a)(ii) | 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; | ✓ | | |
| 3(3)(b) | The MD or CEO and CFO shall also certify that there are, to the best of knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or in violation of the code of conduct for the company's Board or its members; | ✓ | | |
| 3(3)(c) | The certification of the MD or CEO and CFO shall be disclosed in the Annual Report. | ✓ | | |
| 4 | Board of Directors' Committee:- For ensuring good governance in the company, the Board shall have at least following subcommittees: | | | |
| 4(i) | Audit Committee | ✓ | | |
| 4(ii) | Nomination and Remuneration Committee | ✓ | | |
| 5 | Audit Committee.- | | | |
| 5(1) | Responsibility to the Board of Directors | | | |
| 5(1)(a) | The company shall have an Audit Committee as a sub-committee of the Board; | ✓ | | |
| 5(1)(b) | The Audit Committee shall assist the Board in ensuring that the financial statements reflect true and fair view of the state of affairs of the company and in ensuring a good monitoring system within the business; | ✓ | | |
| 5(1)(c) | The Audit Committee shall be responsible to the Board; the duties of the Audit Committee shall be clearly set forth in writing. | ✓ | | |
| 5(2) | Constitution of the Audit Committee | | | |
| 5(2)(a) | The Audit Committee shall be composed of at least 3 (three) members; | ✓ | | |
| 5(2)(b) | The Board shall appoint members of the Audit Committee who shall be non-executive directors of the company excepting Chairperson of the Board and shall include at least 1 (one) independent director; | ✓ | | |
| 5(2)(c) | All members of the audit committee should be "financially literate" and at least 1 (one) member shall have accounting or related financial management background and 10 (ten) years of such experience; | ✓ | | |
| 5(2)(d) | When the term of service of any Committee member expires or there is any circumstance causing any Committee member to be unable to hold office before expiration of the term of service, thus making the number of the Committee members to be lower than the prescribed number of 3 (three) persons, the Board shall appoint the new Committee member to fill up the vacancy immediately or not later than 1 (one) month from the date of vacancy in the Committee to ensure continuity of the performance of work of the Audit Committee; | ✓ | | |
| 5(2)(e) | The company secretary shall act as the secretary of the Committee; | ✓ | | |
| 5(2)(f) | The quorum of the Audit Committee meeting shall not constitute without at least 1 (one) independent director. | ✓ | | |
| 5(3) | Chairperson of the Audit Committee | | | |

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| Condition No. | Title | Complied | Not Complied | Remarks (IF ANY) |
|---------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------|--------------|-------------------------|
| 5(3)(a) | The Board shall select 1 (one) member of the Audit Committee to be Chairperson of the Audit Committee, who shall be an independent director; | ✓ | | |
| 5(3)(b) | In the absence of the Chairperson of the Audit Committee, the remaining members may elect one of themselves as Chairperson for that particular meeting, in that case there shall be no problem of constituting a quorum as required under condition No. 5(4)(b) and the reason of absence of the regular Chairperson shall be duly recorded in the minutes. | | | No such Incidence arose |
| 5(3)(c) | Chairperson of the Audit Committee shall remain present in the Annual General Meeting (AGM); | ✓ | | |
| 5(4) | Meeting of the Audit Committee | | | |
| 5(4)(a) | The Audit Committee shall conduct at least its four meetings in a financial year | ✓ | | |
| 5(4)(b) | The quorum of the meeting of the Audit Committee shall be constituted in presence of either two members or two third of the members of the Audit Committee, whichever is higher, where presence of an independent director is a must. | ✓ | | |
| 5(5) | The Role of Audit Committee shall:- | | | |
| 5(5)(a) | Oversee the financial reporting process; | ✓ | | |
| 5(5)(b) | monitor choice of accounting policies and principles; | ✓ | | |
| 5(5)(c) | monitor Internal Audit and Compliance process to ensure that it is adequately resourced, including approval of the Internal Audit and Compliance Plan and review of the Internal Audit and Compliance Report; | ✓ | | |
| 5(5)(d) | oversee hiring and performance of external auditors; | ✓ | | |
| 5(5)(e) | hold meeting with the external or statutory auditors for review of the annual financial statements before submission to the Board for approval or adoption; | ✓ | | |
| 5(5)(f) | review along with the management, the annual financial statements before submission to the Board for approval; | ✓ | | |
| 5(5)(g) | review along with the management, the quarterly and half yearly financial statements before submission to the Board for approval; | ✓ | | |
| 5(5)(h) | review the adequacy of internal audit function; | ✓ | | |
| 5(5)(i) | review the Management's Discussion and Analysis before disclosing in the Annual Report; | ✓ | | |
| 5(5)(j) | review statement of all related party transactions submitted by the management; | ✓ | | |
| 5(5)(k) | review Management Letters or Letter of Internal Control weakness issued by statutory auditors; | ✓ | | |
| 5(5)(l) | oversee the determination of audit fees based on scope and magnitude, level of expertise deployed and time required for effective audit and evaluate the performance of external auditors; | ✓ | | |
| 5(5)(m) | oversee whether the proceeds raised through Initial Public Offering (IPO) or Repeat Public Offering (RPO) or Rights Share Offer have been utilized as per the purposes stated in relevant offer document or prospectus approved by the Commission: | ✓ | | N/A |
| 5(6) | Reporting of the Audit Committee | | | |
| 5(6)(a) | Reporting to the Board of Directors | | | |

| Condition No. | Title | Complied | Not Complied | Remarks (IF ANY) |
|----------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------|--------------|------------------------------------|
| 5(6)(a)(i) | The Audit Committee shall report on its activities to the Board. | ✓ | | |
| 5(6)(a)(ii) | The Audit Committee shall immediately report to the Board on the following findings, if any:- | | | |
| 5(6)(a)(ii)(a) | report on conflicts of interests; | | | No such Incidence arose |
| 5(6)(a)(ii)(b) | suspected or presumed fraud or irregularity or material defect identified in the internal audit and compliance process or in the financial statements; | | | No such Incidence arose |
| 5(6)(a)(ii)(c) | suspected infringement of laws, regulatory compliances including securities related laws, rules and regulations; | | | No such Incidence arose |
| 5(6)(a)(ii)(d) | any other matter which the Audit Committee deems necessary shall be disclosed to the Board immediately; | | | No such Incidence arose |
| 5(6)(b) | Reporting to the Authorities: | | | |
| | If the Audit Committee has reported to the Board about anything which has material impact on the financial condition and results of operation and has discussed with the Board and the management that any rectification is necessary and if the Audit Committee finds that such rectification has been unreasonably ignored, the Audit Committee shall report such finding to the Commission, upon reporting of such matters to the Board for three times or completion of a period of 6 (six) months from the date of first reporting to the Board, whichever is earlier. | | | No such reportable incidence arose |
| 5(7) | Reporting to the Shareholders and General Investors: | | | |
| | Report on activities carried out by the Audit Committee, including any report made to the Board under condition No. 5(6)(a)(ii) above during the year, shall be signed by the Chairperson of the Audit Committee and disclosed in the annual report of the issuer company. | ✓ | | |
| 6 | Nomination and Remuneration Committee (NRC) | | | |
| 6(1) | Responsibility to the Board of Directors | | | |
| 6(1)(a) | The company shall have a Nomination and Remuneration Committee (NRC) as a subcommittee of the Board; | ✓ | | |
| 6(1)(b) | The NRC shall assist the Board in formulation of the nomination criteria or policy for determining qualifications, positive attributes, experiences and independence of directors and top level executive as well as a policy for formal process of considering remuneration of directors, top level executive; | ✓ | | |
| 6(1)(c) | The Terms of Reference (TOR) of the NRC shall be clearly set forth in writing covering the areas stated at the condition No. 6(5)(b). | ✓ | | |
| 6(2) | Constitution of the NRC | | | |
| 6(2)(a) | The Committee shall comprise of at least three members including an independent director; | ✓ | | |
| 6(2)(b) | All members of the Committee shall be non-executive directors; | ✓ | | |
| 6(2)(c) | Members of the Committee shall be nominated and appointed by the Board; | ✓ | | |
| 6(2)(d) | The Board shall have authority to remove and appoint any member of the Committee; | ✓ | | |

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| Condition No. | Title | Complied | Not Complied | Remarks (IF ANY) |
|---------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------|--------------|-------------------------|
| 6(2)(e) | In case of death, resignation, disqualification, or removal of any member of the Committee or in any other cases of vacancies, the board shall fill the vacancy within 180 (one hundred eighty) days of occurring such vacancy in the Committee; | | | No such Incidence arose |
| 6(2)(f) | The Chairperson of the Committee may appoint or co-opt any external expert and/or member(s) of staff to the Committee as advisor who shall be non-voting member, if the Chairperson feels that advice or suggestion from such external expert and/or member(s) of staff shall be required or valuable for the Committee; | | | No such Incidence arose |
| 6(2)(g) | The company secretary shall act as the secretary of the Committee; | ✓ | | |
| 6(2)(h) | The quorum of the NRC meeting shall not constitute without attendance of at least an independent director; | ✓ | | |
| 6(2)(i) | No member of the NRC shall receive, either directly or indirectly, any remuneration for any advisory or consultancy role or otherwise, other than Director's fees or honorarium from the company. | ✓ | | |
| 6(3) | Chairperson of the NRC | | | |
| 6(3)(a) | The Board shall select 1 (one) member of the NRC to be Chairperson of the Committee, who shall be an independent director; | ✓ | | |
| 6(3)(b) | In the absence of the Chairperson of the NRC, the remaining members may elect one of themselves as Chairperson for that particular meeting, the reason of absence of the regular Chairperson shall be duly recorded in the minutes; | | | No such Incidence arose |
| 6(3)(c) | The Chairperson of the NRC shall attend the annual general meeting (AGM) to answer the queries of the shareholders. | ✓ | | |
| 6(4) | Meeting of the NRC | | | |
| 6(4)(a) | The NRC shall conduct at least one meeting in a financial year; | ✓ | | |
| 6(4)(b) | The Chairperson of the NRC may convene any emergency meeting upon request by any member of the NRC; | ✓ | | |
| 6(4)(c) | The quorum of the meeting of the NRC shall be constituted in presence of either two members or two third of the members of the Committee, whichever is higher, where presence of an independent director is must as required under condition No. 6(2)(h); | ✓ | | |
| 6(4)(d) | The proceedings of each meeting of the NRC shall duly be recorded in the minutes and such minutes shall be confirmed in the next meeting of the NRC. | ✓ | | |
| 6(5) | Role of the NRC | | | |
| 6(5)(a) | NRC shall be independent and responsible or accountable to the Board and to the shareholders; | ✓ | | |
| 6(5)(b) | NRC shall oversee, among others, the following matters and make report with recommendation to the Board; | ✓ | | |
| 6(5)(b)(i) | formulating the criteria for determining qualifications, positive attributes and independence of a director and recommend a policy to the Board, relating to the remuneration of the directors, top level executive, considering the following: | ✓ | | |

| Condition No. | Title | Complied | Not Complied | Remarks (IF ANY) |
|---------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------|--------------|------------------------|
| 6(5)(b)(i)(a) | the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate suitable directors to run the company successfully; | / | | |
| 6(5)(b)(i)(b) | the relationship of remuneration to performance is clear and meets appropriate performance benchmarks; | / | | |
| 6(5)(b)(i)(c) | remuneration to directors, 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; | / | | |
| 6(5)(b)(ii) | devising a policy on Board's diversity taking into consideration age, gender, experience, ethnicity, educational background and nationality; | / | | |
| 6(5)(b)(iii) | identifying persons who are qualified to become directors and who may be appointed in top level executive position in accordance with the criteria laid down, and recommend their appointment and removal to the Board; | / | | |
| 6(5)(b)(iv) | formulating the criteria for evaluation of performance of independent directors and the Board; | / | | |
| 6(5)(b)(v) | identifying the company's needs for employees at different levels and determine their selection, transfer or replacement and promotion criteria; | / | | |
| 6(5)(b)(vi) | developing, recommending and reviewing annually the company's human resources and training policies; | / | | |
| 6(5) (c) | The company shall disclose the nomination and remuneration policy and the evaluation criteria and activities of NRC during the year at a glance in its annual Report. | / | | |
| 7 | External or Statutory Auditors | | | |
| 7(1) | The issuer company shall not engage its external or statutory auditors to perform the following services of the company, namely:- | | | |
| 7(1)(i) | appraisal or valuation services or fairness opinions; | / | | No such incident arose |
| 7(1)(ii) | Financial information systems design and implementation; | / | | No such incident arose |
| 7(1)(iii) | Book-keeping or other services related to the accounting records or financial statements; | / | | No such incident arose |
| 7(1)(iv) | Broker-dealer services; | / | | No such incident arose |
| 7(1)(v) | Actuarial services; | / | | No such incident arose |
| 7(1)(vi) | Internal audit services or special audit services; | / | | No such incident arose |
| 7(1)(vii) | Any service that the Audit Committee determines; | / | | No such incident arose |
| 7(1)(viii) | Audit or certification services on compliance of corporate governance as required under condition No. 9(1); | / | | No such incident arose |
| 7(1)(ix) | Any other service that creates conflict of interest. | / | | No such incident arose |
| 7(2) | No partner or employees of the external audit firms shall possess any share of the company they audit at least during the tenure of their audit assignment of that company; his or her family members also shall not hold any shares in the said company | / | | |
| 7(3) | Representative of external or statutory auditors shall remain present in the Shareholders' Meeting (AGM or EGM) to answer the queries of the shareholders. | / | | |

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| Condition No. | Title | Complied | Not Complied | Remarks (IF ANY) |
|---------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------|--------------|------------------|
| 8 | Maintaining a website by the Company | | | |
| 8(1) | The company shall have an official website linked with the website of the stock exchange. | ✓ | | |
| 8(2) | The company shall keep the website functional from the date of listing. | ✓ | | |
| 8(3) | The company shall make available the detailed disclosures on its website as required under the listing regulations of the concerned stock exchange(s). | ✓ | | |
| 9 | Reporting and Compliance of Corporate Governance | | | |
| 9(1) | The company shall obtain a certificate from a practicing Professional Accountant or Secretary (Chartered Accountant or Cost and Management Accountant or Chartered Secretary) other than its statutory auditors or audit firm on yearly basis regarding compliance of conditions of Corporate Governance Code of the Commission and shall such certificate shall be disclosed in the Annual Report. | ✓ | | |
| 9(2) | The professional who will provide the certificate on compliance of this Corporate Governance Code shall be appointed by the shareholders in the annual general meeting. | ✓ | | |
| 9(3) | The directors of the company shall state, in accordance with the Annexure-C attached, in the directors' report whether the company has complied with these conditions or not. | ✓ | | |

Independent Auditor's Report To the Shareholders of M. L. DYEING & TEXTILE IND. PLC

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of **M. L. DYEING & TEXTILE IND. PLC** (the "Company"), which comprise the Statement of Financial Position as at 30 June 2023 and Statement of Profit or Loss and Other Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year then ended and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements of the Company give a true and fair view of the financial position of the Company as at 30 June 2023, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) and other applicable laws and regulations.

Basis for Opinion

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

Emphasis of Matter.

We draw attention to the following matters through our report is not qualified in those regard.

- i. 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.
- ii. 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.
- iii. 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.

Key Audit Matters

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

| Description of key audit matters | Our response to key audit matters |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p>Revenue recognition</p> <p>At year end the company reported total revenue of BDT 1,074,600,069. The company generates revenue from sale of goods to export customers. The timing of the revenue recognized and realized increases the risk of exposure of revenue to foreign exchange fluctuations.</p> <p>There is also a risk that revenue may be overstated/understated due to the timing differences between L/C opening and goods exported.</p> <p>We identified revenue recognition as a key audit matter as it is one of the key performance indicators of the Company, which give risk to an inherent risk of the existence and accuracy of the revenue.</p> | <p>We have tested the design and operating effectiveness of key controls focusing on the following:</p> <ul style="list-style-type: none"> - Obtaining an understanding of and assessing the design and operating effectiveness of controls designed to ensure that revenue is recognized in the appropriate accounting period; - Segregation of duties in invoice creation and modification and timing of revenue recognition; - Assessing the appropriateness of the Company's accounting policies for revenue recognition and compliance of those policies with applicable accounting standards; - Obtain supporting documentation for sale transaction recorded either side of year end to determine whether revenue was recognized in the current period; - Comparing a sample of revenue transactions recognized during the year with the sale invoices and other relevant underlying documentation; - Critically assessing manual journals posted to revenue to identify unusual or irregular items, and finally assessed the appropriateness and presentation of disclosures against relevant accounting standards. <p><i>[See note number 18 for details]</i></p> |
| <p>Valuation of Inventory</p> <p>The inventory of BDT 166,628,055 as at 30th June 2023, held in warehouses and across multiple product lines in the factory.</p> <p>Inventory value is measured as follows: Raw & packing materials including WIP on Moving average (Weighted) Cost, Finished Goods at lower of cost or estimated net realizable value, Stores Items at cost, Materials in-transit at Book value i.e. cost so far incurred.</p> <p>As a result, the management apply judgment in determining the appropriate values for value in use, working progress, values for slow moving or obsolete items.</p> <p>While excess holding of inventories could impact efficient use of working capital similarly lower level of inventories can result in stock outs or irregular supply to the market.</p> | <p>We challenged the appropriateness of management's assumptions applied in calculating the value of the inventory provisions by:</p> <ul style="list-style-type: none"> - Evaluating the design and implementation of key inventory controls operating across the company's factory and warehouse; - We have reconciled the inventory with purchase, production and sales to ensure the shown stock as on date was accurate. - Reviewing the historical accuracy of inventory provisioning and the level of inventory write-offs during the year; - We have considered the risk of inventory being expired/damaged due to the effect of COVID-19 and checked whether any provision was required for any such expiry/ obsolesce. |

| | |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| | <ul style="list-style-type: none"> - Comparing the net realizable value, obtained through a detailed review of sales subsequent to the year-end, to the cost price of a sample of inventories and comparison to the associated provision to assess whether inventory provisions are complete; - Obtaining a detailed review with the subsequent sales to compare with the net realizable value. <p><i>[See note number 06 for details]</i></p> |
| <p>Management’s Consideration of the Potential Impact of COVID-19</p> | |
| <p>Management has made estimates and judgements that there was adverse impact of COVID-19 on the company.</p> <p>In doing so, management have made estimates and judgments that are critical to the outcomes of these considerations with particular focus on the company’s ability to continue as a going concern for a period of at least 12 months from the date of the signing of the financial statements.</p> <p>As a result of the impact of COVID-19 on the wider financial markets we have determined management’s consideration of the potential impact of COVID-19 (including their associated estimates and judgements) to be a key audit matter.</p> | <p>Our audit included the following procedures:</p> <ul style="list-style-type: none"> - We obtained management’s most recent financial results forecasts and liquidity analysis underlying their going concern assessment and tested the integrity of the forecasts, including mathematical accuracy. - We challenged management on the key assumptions included in the scenarios and we subjected management’s most recent forecasts to additional stress testing to confirm that both management and the Board have considered a balanced range of outcomes in their assessment of the potential impact of COVID-19. - Based on our procedures, we have not identified any other matters to report with respect to both management’s and the Board’s considerations of the potential impact of COVID-19 on the current and future operations of the company. <p><i>[See note number 3.22 for details]</i></p> |

Other information

Management is responsible for the other information. The other information comprises all of the information included in the Annual Report other than the financial statements and our auditor’s report thereon. The Annual Report is expected to be made available to us after the date of this auditors’ report.

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

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards (IFRSs) and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

M.L. DYEING & TEXTILE IND. PLC

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

As part of an audit in accordance with International Standards on Auditing (ISAs), we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

We have not come across any other key audit issue for the year under audit, and as such noting is reportable.

Report on other Legal and Regulatory Requirements

In accordance with the Companies Act, 1994 and the Securities and Exchange Rules 1987, we also report the following:

- a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes 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;
- c) the statement of financial position and statement of profit or loss and other comprehensive income together with the annexed notes dealt with by the report are in agreement with the books of account and returns; and
- d) the expenditure incurred was for the purposes of the Company's business.

Place: Dhaka
Dated: October 23, 2023
DVC: 2310261483AS616725



Mohammed Alamgir Kabir FCA

Partner
Enrolment No: 1483
Kazi Zahir Khan & Co.
Chartered Accountants

M. L. DYEING & TEXTILE IND. PLC
STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2023

| Particulars | Notes | Amount in Taka | |
|----------------------------------------------------|-----------|----------------------|----------------------|
| | | 30-06-2023 | 30-06-2022 |
| ASSETS | | | |
| Non Current Assets | | | |
| Property, Plant & Equipment | 4 | 2,857,035,176 | 2,912,564,543 |
| Investment in Associate Company | 5 | - | - |
| Total Non-Current Assets | | 2,857,035,176 | 2,912,564,543 |
| Current Assets | | | |
| Inventories | 6 | 166,628,055 | 316,092,291 |
| Trade Receivables | 7 | 382,120,259 | 418,519,504 |
| Advance, Deposits and Prepayments | 8 | 43,979,244 | 22,432,340 |
| Cash and Cash Equivalents | 9 | 107,113,285 | 178,774,933 |
| Total Current Assets | | 699,840,843 | 935,819,068 |
| Total Assets | | 3,556,876,019 | 3,848,383,611 |
| EQUITY AND LIABILITIES | | | |
| Capital and Reserves | | | |
| Share Capital | 10 | 2,324,340,900 | 2,324,340,900 |
| Retained Earnings | 11 | 777,417,164 | 1,203,315,346 |
| | | 3,101,758,064 | 3,527,656,246 |
| Non-Current Liabilities | | | |
| Deferred Tax Liabilities | 12 | 159,255,621 | 159,914,816 |
| Total Non-Current Liabilities | | 159,255,621 | 159,914,816 |
| Current Liabilities | | | |
| Trade Payables | 13 | 76,582,800 | 127,126,333 |
| Unclaimed Dividend | 14 | 4,764,382 | 2,611,651 |
| Short term Borrowings | 15 | 179,083,088 | 6,255,000 |
| Creditors & Accrues | 16 | 12,817,379 | 13,996,605 |
| Provision for Income Tax | 17 | 22,614,685 | 10,822,960 |
| Total Current Liabilities | | 295,862,334 | 160,812,549 |
| Total Current & Non Current Liabilities | | 455,117,955 | 320,727,365 |
| Total Equity and Liabilities | | 3,556,876,019 | 3,848,383,611 |
| Net Asset Value Per Share | 28 | 13.34 | 15.18 |

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


Chairman



Managing Director


Director


Company Secretary


Chief Financial Officer

Signed as per our annexed report on even date.


Mohammed Alamgir Kabir FCA
Partner

Place: Dhaka
Dated: October 23, 2023
DVC: 2310261483AS616725

Enrolment No: 1483
Kazi Zahir Khan & Co.
Chartered Accountants

M.L. DYEING & TEXTILE IND. PLCSTATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2023

| Particulars | Notes | Amount in Taka | |
|-------------------------------------------|-------|-------------------|--------------------|
| | | 30-06-2023 | 30-06-2022 |
| Export | 18 | 1,074,600,069 | 1,656,081,752 |
| Less: Cost of Export | 19 | 988,993,020 | 1,503,538,355 |
| Gross Profit | | 85,607,049 | 152,543,397 |
| Less: Operating Expenses | 20 | 26,833,248 | 30,931,037 |
| Operating Income | | 58,773,801 | 121,612,360 |
| Less: Financial Expenses | 21 | 6,775,912 | 6,966,706 |
| Add/(Less): Foreign Exchange gain or loss | 22 | 1,995,294 | 1,157,546 |
| Net operating Income | | 53,993,183 | 115,803,200 |
| Add: Other non-operating income | 23 | 2,397,074 | 2,311,705 |
| Add: Share of Profit/Loss of associate | 24 | - | - |
| Net profit before tax | | 56,390,257 | 118,114,905 |
| Income Tax Expenses | 25 | 11,132,530 | 18,006,199 |
| Current Tax | | 11,791,725 | 10,822,960 |
| Deferred Tax Income / (Expenses) | | (659,195) | 7,183,239 |
| Net Profit after tax | | 45,257,727 | 100,108,706 |
| Earnings Per Share (EPS) | 27 | 0.19 | 0.43 |

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


Chairman


Managing Director



Director


Company Secretary


Chief Financial Officer

Signed as per our annexed report on even date.

Place: Dhaka
Dated: October 23, 2023
DVC: 2310261483AS616725


Mohammed Alamgir Kabir FCA
Partner
Enrolment No: 1483
Kazi Zahir Khan & Co.
Chartered Accountants

M.L. DYEING & TEXTILE IND. PLC

M. L. DYEING & TEXTILE IND. PLC STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED JUNE 30, 2023

| Particulars | Ordinary Share Capital | Retained Earnings | Total |
|----------------------------|------------------------|--------------------|----------------------|
| As at July 01, 2022 | 2,324,340,900 | 1,203,315,346 | 3,527,656,246 |
| Less: Dividend | - | (232,434,090) | (232,434,090) |
| Less: Fire Loss | - | (238,721,819) | (238,721,819) |
| Net Profit during the year | - | 45,257,727 | 45,257,727 |
| Total | 2,324,340,900 | 777,417,164 | 3,101,758,064 |

M. L. DYEING & TEXTILE IND. PLC STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED JUNE 30, 2022

| Particulars | Ordinary Share Capital | Retained Earnings | Total |
|----------------------------|------------------------|----------------------|----------------------|
| As at July 01, 2021 | 2,324,340,900 | 1,335,640,730 | 3,659,981,630 |
| Less: Dividend | - | (232,434,090) | (232,434,090) |
| Net Profit during the year | - | 100,108,706 | 100,108,706 |
| Total | 2,324,340,900 | 1,203,315,346 | 3,527,656,246 |

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


Chairman


Managing Director


Director


Company Secretary


Chief Financial Officer

Signed as per our annexed report on even date.

M. L. DYEING & TEXTILE IND. PLC
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2023

| Particulars | Amount in Taka | |
|-------------------------------------------------------------------|----------------------|----------------------|
| | 30-06-2023 | 30-06-2022 |
| A .Cash Flow From Operating Activities: | | |
| Collection from Customers | 1,132,317,087 | 2,026,248,820 |
| Collection from other non-operating income | 2,397,074 | 2,311,705 |
| Cash paid to Suppliers and others | (925,732,934) | (1,118,523,707) |
| Paid for operating Expenses | (25,902,661) | (29,213,325) |
| Cash generated by operations | 183,078,566 | 880,823,493 |
| Income tax paid | (11,734,581) | (21,555,297) |
| Net cash flow from Operating activities | 171,343,985 | 859,268,196 |
| B. Cash Flow From Investing Activities: | | |
| Purchase of Fixed Assets | (178,824,770) | (480,347,663) |
| Net cash flow from Investing activities | (178,824,770) | (480,347,663) |
| C. Cash Flow From Financing Activities: | | |
| Increase/ Decrease in Short term loan from bank | 172,828,088 | 2,160,000 |
| Dividend Paid | (230,281,359) | (232,434,090) |
| Unclaimed dividend | - | 2,611,651 |
| Payment for financial Expenses | (6,775,912) | (6,966,706) |
| Net Cash flow from financing activities | (64,229,183) | (234,629,145) |
| D.Increase/(Decrease) in cash and cash equivalents (A+B+C) | (71,709,968) | 144,291,388 |
| E.Foreign Exchange gain or loss (FC account) | 48,320 | 475,128 |
| E.Opening cash and cash equivalents | 178,774,933 | 34,008,417 |
| G.Closing cash and cash equivalents (D+E+F) | 107,113,285 | 178,774,933 |
| Net Operating Cash Flow Per Share | 0.74 | 3.70 |

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

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

Signed as per our annexed report on even date.

M.L. DYEING & TEXTILE IND. PLC

M. L. DYEING & TEXTILE IND. PLC

Notes, comprising summary of significant accounting policies and other explanatory information For the year ended June 30, 2023

1.00 The Company and its operations

1.01 Legal form of the Company

The Company was incorporated on March 21, 2001 as a 'Private' company limited by shares, registered under the Companies Act 1994 vide Certificate of Incorporation No.C-42701(2060)2001. The company converted into a 'Public' Limited Company on 02-06-2010. Name of the Company changed from M.L. Dyeing Limited to M.L Dyeing & Textile Ind. PLC on 05-06-2023.

1.02 Address of the Registered and Corporate Office

The registered office of the company is located on Zamirdia, 10 Hobirbari, Valuka, Mymensingh and Corporate office at House No: 11 (Unit-6A), Road No: 12, Block # F, Niketon, Gulshan-1, Dhaka-1212.

1.03 Nature of Business activities

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.

1.04.1 Capital Structure of the Company

Detailed break down of the capital structure of the company has been presented under.

| Particulars | Taka. |
|-------------------------------------------------------------------------------------------------------------------------|---------------|
| Authorized Capital 310,000,000 Ordinary Shares of Taka 10/= each | 3,100,000,000 |
| Issued, subscribed, called-up and paid-up capital 232,434,090 ordinary shares of Taka 10/= each fully paid up | 2,324,340,900 |

1.04.2 Production Plant

Production Plant of the company is situated at Valuka, Mymensingh. Production facility of the company comprises of namely 'Hanks' and 'Cone'. Production Plant of Spinning Unit is situated at Mohona, Vabanipur, Gazipur Sadar, Gazipur in Bangladesh.

2.00 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

2.01 Statement of Compliance

The financial statements have been prepared in compliance with the requirements of the Companies Act 1994, the Securities & Exchange Rules 1987, the Listing Regulations of Dhaka Stock Exchange (DSE) and Chittagong Stock Exchange (CSE) and other relevant local laws as applicable and in accordance with the applicable International Financial Reporting Standards (IFRS) including International Accounting Standards (IAS) adopted by the Financial Reporting Council (FRC)

2.02 Regulatory Compliances

As required by the company, the management complies with the following major legal provisions in addition to the Companies Act 1994 and other applicable laws and regulations:

The Income Tax Ordinance 1984;
The Income Tax Rules 1984;
The Income Tax Act 2023;
The Value Added Tax Act 2012;
The Value Added Tax Rules 2016;
The Customs Act, 1969;

Bangladesh Labour Law, 2006 (Amended 2013);
Labor rules, 2015;
The Securities and Exchange Ordinance, 1969;
The Securities and Exchange Rules, 1987; and
Securities and Exchange Commission Act, 1993.

2.03 Components of the Financial Statements

According to the International Accounting Standards IAS-1 as adopted by FRC as IAS-1 “Presentation of Financial Statements” the complete set of financial statements includes the following components.

- i. Statement of financial position as at June 30, 2023;
- ii. Statement of Profit or Loss and other comprehensive income for the year ended June 30, 2023;
- iii. Statement of cash flows for the financial year ended June 30, 2023;
- iv. Statement of changes in equity for the financial year ended June 30, 2023;
- v. Notes, comprising summary of significant accounting policies and other explanatory information for the year ended June 30, 2023.

2.04 Measurement Bases used in preparing the Financial Statements

The financial statements have been prepared on the historical cost basis, and therefore, do not take into consideration the effect of inflation. The accounting policies, unless otherwise stated, have been consistently applied by the company and are consistent with those of the previous period.

2.05 Reporting Currency and Level of Precision

The financial statements are presented in Bangladeshi currency (Taka), which is the Company’s functional currency. All financial information presented in Taka have been rounded off to the nearest Taka.

2.06 Preparation and Presentation of Financial Statements of the Company

The Board of Directors of the company and the higher management who charge with Corporate Governance is responsible for the preparation and presentation of financial statements of M. L. Dyeing & Textile Ind. PLC

2.07 Use of Estimates and Judgments

The preparation of these financial statements, in conformity with IAS/IFRS, required management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual amounts may differ from these estimates.

Estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

In particular, information about significant areas of estimation on uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements are included in the following notes:

Note: 4 Property, Plant and Equipment

Note: 6 Inventories

Note: 7 Trade & Other Receivables

Note: 8 Advances, Deposits and Pre-payments

Note: 12 Deferred Tax Liabilities

Note: 13 Trade Payables

Note: 16 Provision for Income tax

M.L. DYEING & TEXTILE IND. PLC

2.08 Reporting Period

The financial period of the companies covers 1 (one) year from July 01, 2022 to June 30, 2023.

2.09 Statement of Cash Flows

Statement of cash flows is prepared in accordance with "IAS 7: Statement of Cash Flows and the cash flows from operating activities have been presented under Direct Method as required by the Securities and Exchange Rules 1987 and considering the provisions that "Enterprises are Encouraged to Report Cash Flow from Operating Activities using the Direct Method".

2.10 Compliance with the Requirements of Notification of the Securities and Exchange Commission dated 04.06.2008 under ref. # SEC/CMMRPC/2008-181/53/Adm/03/28

- a) Notes to the financial statements marked from 3.00 to 3.24 setting out the policies are unambiguous with respect to the reporting framework on which the accounting policies are based.
- b) The accounting policies on all material areas have been stated clearly in the notes marked from 3.00 to 3.24
- c) The accounting standards that underpin the policies adopted by the company can be found in the following places of the notes to the financial statements where is applicable:

| Sl. No. | Name of the IAS | IAS's No. |
|---------|---------------------------------------------------------------|-----------|
| 1 | Presentation of Financial Statements | 1 |
| 2 | Inventories | 2 |
| 3 | Statement of Cash Flows | 7 |
| 4 | Accounting policies, Changes in accounting Estimates & Errors | 8 |
| 5 | Events after the Reporting Period | 10 |
| 6 | Income Taxes | 12 |
| 7 | Property, Plant and Equipment | 16 |
| 8 | Employee Benefits | 19 |
| 9 | The Effects of Changes in Foreign Exchange Rates | 21 |
| 10 | Borrowing Costs | 23 |
| 11 | Related Party Disclosures | 24 |
| 12 | Accounting and Reporting by Retirement Benefit Plans | 26 |
| 13 | Separate Financial Statements | 27 |
| 14 | Investment in Associates & Joint Venture | 28 |
| 15 | Earnings Per Share | 33 |
| 16 | Interim Financial Reporting | 34 |
| 17 | Impairment of Assets | 36 |
| 18 | Provision, Contingent Liabilities and Contingent Assets | 37 |
| 19 | Intangible Assets | 38 |
| 20 | Financial Instruments: Recognition & Measurement | 39 |

| SL. No. | Name of the IFRS | IFRS No. |
|---------|---------------------------------------|----------|
| 1 | Financial Instruments: Disclosures | 7 |
| 2 | Operating Segments | 8 |
| 3 | Financial Instruments | 9 |
| 4 | Revenue from Contracts with Customers | 15 |
| 5 | Leases | 16 |

- d) The financial statements are in compliance with the International Financial Reporting Standards (IFRS) which are adopted from the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB).

3.00 SIGNIFICANT ACCOUNTING POLICIES

The specific accounting policies have been selected and applied for significant transactions and events that have a material effect within the framework for the preparation and presentation of financial statements.

3.1 Property, Plant & Equipment

3.1.1 Property, Plant and equipment

Property, Plant and Equipment are accounted for according to IAS 16 (Property, Plant and Equipment) at Historical cost less accumulated depreciation except land and Land development. The cost of self constructed /installed assets includes the cost of materials, direct labor and other cost directly attributable to bringing the assets to the working condition for the indented use and for dismantling and removing the items and restoring the site on which they are located.

The gain or loss arising on the disposal or retirement of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized as non operating income or loss and reflected in the profit and loss account.

3.1.2 Depreciation of fixed assets

Depreciation is provided on reducing balance method (except Land & Land Development) on the cost at which the asset is carried in the books of account.

Depreciation has been charged on additions of fixed assets on the period of available for utilization. The depreciation /amortization rate(s) are as follows:

| Category of fixed assets | Rate % |
|---------------------------------|---------------|
| Land and Land Development | - |
| Factory Building | 2.50 |
| Plant & Machinery | 10 |
| Power Generator set | 10 |
| Electrical Installation | 10 |
| Boiler | 10 |
| Compressor | 10 |
| Fork lift | 10 |
| ETP Plant | 10 |
| Gas Installation | 10 |
| Air Condition Installation | 10 |
| Telephone Installation | 20 |
| Office Equipment | 10 |
| Furniture & Fixture | 20 |
| Motor Car | 20 |

3.1.3 Impairment of Assets

No fact and circumstances indicate that company's assets including property, plant and equipment may be impaired. Hence, no evaluation of recoverability of assets was performed.

3.2 Inventories

3.2.1 Valuation of Inventories

Inventories are valued by the following basis in compliance with the requirements of Para 21 and 25 of IAS 2: inventories

M.L. DYEING & TEXTILE IND. PLC

Category of Stocks

Raw & packing materials including WIP
Finished Goods at Factory

At warehouses
Stores Items
Materials in-transit

Basis of valuation

: Moving average (Weighted) Cost
: At lower of cost or net estimated
realizable value
: At cost
: At cost
: Book value (i.e. cost so far incurred).

Cost comprises of the value of materials and attributable direct labor, depreciation & production overheads.

3.3 Revenue Recognition

In compliance with the requirements of IFRS 15 “Revenue from contracts with customers with customers”, Entity recognize revenue to depict the transfer of promised goods or services to customer in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Revenue is recognized only when following steps match with a transaction;

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

3.4 Foreign Currency Transaction/Translation

Foreign currency transactions are translated into Bangladeshi Taka at the exchange rates ruling at the transaction dates according to IAS 21: “The effect of changes in Foreign Exchange Rates”. Monetary assets and liabilities denominated in the foreign currencies are translated at prevailing rates on the balance sheet (Financial position) date. Non monetary assets and liabilities denominated in foreign currencies, which are related at historical cost are translated into Bangladesh Taka at the exchange rate ruling at the date of transactions. Foreign exchange gain/loss has been recognized in connection with foreign currency transaction since all such transactions are in US dollars and significant gains/losses evens out during regular course of company’s business.

3.5 Financial Instruments

Non-derivative financial instruments comprise trade receivables, trade payables, cash and cash equivalents.

Trade Receivables

Trade and other receivables are recognized initially at invoice value and subsequently measured at the remaining amount less allowance for doubtful receivable at the year end, if any. Receivables from foreign currency transactions are recognized in Bangladeshi Taka using exchange rates prevailing on the date of transaction.

Trade Payables

Liabilities are recorded at the amount payable for settlement in respect of goods and services received by the company, whether or not billed by the suppliers.

Investment in Associate Company

The company 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 34,589,966 ordinary shares being 8.812% of total ordinary shares of R.N. Spinning Mills Ltd.

Cash and Cash Equivalents

Cash and cash equivalents consist of cash in hand and with banks on current and deposit accounts and short term investments which are held and available for use by the company without any restriction. There is insignificant risk of change in value of the same.

3.6 Taxation**3.6.1 Current Tax**

Provision for income tax has been made on operating income at the rate of 15% as per Income Tax Ordinance, 1984 and Income Tax Act 2023. Income from other sources like sale of wastage is taxed at 27.50% and adequate provision has been made in this regard.

3.6.2 Deferred Tax

The company has decided to adopt policy of recognition of deferred tax in accordance with the International Accounting Standard 12 (IAS-12), deferred tax is provided using the liability method for temporary difference between the carrying value of fixed assets as per accounts and the corresponding income tax written down value. Deferred tax is calculated at the effective income tax rate prevailing at the statement of financial position date.

3.7 Provisions

As per “IAS 37: Provisions, Contingent Liabilities and Contingent Assets’ a provision recognized on the date of statement of financial position if, as a result of past event, the company has a present obligation that can be estimated reliably, and it is probable the outflow of economic benefits will be required to settle the obligation.

A provision is recognized if, as a result of a past event, the company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefit will be required to settle the obligation.

3.8 Contingencies

Contingent liabilities and assets are 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 future events which are not within the control of the company. The company has no contingent assets or liabilities which require disclosure under IAS -37 “Provisions, contingent liabilities and contingent assets” and are not recognized in the financial statements.

3.9 Earnings per Share (EPS)

The company calculates Earnings per Share (EPS) in accordance with IAS 33 “Earnings Per Share” which has been shown on the face of statement of profit or loss and other Comprehensive Income and the computation of EPS is stated in Note-27 of the financial statements.

Basic Earnings per Share

This represents earnings for the period attributable to the ordinary shareholders. As there no preference dividend, minority interest or extra ordinary items, the net profit for the period has been considered as fully attributable to ordinary shareholders. Basic earnings per Share have been calculated by dividing the net profit or loss by the number of ordinary share outstanding during the period.

Diluted Earnings per Share (DEPS)

Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and weighted average number of ordinary shares outstanding, for the effect of all dilutive potential ordinary shares. However, dilution of EPS is not applicable for these financial statements as there were no potential ordinary shares during the relevant period.

3.10 Operating Segment

No segmental reporting is applicable for the company as required by “IFRS 8: Operating Segments” as the company at present operates in a single industry segment and within as a geographical segment. Another production unit called “Spinning Unit” is under construction level and will go into production shortly, and then segment wise report will be presented.

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3.11 Going Concern

The company has adequate resources to continue its operations for foreseeable future. For this reason, the directors continue to adopt the going concern basis in preparing the accounts. The resources of the company are sufficient to meet the present obligation of its existing businesses and operations.

3.12 Financial Risk Management Policies

The company is exposed to normal business risks from changes in market interest rates and currency exchange rates and from non-performance of contractual obligations by counterparties. The company does not hold or issue derivative financial instruments for speculative or trading purposes.

Interest Rate Risk

The company has no significant risk of fluctuations in interest rates.

Foreign Currency Risk

The company is exposed to foreign currency risk relating to purchases which are denominated in foreign currencies. The company primarily utilizes forward exchange contracts with maturities of less than one year to hedge such financial liabilities denominated in foreign currencies. The forward exchange contracts entered into at the reporting date also relate to anticipated purchases, denominated in foreign currencies, for the subsequent period.

Credit Risk

Credit risk is the potential financial loss resulting from the failure of a customer or counterparty to settle its financial and contractual obligations to the company as and when they fall due.

Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. Credit evaluations are performed on all customers requiring credit over a certain amount. At the reporting date there were no significant concentrations of credit risk. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the statement of financial position. However, due to the large number of parties comprising the group's customer base, Management does not anticipate material losses from its debt collection.

Liquidity Risk

The company monitors its liquidity risk and maintains a level of cash and cash equivalents deemed adequate by management to finance the company operations and to mitigate the effects of fluctuations in cash flows.

Fair Values

The fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

The fair value of trade and other short-term receivables are taken to approximate their carrying value. The fair value of financial assets and liabilities approximate their carrying value.

3.13 Risk and Uncertainties for use of Estimates in preparation of financial statements.

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses and disclosure requirements for contingent assets and liabilities during and at the date of financial statements. Actual results may differ from those estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions of accounting estimates are recognized in the period in which the estimate is revised and in any future periods affected as required by IAS 8: Accounting Policies, Changes in Accounting Estimates and Errors.

3.14 Employee benefits (IAS 19):

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

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

The company's employee benefits include the following:

Short-term employee benefits include salaries, bonuses, house rent, medical fees etc. Obligations for such benefits are measured on an undiscounted basis and are expensed as the related service is provided.

Contribution to Sector based Central Fund.

The company will contribute to the Central Fund after established of the fund by relevant authority as per provisions of the Bangladesh Labor Law (amended), 2013 and is payable to workers as defined in the said law.

3.15 Borrowing costs

In compliance with the requirements of IAS 23 (Borrowing Costs), borrowing costs of operational period on short term loan and overdraft facilities from Islami Bank Bangladesh Ltd and Al-Arafah Islami Bank Ltd. was charged off as revenue expenditure as they incurred.

3.16 Investment in Associate

In compliance with the requirements of IAS 28 (Investment in Associate and Joint Venture), Equity method has been applied to determine carrying value of investment in Associate company, Proportioned profit of associate company has been charged in relevant year's Statement of Profit or Loss and Other Comprehensive Income. In order to determine any Impairment loss necessary step has been followed and no impairment loss incurred during the period.

3.17 Intangible Assets

The company has no intangible assets.

3.18 Bad and doubtful debts

No provision has been made for bad and doubtful debts since sales / export are based on 100% confirmed letter of credit with fixed maturity date.

3.19 Advertising and promotional expenses

All costs associated with advertising and promotional activities are charged in the period they were incurred.

3.20 Fire Loss

A Fire incident has been broke out in the godown of the company's factory of Spinning unit, some portion of Inventory has been damaged. The financial loss incurred by the incident of fire determined as high as Tk. 23,87,21,819. The godown are properly insured for fire loss & the insurance claim settlement are under process. Initially the full Loss has been accounted for and charged to retained earnings considering the incident extraordinary nature. No insurance benefit recovered or been finalized the recoverable amount yet, survey and inspection is still going on under the discretion of insurance company. Subsequent financial information (Recoverable amount) will be recognized in the financial statements as and when it be enacted.

3.21 Related Parties disclosure

3.21.1 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.

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3.21.2 Business Transaction

| SL. No. | Name of company | Nature of transaction | Balance as at 30-06-2023 (Tk.) |
|---------|------------------------------------------------------|-----------------------|--------------------------------|
| 01. | Far Chemical Industries Ltd. | Bills Payable | Nil |
| 02. | Samin Food and Beverage Inds. And Textile Mills Ltd. | Bills Payable | Nil |
| 03. | S.F Textile Industries Ltd. | Bills Payable | Nil |

3.22 Impact of COVID 19

COVID-19 has impacted in Overall on the business of the company as the company's products are deemed exported and the final destination are overseas. Due to worldwide impact of prevailing COVID-19 pandemic, the company faces declining revenue and earnings in somewhat and thereafter sustainability recovered. The company management believes that the company has adequate resources to continue as a going concern despite to adverse COVID-19 impact.

3.23 Date of Authorization and Proposed Dividend

The financial statements were authorized for issue by the Board of Directors of the company on October 23, 2023. Board of Directors recommended 2% cash dividend for the financial year ended 30th June, 2023. Therefore, the dividend is subject to final approval by the shareholders at company's forth coming AGM.

3.24 General

- i) Comparative figures have been re-arranged where considered necessary to ensure better comparability with the current period without causing any impact on the profit and value of assets and liabilities as reported in the financial statements.
- ii) Figures for the period have been rearranged wherever considered necessary to ensure comparability with the current period.

4.00 Property, Plant & Equipment : Tk. 2,859,035,176.

The above balance is made up as follows:

| Particulars | 30-06-2023 | 30-06-2022 |
|------------------------------------------------|----------------------|----------------------|
| A. At cost | | |
| Opening balance | 4,675,205,455 | 4,194,857,792 |
| Add: Acquisition during the year-Dyeing Unit | - | 289,705,543 |
| Add: Acquisition during the year-Spinning Unit | 178,824,770 | 190,642,120 |
| Less: Disposal during the year - Spinning Unit | 59,625,000 | - |
| Total available | 4,794,405,225 | 4,675,205,455 |
| B. Accumulated Depreciation | | |
| Opening balance | 1,762,640,912 | 1,586,510,612 |
| Charged during the year-Dyeing Unit | 114,992,103 | 117,886,796 |
| Charged during the year- Spinning Unit | 60,825,632 | 58,243,504 |
| Disposal during the year - Spinning Unit | 1,088,598 | - |
| Total accumulated depreciation | 1,937,370,049 | 1,762,640,912 |
| Written down value as on June 30 (A-B) | 2,857,035,176 | 2,912,564,543 |

Details shown in Annexure-A & Annexure-B

5.00 Investment in Associate Company :Tk. Nil

The above balance is made up as follows:

| Particulars | Not | 30-06-2023 | 30-06-2022 |
|-------------------------------------------------------------|-----|------------|------------|
| R.N.Spinning Mills Ltd (Cost of Investment Tk. 204,200,000) | | - | - |
| Share of Profit in Associates during the year | | - | - |
| Total: | | - | - |

No loss for the year 2022-2023 is recognized as total investment become nil.

IAS 28 requires an investor to account for its investment in associates using the equity method. Though investment against R.N.Spinning Mills Ltd. was only 8.81% the company using equity method as shareholder's has significant influence to R.N.Spinning Mills Ltd.

6.00 Inventories: Tk. 166,628,055

The above balance is made up as follows:

| Particulars | Notes | 30-06-2023 | 30-06-2022 |
|-----------------------------|-------|--------------------|--------------------|
| Inventories - Dyeing Unit | 6.A | 23,006,421 | 109,910,264 |
| Inventories - Spinning Unit | 6.B | 143,621,634 | 206,182,027 |
| | | 166,628,055 | 316,092,291 |

6.A Inventories - Dyeing Unit: Tk. 23,006,421

| Particulars | Notes | 30-06-2023 | 30-06-2022 |
|---------------------------|-------|-------------------|--------------------|
| Raw Materials - Yarn | 6.01 | 11,793,521 | 32,418,605 |
| Raw Materials - Chemicals | 6.02 | 7,251,063 | 18,652,196 |
| Work in process | | 495,214 | 3,205,185 |
| Packing Materials | 6.03 | 221,036 | 452,187 |
| Finished Goods | | 2,971,430 | 54,218,640 |
| Store Items | 6.04 | 274,157 | 963,451 |
| Total: | | 23,006,421 | 109,910,264 |

6.01 Raw Materials-Yarn : Tk. 11,793,521

The above balance is made up as follows:

| Particulars | 30-06-2023 | 30-06-2022 |
|----------------------------------------|--------------------|--------------------|
| Opening balance | 32,418,605 | 321,418,731 |
| Add: Purchase during the year | 105,240,617 | 254,382,970 |
| Raw materials available for production | 137,659,222 | 575,801,701 |
| Less: Input to production | 125,865,701 | 543,383,096 |
| Closing balance | 11,793,521 | 32,418,605 |

6.02 Raw Materials- Chemicals: Tk. 7,251,063

The above balance is made up as follows:

| Particulars | 30-06-2023 | 30-06-2022 |
|----------------------------------------|-------------------|-------------------|
| Opening balance | 18,652,196 | 63,924,157 |
| Add: Purchase during the year | 3,205,179 | 22,408,614 |
| Raw materials available for production | 21,857,375 | 86,332,771 |
| Less: Input to production | 14,606,312 | 67,680,575 |
| Closing balance | 7,251,063 | 18,652,196 |

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6.03 Packing Materials: Tk. 221,036

The above balance is made up as follows:

| Particulars | 30-06-2023 | 30-06-2022 |
|-----------------------------------|----------------|----------------|
| Opening balance | 452,187 | 1,871,861 |
| Add: Purchase during the year | 1,240,856 | 2,175,419 |
| | 1,693,043 | 4,047,280 |
| Less: Consumption during the year | 1,472,007 | 3,595,093 |
| Closing balance | 221,036 | 452,187 |

6.04 Store Items: Tk. 274,157

The above balance is made up as follows:

| Particulars | 30-06-2023 | 30-06-2022 |
|-----------------------------------|----------------|----------------|
| Opening balance | 963,451 | 2,718,290 |
| Add: Purchase during the year | 1,582,417 | 4,382,461 |
| | 2,545,868 | 7,100,751 |
| Less: Consumption during the year | 2,271,711 | 6,137,300 |
| Closing balance | 274,157 | 963,451 |

6.B Inventories - Spinning Unit: Tk. 143,621,634

| Particulars | Notes | 30-06-2023 | 30-06-2022 |
|------------------------|-------|--------------------|--------------------|
| Raw Materials - Cotton | 6.05 | 45,240,986 | 55,241,967 |
| Work in process | | 5,163,982 | 4,963,425 |
| Packing Materials | 6.06 | 630,721 | 718,294 |
| Finished Goods | | 90,751,735 | 142,539,651 |
| Store Items | 6.07 | 1,834,210 | 2,718,690 |
| Total: | | 143,621,634 | 206,182,027 |

6.05 Raw Materials- Cotton : Tk. 45,240,986

The above balance is made up as follows:

| Particulars | | 30-06-2023 | 30-06-2022 |
|----------------------------------------|-------|-------------------|-------------------|
| Opening balance | | 55,241,967 | 3,452,171 |
| Add: Purchase during the year | | 610,421,864 | 696,941,893 |
| Raw materials available for production | | 665,663,831 | 700,394,064 |
| Less: Fire Loss | 11.01 | 120,698,229 | - |
| Less: Input to production | | 499,724,616 | 645,152,097 |
| Closing balance | | 45,240,986 | 55,241,967 |

6.06 Packing Materials: Tk. 630,721

The above balance is made up as follows:

| Particulars | 30-06-2023 | 30-06-2022 |
|-----------------------------------|----------------|----------------|
| Opening balance | 718,294 | 10,235 |
| Add: Purchase during the year | 4,208,269 | 3,824,196 |
| | 4,926,563 | 3,834,431 |
| Less: Consumption during the year | 4,295,842 | 3,116,137 |
| Closing balance | 630,721 | 718,294 |

6.07 Store Items: Tk. 1,834,210

The above balance is made up as follows:

| Particulars | 30-06-2023 | 30-06-2022 |
|-----------------------------------|------------------|------------------|
| Opening balance | 2,718,690 | 74,152 |
| Add: Purchase during the year | 3,227,189 | 4,052,169 |
| | 5,945,879 | 4,126,321 |
| Less: Consumption during the year | 4,111,669 | 1,407,631 |
| Closing balance | 1,834,210 | 2,718,690 |

Raw Materials: It consist of import value and local expenses incurred upto warehouse. Inventory system is maintained on FIFO basis.

Work in process: It consist of cost of raw materials, chemicals and packing materials only.

Finished Goods: It includes the cost incurred upto cost of goods available for sale.

Store Items: It consist of the total cost of spare parts, loose tools and consumable items.

Inventories are counted by companies internal management.

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7.00 Trade and other Receivables: Tk. 382,120,259

The above is the amount of receivable against export bills as on June 30, 2023. This is considered as good & realizable and is secured by export letter of credit duly accepted by L/C opening bank.

| Particulars | 30-06-2023 | 30-06-2022 |
|-----------------------------------|--------------------|--------------------|
| Opening balance | 418,519,504 | 787,957,854 |
| Add: Export | 1,074,600,069 | 1,656,081,752 |
| | 1,493,119,573 | 2,444,039,606 |
| Less: Realization during the year | 1,110,999,314 | 2,025,520,102 |
| Total: | 382,120,259 | 418,519,504 |

This is considered as fully secured and guaranteed payment by export letter of credit opening bank against export order and is considered good & realizable within one year as per the terms of export letter of credit. The classification of receivables as required by the Schedule XI of the Companies Act, 1994 are given below:

| SI | Particulars | Amount | |
|-----|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------|--------------------|
| | | 2023 | 2022 |
| I | Receivables considered good and in respect of which the company is fully secured. | 382,120,259 | 418,519,504 |
| II | Receivables considered good for which the company holds no security other than the debtors personal | - | - |
| III | Receivables considered doubtful or bad. | - | - |
| IV | Receivables due by directors or other officers of the company or any of them either severally or jointly with any other person or debts due by firms or private companies respectively in which any director is a partner or a director | - | - |
| V | Receivables due by companies under same | - | - |
| VI | The maximum amount due by directors or other officers of the company at any time during the year. | - | - |
| | Total | 382,120,259 | 418,519,504 |

Ageing of the above Receivables is given below:

| | | |
|--------------------|-------------|-------------|
| 1-6 Months | 356,709,380 | 393,108,625 |
| More than 6 months | 25,410,879 | 25,410,879 |

8.00 Advances, Deposits & Prepayments: Tk. 43,979,244

The above balance is made up as follows:

| Particulars | Note | 30-06-2023 | 30-06-2022 |
|-------------------------------------------------|------|-------------------|-------------------|
| Titas Gas | | 1,868,000 | 1,868,000 |
| Electricity | | 3,278,920 | 3,278,920 |
| L/C Margin (Lc No: 086221020123 & 108922020096) | | 3,070,625 | 2,882,000 |
| Sundry Advances | 8.01 | 13,618,851 | 3,995,153 |
| Advance Income Tax | 8.02 | 22,142,848 | 10,408,267 |
| Total: | | 43,979,244 | 22,432,340 |

8.01 Sundry Advances: Tk. 13,618,851

The above balance is made up as follows:

| Particulars | 30-06-2023 | 30-06-2022 |
|------------------------|-------------------|------------------|
| M/S. Gazi Enterprise | 2,415 | 7,154 |
| Advance Salary | 352,500 | 475,400 |
| M/S. Mita Engineering | 5,017,500 | - |
| Md. Shajedur Rahman | 342,975 | 135,201 |
| M/S. Azmi Enterprise | 96,500 | 45,087 |
| M/S. SB Communication | 3,871 | 3,028 |
| M/S. Shathi Enterprise | 7,803,090 | 3,329,283 |
| Total: | 13,618,851 | 3,995,153 |

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8.02 Advance Tax: Tk. 22,142,848

The above balance is made up as follows:

| Particulars | 30-06-2023 | 30-06-2022 |
|--------------------------------------------|-------------------|-------------------|
| Opening Balance | 10,408,267 | 10,777,136 |
| Addition during the year - Interest Income | 602,051 | 221,026 |
| Addition during the year - Export | 11,132,530 | 10,187,241 |
| | 22,142,848 | 21,185,403 |
| Less: Adjustment during the year | - | 10,777,136 |
| Total: | 22,142,848 | 10,408,267 |

9.00 Cash and Cash Equivalents: Tk. 107,113,285

The above balance is made up as follows:

| Particulars | Notes | 30-06-2023 | 30-06-2022 |
|-----------------------|-------|--------------------|--------------------|
| FDR | | 73,326,225 | 72,089,010 |
| Cash and Bank balance | 9.01 | 33,787,060 | 106,685,923 |
| Total: | | 107,113,285 | 178,774,933 |

(No Bank accounts are maintain except below Note: 9.01)

9.01 Cash and Cash Equivalents: Tk. 33,787,060

The above balance is made up as follows:

| Particulars | 30-06-2023 | 30-06-2022 |
|---------------------------------------------------|-------------------|--------------------|
| Cash in hand-Factory | 1,304,665 | 314,256 |
| Cash in hand-Head Office | 993,410 | 731,894 |
| Cash at Bank -Islami Bank Ltd.- S/D A/C | 4,317,253 | 6,111,405 |
| Cash at Bank -Islami Bank Ltd.- C/D A/C | 105,737 | 489,891 |
| Cash at Bank -Islami Bank Ltd.- F/C A/C | 13,480,665 | 10,987,575 |
| Cash at Bank -Islami Bank Ltd.- AWCA A/C | 184,043 | 397,621 |
| Cash at Bank - Al-Arafah Islami Bank Ltd.- FC A/C | 8,353,715 | 84,240,777 |
| Cash at Bank - Al-Arafah Islami Bank Ltd.- CD A/C | 119,597 | 643,665 |
| Cash at Bank - SIBL - Dividend A/C | 316,644 | 376,592 |
| Cash at Bank - SBAC - Dividend A/C | 4,447,739 | 2,235,059 |
| Cash at Bank - SBAC - C/D A/C | 74,620 | 75,655 |
| Cash at Bank - SBAC - SND A/C | 88,973 | 81,533 |
| Total: | 33,787,060 | 106,685,923 |

The Bank balance are in agreement with respective bank statement balances.

10.00 Share Capital:

| | 30-06-2023 | 30-06-2022 |
|-----------------------------------------------------------------------|----------------------|----------------------|
| 10.01 Authorized Share Capital : | | |
| 310,000,000 ordinary shares of Taka 10/= each. | 3,100,000,000 | 3,100,000,000 |
| 10.02 Issued, subscribed, called-up and paid-up share capital: | | |
| 232,434,090 ordinary shares of Tk 10/= each fully paid-up | 2,324,340,900 | 2,324,340,900 |
| | 2,324,340,900 | 2,324,340,900 |
| 10.03 Paid-up Share Capital: | | |
| Opening Share Capital | 2,324,340,900 | 2,324,340,900 |
| | 2,324,340,900 | 2,324,340,900 |

The shareholding position of the company are as under:

| Name | No. of shares | Percentages % | Amount in Tk. |
|---------------------------|--------------------|---------------|----------------------|
| Shirin Faruk | 10,070,550 | 4.33% | 100,705,500 |
| Abdul Kader Faruk | 10,070,550 | 4.33% | 100,705,500 |
| Total Spinning Mills Ltd. | 9,882,180 | 4.25% | 98,821,800 |
| Rajon Industries Ltd. | 9,346,050 | 4.02% | 93,460,500 |
| M.N Industries Ltd. | 17,778,035 | 7.65% | 177,780,350 |
| Faiaz Industries Ltd. | 13,909,664 | 5.98% | 139,096,640 |
| Other shareholders | 161,377,061 | 69.43% | 1,613,770,610 |
| Total | 232,434,090 | 100% | 2,324,340,900 |

10.04 Classification of Shareholders by holdings

| Ranges of Shareholdings | 30-06-2023 | |
|----------------------------------|---------------|---------------|
| | No. of Holder | % of Holdings |
| Less than or equal to 500 Shares | 3154 | 0.32% |
| 501 to 1,000 Shares | 2502 | 0.91% |
| 1,001 to 5,000 Shares | 4277 | 4.94% |
| 5,001 to 10,000 Shares | 1294 | 4.28% |
| 10,001 to 20,000 Shares | 807 | 5.12% |
| 20,001 to 30,000 Shares | 289 | 3.14% |
| 30,001 to 40,000 Shares | 116 | 1.81% |
| 40,001 to 50,000 Shares | 70 | 1.42% |
| 50,001 to 100,000 Shares | 141 | 4.43% |
| 100,001 to 1,000,000 Shares | 80 | 9.41% |
| Over 1,000,000 Shares | 16 | 64.22% |
| Total | 12746 | 100% |

11.00 **Retained Earnings: Tk. 777,417,164**

The above balance is made up as follows:

| Particulars | Notes | 30-06-2023 | 30-06-2022 |
|--------------------------|-------|--------------------|----------------------|
| Opening balance | | 1,203,315,346 | 1,335,640,730 |
| Less: Dividend | | (232,434,090) | (232,434,090) |
| Less: Fire Loss | 11.01 | (238,721,819) | - |
| Add: Current year Profit | | 45,257,727 | 100,108,706 |
| Total: | | 777,417,164 | 1,203,315,346 |

11.01 **Fire Loss: Tk. 238,721,819**

The above balance is made up as follows:

| Particulars | | 30-06-2023 | 30-06-2022 |
|---------------------------------------------|------------|--------------------|------------|
| Inventories - Raw Cotton (Spinning Unit) | 6.05 | 120,698,229 | - |
| Inventories - Finished yarn (Spinning Unit) | 19.00 | 59,487,188 | - |
| Factory Buildings (Spinning Unit) | Annexure-B | 58,536,402 | - |
| Total: | | 238,721,819 | - |

12.00 **Deferred Tax liabilities: Tk. 159,255,621**

The above balance is made up as follows:

| Particulars | | 30-06-2023 | 30-06-2022 |
|--------------------------|-------|--------------------|--------------------|
| Opening balance | | 159,914,816 | 152,731,577 |
| Addition during the year | 25.02 | (659,195) | 7,183,239 |
| Total: | | 159,255,621 | 159,914,816 |

13.00 **Trade Payables: Tk. 76,582,800**

The above balance is made up as follows:

| Particulars | | 30-06-2023 | 30-06-2022 |
|--------------------------------------|--|-------------------|--------------------|
| Payable to others suppliers | | - | 127,126,333 |
| Zhejiang Taitan Co. Ltd 86221020123 | | 58,546,800 | - |
| Zhejiang Taitan Co. Ltd 108922020096 | | 18,036,000 | - |
| Total: | | 76,582,800 | 127,126,333 |

14.00 **Unclaimed Dividend: Tk. 4,764,382**

The above balance is made up as follows:

| Particulars | | 30-06-2023 | 30-06-2022 |
|--------------------|--|------------------|------------------|
| Unclaimed Dividend | | 4,764,382 | 2,611,651 |
| Total: | | 4,764,382 | 2,611,651 |

Unclaimed dividend includes dividend could not be distributed for the financial year ended 30-06-2020, 30-06-2021 and 30-06-2022 and those fund remained in the bank account maintained in Social Islami Bank Limited and South Bangla Agriculture & Commerce Bank Ltd. Unclaimed dividend for the financial year ended 30-06-2019 has been transferred to Capital market Stabilization fund(CMSF) Tk. 178,197 during the year.

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15.00 Short Term Borrowings: Tk. 179,083,088

The above balance is made up as follows:

| Particulars | 30-06-2023 | 30-06-2022 |
|----------------|--------------------|------------------|
| EDF/MDB - IBBL | 179,083,088 | 6,255,000 |
| Total: | 179,083,088 | 6,255,000 |

EDF = Export Development Fund, MDB = Muraba Documentary Bill

15.01 The Islami Bank Bangladesh Limited sanctioned a composite working capital limit for Tk 45.00 crore to make stock of raw materials, work in process and finished goods in form of:

- a) L/C limit for Tk 240.00 million
- b) TR, BG, EDF & MPI for Tk 210.00 million

Terms and Conditions :

- a) Rate of profit 09 % per annum
- b) Validity upto 27.03.2024 but every year renewable.

Al-Arafah Islami Bank Limited sanctioned a working capital limit for Tk.13.00 Crore

16.00 Creditors & Accrues : Tk.12,817,379

The above balance is made up as follows:

| Particulars | Notes | 30-06-2023 | 30-06-2022 |
|----------------------------------|-------|-------------------|-------------------|
| Gas Bill | | 3,509,535 | 1,996,797 |
| Electricity Bill - Dyeing Unit | | 18,500 | 18,500 |
| Electricity Bill - Spinning Unit | | 4,335,441 | 3,721,599 |
| Subscription & Fees | | 1,524,012 | - |
| Water Bill | | 6,530 | 6,530 |
| Rent | | 2,000 | 2,000 |
| Salary & Wages | | 2,216,504 | 4,566,253 |
| MD's Remuneration and Fees | | 50,000 | 50,000 |
| Sundry Creditors | 16.01 | 904,857 | 3,384,926 |
| Audit Fees | | 250,000 | 250,000 |
| Total: | | 12,817,379 | 13,996,605 |

16.01 Sundry Creditors: Tk. 904,857

The above balance is made up as follows:

| Particulars | 30-06-2023 | 30-06-2022 |
|-------------------------------------|----------------|------------------|
| M/S. Mita Enginnering | 36,827 | 24,183 |
| M/S. Karim Carrier | 235,000 | 33,600 |
| M/S. Mofazzal & Brothers Enterprise | 17,189 | 17,189 |
| M/S. Technocrate Enterprise | - | 962,339 |
| M/S. Unique Multi Engineering | 235,100 | 570,000 |
| M/S. Delta Transport | 42,000 | 42,000 |
| M/S. Shafiqul Enterprise | - | 1,725,088 |
| M/S Engineering Network Ltd | 338,741 | 10,527 |
| Total | 904,857 | 3,384,926 |

17.00 Provision for Income Tax: Tk. 22,614,685

The above balance is made up as follows:

| Particulars | Notes | 30-06-2023 | 30-06-2022 |
|----------------------------------|-------|-------------------|-------------------|
| Opening balance | | 10,822,960 | 21,924,166 |
| Add: Income Tax charged | 25.00 | 11,791,725 | 10,822,960 |
| | | 22,614,685 | 32,747,126 |
| Less: Adjustment during the year | | - | 21,924,166 |
| Total: | | 22,614,685 | 10,822,960 |

18.00 Export: Tk. 1,074,600,069

The above balance is made up as follows:

| Particulars | 30-06-2023 | 30-06-2022 |
|------------------|----------------------|----------------------|
| Export- Dyeing | 308,249,642 | 819,738,587 |
| Export- Spinning | 766,350,427 | 836,343,165 |
| Total: | 1,074,600,069 | 1,656,081,752 |

19.00 Cost of Export : Tk. 988,993,020

The above amount is made up as follows:

| Particulars | Notes | 30-06-2023 | 30-06-2022 |
|--------------------------------------------|-------|--------------------|----------------------|
| Raw materials consumed-Yarn | 19.01 | 125,865,701 | 543,383,096 |
| Raw materials consumed-Cotton | 19.02 | 499,724,616 | 645,152,097 |
| Raw materials consumed-Chemicals | 19.03 | 14,606,312 | 67,680,575 |
| Packing materials consumed | 19.04 | 5,767,849 | 6,711,230 |
| | | 645,964,478 | 1,262,926,998 |
| Work in process- opening | | 8,168,610 | 8,016,511 |
| Work in process- closing | | 5,659,196 | 8,168,610 |
| Change in work in process | | 2,509,414 | (152,099) |
| Total consumption | | 648,473,892 | 1,262,774,899 |
| Add: Manufacturing Overhead | 19.05 | 123,393,795 | 134,937,445 |
| Add: Depreciation-Dyeing Unit | | 113,612,198 | 116,472,155 |
| Add: Depreciation- Spinning Unit | | 60,095,724 | 57,544,582 |
| Cost of production | | 945,575,609 | 1,571,729,081 |
| Finished goods - opening | | 196,758,291 | 128,839,113 |
| Finished goods - Fire Loss (Spinning Unit) | | 59,487,188 | - |
| Finished goods - closing | | 93,723,165 | 196,758,291 |
| Change of finished goods stock | | 43,547,938 | (67,919,178) |
| Cost of free issue | | 130,527 | 271,548 |
| Total: | | 988,993,020 | 1,503,538,355 |

19.01 Raw materials consumed-Yarn: Tk.125,865,701

The above amount is made up as follows:

| Particulars | 30-06-2023 | 30-06-2022 |
|----------------------------------------|--------------------|--------------------|
| Opening Stock | 32,418,605 | 321,418,731 |
| Add: Purchase during the year | 105,240,617 | 254,382,970 |
| Raw materials available for production | 137,659,222 | 575,801,701 |
| Less: Closing Stock | 11,793,521 | 32,418,605 |
| Total: | 125,865,701 | 543,383,096 |

19.02 Raw materials consumed-Cotton : Tk. 499,724,616

The above amount is made up as follows:

| Particulars | 30-06-2023 | 30-06-2022 |
|------------------------------------|--------------------|--------------------|
| Opening Stock | 55,241,967 | 3,452,171 |
| Add: Purchase during the year | 610,421,864 | 696,941,893 |
| Chemicals available for Production | 665,663,831 | 700,394,064 |
| Less: Fire Loss | 120,698,229 | - |
| Less: Closing Stock | 45,240,986 | 55,241,967 |
| Total: | 499,724,616 | 645,152,097 |

Raw materials consumed-Chemicals: Tk. 14,606,312

The above amount is made up as follows:

19.03

| Particulars | 30-06-2023 | 30-06-2022 |
|------------------------------------|-------------------|-------------------|
| Opening Stock | 18,652,196 | 63,924,157 |
| Add: Purchase during the year | 3,205,179 | 22,408,614 |
| Chemicals available for Production | 21,857,375 | 86,332,771 |
| Less: Closing Stock | 7,251,063 | 18,652,196 |
| Total: | 14,606,312 | 67,680,575 |

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19.04 Packing materials consumed: Tk. 5,767,849

The above amount is made up as follows:

| <u>Particulars</u> | <u>30-06-2023</u> | <u>30-06-2022</u> |
|----------------------------------------------------------|-------------------|-------------------|
| Packing materials consumed: Dyeing Unit (Notes:19.04A) | 1,472,007 | 3,595,093 |
| Packing materials consumed: Spinning Unit (Notes:19.04B) | 4,295,842 | 3,116,137 |
| | <u>5,767,849</u> | <u>6,711,230</u> |

19.04.A Packing materials consumed: Dyeing Unit: Tk. 1,472,007

The above amount is made up as follows:

| <u>Particulars</u> | <u>30-06-2023</u> | <u>30-06-2022</u> |
|-----------------------------------------|-------------------|-------------------|
| Opening Stock | 452,187 | 1,871,861 |
| Add: Purchase during the year | 1,240,856 | 2,175,419 |
| Packing materials available for packing | 1,693,043 | 4,047,280 |
| Less: Closing Stock | 221,036 | 452,187 |
| Total: | <u>1,472,007</u> | <u>3,595,093</u> |

19.04.B Packing materials consumed: Spinning Unit : Tk. 4,295,842

The above amount is made up as follows:

| <u>Particulars</u> | <u>30-06-2023</u> | <u>30-06-2022</u> |
|-----------------------------------------|-------------------|-------------------|
| Opening Stock | 718,294 | 10,235 |
| Add: Purchase during the year | 4,208,269 | 3,824,196 |
| Packing materials available for packing | 4,926,563 | 3,834,431 |
| Less: Closing Stock | 630,721 | 718,294 |
| Total: | <u>4,295,842</u> | <u>3,116,137</u> |

19.05 Manufacturing overhead: Tk. 123,393,795

The above amount is made up as follows:

| <u>Particulars</u> | <u>30-06-2023</u> | <u>30-06-2022</u> |
|------------------------------------------------------|--------------------|--------------------|
| Manufacturing overhead: Dyeing Unit (Notes:19.05A) | 44,060,610 | 70,459,716 |
| Manufacturing overhead: Spinning Unit (Notes:19.05B) | 79,333,185 | 64,477,729 |
| | <u>123,393,795</u> | <u>134,937,445</u> |

19.05.A Manufacturing overhead: Dyeing Unit Tk. 44,060,610

The above amount is made up as follows:

| <u>Particulars</u> | <u>Notes</u> | <u>30-06-2023</u> | <u>30-06-2022</u> |
|-------------------------|--------------|-------------------|-------------------|
| Salary & Wages | | 20,281,070 | 31,754,182 |
| Fuel, Water & Power | | 3,254,147 | 4,186,413 |
| Printing & Stationary | | 135,018 | 634,028 |
| Conveyance | | 297,634 | 412,405 |
| Mobile bill | | 18,751 | 20,634 |
| Store & Spares Consumed | 6.04 | 2,271,711 | 6,137,300 |
| Insurance | | 1,172,106 | 1,751,750 |
| Gas Bill | | 14,680,254 | 23,405,187 |
| Rent, Rates and Taxes | | 172,418 | 163,857 |
| Repairs & Maintenance | 19.05.AA | 1,655,651 | 1,865,538 |
| Other Overhead | | 121,850 | 128,422 |
| Total: | | <u>44,060,610</u> | <u>70,459,716</u> |

19.05.AA Repairs & Maintenance: Tk. 1,655,651

The above amount is made up as follows:

| Particulars | 30-06-2023 | 30-06-2022 |
|---------------------|-------------------|-------------------|
| Plant and Machinery | 1,438,733 | 1,682,417 |
| Building | 10,527 | 3,265 |
| Others | 206,391 | 179,856 |
| Total: | 1,655,651 | 1,865,538 |

19.05.B Manufacturing overhead: Spinning Unit Tk. 79,333,185

The above amount is made up as follows:

| Particulars | Notes | 30-06-2023 | 30-06-2022 |
|-------------------------|--------------|-------------------|-------------------|
| Salary & Wages | | 22,524,045 | 16,395,371 |
| Fuel, Water & Power | | 405,293 | 354,089 |
| Printing & Stationary | | 785,417 | 758,174 |
| Conveyance | | 38,796 | 18,246 |
| Insurance | | 1,938,241 | 1,708,506 |
| Mobile bill | | 37,189 | 1,938 |
| Store & Spares Consumed | 6.07 | 4,111,669 | 1,407,631 |
| Electricity Bill | | 48,560,363 | 43,301,267 |
| Repair & Maintenance | | 301,412 | - |
| Rent, Rates and Taxes | | 504,964 | 412,854 |
| Other Overhead | | 125,796 | 119,653 |
| Total: | | 79,333,185 | 64,477,729 |

20.00 Operating Expenses: Tk. 26,833,248

The above amount is made up as follows:

| Particulars | Notes | 30-06-2023 | 30-06-2022 |
|---------------------------------------------|--------------|-------------------|-------------------|
| Warehouse, Distribution & Selling Exp.-DU | 20.01 | 6,070,208 | 9,808,756 |
| Administrative Expenses- Dyeing Unit | 20.02 | 11,429,607 | 13,894,451 |
| Warehouse, Distribution & Selling Exp.- SPU | 20.03 | 4,679,415 | 2,927,443 |
| Administrative Expenses- Spinning Unit | 20.04 | 4,654,017 | 4,300,387 |
| Total: | | 26,833,248 | 30,931,037 |

20.01 Warehouse, Distribution & Selling Exp.-Dyeing Unit: Tk. 6,070,208

The above amount is made up as follows:

| Particulars | 30-06-2023 | 30-06-2022 |
|--------------------------------------|-------------------|-------------------|
| Advertising Expenses | 124,086 | 165,210 |
| Salary & Welfare | 3,245,271 | 5,142,849 |
| Transportation and Handling Expenses | 982,418 | 1,785,416 |
| Repair and Maintenance | 198,634 | 241,529 |
| Rent | 39,000 | 37,700 |
| Electricity, Fuel & Water | 106,318 | 109,216 |
| Sales promotion Expenses | 95,347 | 274,186 |
| Traveling Expenses | 312,052 | 652,541 |
| Entertainment Expenses | 173,529 | 432,059 |
| Miscellaneous Expenses | 98,634 | 95,718 |
| Sample, Test & Analysis | 150,421 | 176,392 |
| Cost of free issue | 130,527 | 271,548 |
| Depreciation | 413,971 | 424,392 |
| Total: | 6,070,208 | 9,808,756 |

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20.02 Administrative Expenses-Dyeing Unit: Tk. 11,429,607

The above amount is made up as follows:

| Particulars | 30-06-2023 | 30-06-2022 |
|-------------------------------|--------------------------|--------------------------|
| Salary & Welfare | 3,871,426 | 4,985,418 |
| MD's Remuneration | 600,000 | 600,000 |
| Postage & Telecommunication | 71,936 | 75,416 |
| Traveling, Haultage & passage | 905,263 | 1,454,187 |
| Repair & Maintenance | 364,298 | 457,168 |
| Vehicle Expenses | 410,976 | 480,965 |
| Electricity, Fuel & Water | 355,412 | 396,415 |
| Printing and Stationery | 310,894 | 385,417 |
| Rent, Rates and Taxes | 2,581,763 | 2,954,187 |
| Subscription & Donation | 180,417 | 250,416 |
| Entertainment | 210,634 | 276,985 |
| Legal & Professional Charge | 75,000 | 65,000 |
| Audit fees | 250,000 | 250,000 |
| Miscellaneous Expenses | 125,936 | 120,518 |
| Newspaper & periodical | 121,718 | 114,110 |
| Board Meeting attendance Fees | 28,000 | 38,000 |
| Depreciation | 965,934 | 990,249 |
| Total: | <u>11,429,607</u> | <u>13,894,451</u> |

20.03 Warehouse, Distribution & Selling Exp.- Spinning Unit: Tk. 4,679,415

The above amount is made up as follows:

| Particulars | 30-06-2023 | 30-06-2022 |
|--------------------------------------|-------------------------|-------------------------|
| Salary & Welfare | 1,739,526 | 1,385,719 |
| Electricity, Fuel & Water | 65,287 | 32,854 |
| Transportation and Handling Expenses | 1,205,176 | 821,058 |
| Traveling Expenses | 394,275 | 285,947 |
| Entertainment Expenses | 798,241 | 25,413 |
| Others | 75,419 | 41,296 |
| Vehicle Expenses | 182,519 | 125,479 |
| Depreciation | 218,972 | 209,677 |
| Total: | <u>4,679,415</u> | <u>2,927,443</u> |

20.04 Administrative Expenses- Spinning Unit: Tk. 4,654,017

The above amount is made up as follows:

| Particulars | 30-06-2023 | 30-06-2022 |
|-------------------------------|-------------------------|-------------------------|
| Salary & Welfare | 2,297,524 | 2,287,153 |
| Postage & Telecommunication | 61,428 | 54,187 |
| Traveling, Haultage & Passage | 67,189 | 63,827 |
| Repair & Maintenance | 71,856 | 65,281 |
| Vehicle Expenses | 162,364 | 152,487 |
| Electricity, Fuel & Water | 575,819 | 475,418 |
| Printing and Stationery | 316,824 | 217,594 |
| Rent, Rates and Taxes | 312,967 | 285,469 |
| Subscription & Donation | 75,000 | 45,000 |
| Entertainment | 72,517 | 74,859 |
| Legal & Professional Charge | 35,106 | 36,284 |
| Miscellaneous Expenses | 62,390 | 41,527 |
| Newspaper & periodical | 32,098 | 12,056 |
| Depreciation | 510,935 | 489,245 |
| Total: | <u>4,654,017</u> | <u>4,300,387</u> |

21.00 Financial Expenses: Tk. 6,775,912

The above amount is made up as follows:

| Particulars | Notes | 30-06-2023 | 30-06-2022 |
|------------------|-------|------------------|------------------|
| Interest on Loan | 21.01 | 6,775,912 | 6,966,706 |
| Total: | | 6,775,912 | 6,966,706 |

21.01 Interest on loan: Tk. 6,775,912

The above amount is made up as follows:

| Particulars | | 30-06-2023 | 30-06-2022 |
|-------------------------------|--|------------------|------------------|
| Interest on IBP Loan | | - | 124,187 |
| Interest on Murabaha TR / EDF | | 6,775,912 | 6,842,519 |
| Total: | | 6,775,912 | 6,966,706 |

22.00 Foreign Exchange gain or loss: Tk. 1,995,294

The above amount is made up as follows:

| Particulars | | 30-06-2023 | 30-06-2022 |
|--------------------------------------------|--|------------------|------------------|
| Foreign Exchange gain or Loss - Realized | | 1,946,974 | 682,418 |
| Foreign Exchange gain or Loss - Unrealized | | 48,320 | 475,128 |
| Total: | | 1,995,294 | 1,157,546 |

23.00 Other non-operating income: Tk. 2,397,074

The above amount is made up as follows:

| Particulars | | 30-06-2023 | 30-06-2022 |
|-----------------|--|------------------|------------------|
| Sale of Wastage | | 145,293 | 141,729 |
| Interest Income | | 2,251,781 | 2,169,976 |
| Total: | | 2,397,074 | 2,311,705 |

24.00 Share of Profit of Associate : Tk. Nil

The above amount is made up as follows:

| Particulars | Notes | 30-06-2023 | 30-06-2022 |
|-------------------------------------------|-------|------------|------------|
| Share of Associate Profit during the year | 24.01 | - | - |
| Total: | | - | - |

24.01 Share of Associate Profit during the year: Tk. Nil

The above amount is made up as follows:

| Particulars | Notes | 30-06-2023 | 30-06-2022 |
|-----------------------------------------------|-------|--------------------|--------------------|
| Associate Profit/Loss during the year | | (31,423,889) | (69,865,896) |
| Total No.of Share of Associate | | 392,544,834 | 392,544,834 |
| No. of Share of Associate held by the Company | | 34,589,966 | 34,589,966 |
| Percentage of holding in Associate Company | | 8.8117% | 8.8117% |
| Share of Associate Profit during the period | | (2,768,986) | (6,156,390) |
| Total: | | (2,768,986) | (6,156,390) |

No loss is recognized as total investment in the associate company become Nil.

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25.00 Income Tax Expenses during the year: Tk. 11,132,530

The above amount is made up as follows:

| Particulars | Notes | 30-06-2023 | 30-06-2022 |
|---------------------------------|-------|-------------------|-------------------|
| Current Tax on operating Income | 25.01 | 11,132,530 | 10,187,241 |
| Current Tax on other Income | | 659,195 | 635,719 |
| Deferred Tax | 25.02 | (659,195) | 7,183,239 |
| Total: | | 11,132,530 | 18,006,199 |

25.01 Current Tax on operating Income : Tk. 11,132,530

The above amount is made up as follows:

| Particulars | | 30-06-2023 | 30-06-2022 |
|--------------------------------------------------------|---------------|-------------------|-------------------|
| Profit before tax | | 56,390,257 | 118,114,905 |
| Less: Other non-operating income | | (2,397,074) | (2,311,705) |
| Less: Share of Profit/Loss of associate | | - | - |
| Add: Depreciation on Accounting base | | 173,251,880 | 176,130,300 |
| Less: Depreciation on Tax base | | (223,093,132) | (229,920,140) |
| | | 4,151,931 | 62,013,360 |
| Applicable Tax Rate | | 15% | 15% |
| Current tax on operating Income | Total: | 622,790 | 9,302,004 |
| Tax deducted under section 163 of Income Tax Act 2023. | | 11,132,530 | 10,187,241 |
| Current tax , higher one | | 11,132,530 | 10,187,241 |

25.02 Deferred Tax during the year: Tk. -659195

The above amount is made up as follows:

| Particulars | | 30-06-2023 | 30-06-2022 |
|---------------------------------------------|---------------|----------------------|----------------------|
| Carrying amount as Accounting base: | | | |
| Property, Plant & Equipment | | 2,857,035,176 | 2,912,564,543 |
| Carrying amount as Tax base: | | | |
| Property, Plant & Equipment | | 1,591,296,011 | 1,635,564,372 |
| Difference | | 1,265,739,165 | 1,277,000,171 |
| Applicable Tax Rate | | 15% | 15% |
| Deferred Tax liabilities at the end of year | | 189,860,875 | 191,550,026 |
| Opening balance | | 159,914,816 | 152,731,577 |
| Deferred tax expenses/(income) for the year | Total: | 29,946,059 | 38,818,449 |
| Total Tax for the year | | 11,132,530 | 18,006,199 |
| Less: Current tax during the year | | 11,791,725 | 10,822,960 |
| Maximum deferred tax during the year | | (659,195) | 7,183,239 |

26.00 Reconciliation of cash generated by operations

The above balance is made up as follows:

| Particulars | 30-06-2023 | 30-06-2022 |
|----------------------------------------------------------------------------------------------|--------------------|--------------------|
| Profit before Income tax | 56,390,257 | 118,114,905 |
| Add: Depreciation charged | 175,817,735 | 176,130,300 |
| Add: Financial Expenses | 6,775,912 | 6,966,706 |
| Less: Share of Profit/Loss of associate | - | - |
| Add(Less): Increase or decrease in inventory | 149,464,236 | 214,232,930 |
| Add(Less): Fire Loss | (180,185,417) | - |
| Add(Less): Increase or decrease in trade receivable (foreign exchange gain or loss adjusted) | 36,399,245 | 369,438,350 |
| Add(Less): Increase or decrease in trade payable (foreign exchange gain or loss adjusted) | (50,543,533) | 2,821,431 |
| Add(Less): Increase or decrease in advance, deposit and pre payments | (9,812,323) | (6,010,150) |
| Add(Less): Increase or decrease in Foreign Exchange gain or loss - FC Account | (48,320) | (475,128) |
| Add(Less): Increase or decrease in creditors and accrues | (1,179,226) | (395,851) |
| | 183,078,566 | 880,823,493 |

27.00 Earnings Per Share (Basic EPS) : Tk. 0.19

The above amount is made up as follows:

| Particulars | 30-06-2023 | 30-06-2022 |
|---------------------------------------------------------------|-------------------|-------------------|
| a) Net Profit after Tax | 45,257,727 | 100,108,706 |
| b) Weighted average number of shares outstanding (Note-27.01) | 232,434,090 | 232,434,090 |
| Earnings per share | 0.19 | 0.43 |
| Earnings per share (Re-Stated) | 0.19 | 0.43 |

27.01 Weighted average No. of Shares outstanding

The above balance is made up as follows:

| Particulars | 30-06-2023 | 30-06-2022 |
|--------------------------------------------|--------------------|--------------------|
| Opening Share | 232,434,090 | 232,434,090 |
| Issued during the year - Bonus Issue | - | - |
| Weighted average No. of Shares outstanding | 232,434,090 | 232,434,090 |

28.00 Net Asset Value per Share (NAV) : Tk. 13.34

The above amount is made up as follows:

| Particulars | 30-06-2023 | 30-06-2022 |
|---------------------------------|---------------------|---------------------|
| Net Asset Value | 3,101,758,064 | 3,527,656,246 |
| No. of Shares Outstanding | 232,434,090 | 232,434,090 |
| Net Asset Value per Share (NAV) | Total: 13.34 | Total: 15.18 |

29.00 Net Operating Cash Flows per Share : Tk. 0.74

The above amount is made up as follows:

| Particulars | 30-06-2023 | 30-06-2022 |
|------------------------------------|--------------------|--------------------|
| Net Operating Cash Flows | 171,343,985 | 859,268,196 |
| No. of Shares Outstanding | 232,434,090 | 232,434,090 |
| Net Operating Cash Flows per Share | Total: 0.74 | Total: 3.70 |

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30.00 Disclosure as per requirement of Schedule XI, part II, note 5 of para 3

31.A Quantity wise schedule as required under Para 3, Schedule XI, Part II of the Companies Act.

Quantity wise schedules of sales, raw material consumed and opening and closing stock of finished goods of Dyeing & Spinning unit relating to the financial statements for the year ended June 30, 2023 are given below:

i) Sales

| Particulars | 01-07-2022 to 30-06-2023 | 01-07-2021 to 30-06-2022 |
|--------------------------------|-----------------------------|-----------------------------|
| Amount in Taka | 308,249,642 | 819,738,587 |
| Quantity in Lbs - Dyed yarn | 2,571,864 | 6,439,623 |
| Amount in Taka | 766,350,427 | 836,343,165 |
| Quantity in KG - Spinning Yarn | 2,792,822 | 3,173,978 |

ii) Raw Materials - Yarn Consumed in Quantities (Lbs):

| | 01-07-2022 to 30-06-2023 | 01-07-2021 to 30-06-2022 |
|--------------------------|-----------------------------|-----------------------------|
| Opening Stock | 349,160 | 3,659,719 |
| Purchase | 2,381,767 | 2,541,867 |
| Total available | 2,730,927 | 6,201,586 |
| Less: Closing Stock | 30,415 | 349,160 |
| Raw Materials - consumed | <u>2,700,512</u> | <u>5,852,426</u> |

iii) Raw Materials - Cotton Consumed in Quantities (Kgs):

| | 01-07-2022 to 30-06-2023 | 01-07-2021 to 30-06-2022 |
|--------------------------|-----------------------------|-----------------------------|
| Opening Stock | 391,048 | 16,428 |
| Purchase | 3,787,686 | 4,941,533 |
| Total available | 4,178,734 | 4,957,961 |
| Less: Fire Loss | 604,706 | - |
| Less: Closing Stock | 284,002 | 391,048 |
| Raw Materials - consumed | <u>3,290,026</u> | <u>4,566,913</u> |

iv) Particulars in respect of Opening Stock and Closing Stock of Inventories - Dyeing Unit

| Particulars | Opening Stock | | Closing Stock | |
|--------------------------|---------------|---------------|---------------|---------------|
| | Quantity | Amount in Tk. | Quantity | Amount in Tk. |
| Raw Materials -Yarn | 349,160 Lbs | 32,418,605 | 124,826 Lbs | 11,793,521 |
| Raw Materials -Chemicals | 139,228 Kg | 18,652,196 | 70,412 Kg | 7,251,063 |
| Work in Process | 34,548 Lbs | 3,205,185 | 5,409 Lbs | 495,214.00 |
| Finished goods | 396,660 Lbs | 54,218,640 | 22,639 Lbs | 2,971,430.00 |

v) Particulars in respect of Opening Stock and Closing Stock of Inventories - Spinning Unit

| Particulars | Opening Stock | | Closing Stock | |
|-----------------------|---------------|---------------|---------------|---------------|
| | Quantity | Amount in Tk. | Quantity | Amount in Tk. |
| Raw Materials -Cotton | 391,048 Kg | 55,241,967 | 284,002 Kg | 45,240,986 |
| Work in Process | 42,856 Kg | 4,963,425 | 78,415 Kg | 5,163,982 |
| Finished goods | 725,504 Kg | 142,539,651 | 397,421 Kg | 90,751,735 |

31.B Disclosure as per requirement of Schedule XI, part II, note 5 of para 3

Employee Position (as on June 30, 2023)

| Salary Range | Officer & Staff | | Worker | Total Employee |
|--------------|-----------------|-------------|------------|----------------|
| | Factory | Head Office | | |
| Below 6000 | 5 | 0 | 27 | 32 |
| Above 6000 | 37 | 45 | 315 | 397 |
| Total | 42 | 45 | 342 | 429 |

31.C Disclosure as per requirement of Schedule XI, part II, para 4 of companies act 1994

Payment to directors within the year ended 30.06.2023

Directors Remuneration & Fees : Tk. 628,000

Directors' are entitled Tk 1,000 as Board Meeting fee for attending each Board Meeting as per Articles of Association. The break down is as follows-

| Name of Board of Directors | Designation | Director Remuneration | No. of Meeting attending | Fees | Amount in Taka |
|-------------------------------------------------------------------------|----------------------|-----------------------|--------------------------|---------------|----------------|
| Mr. Abdul Mannan Ukil (Representative of MN Industries Ltd) | Chairman | - | 8 | 8,000 | 8,000 |
| Mr. Golam Azam Chowdhury (Representative of Rajon Textile Mills Ltd) | Managing Director | 600,000 | 7 | 7,000 | 607,000 |
| Mr. Abul Khair Manik (Representative of Total Spinning Mills Ltd) | Director | - | 8 | 8,000 | 8,000 |
| Mr. Anisur Rahman (Representative of Faiaz Industries Limited.) | Director | - | 7 | 7,000 | 7,000 |
| Mr. Md. Anwar Zahid Bhuiyan | Independent Director | - | 2 | 2,000 | 2,000 |
| Mr. Omar Faruk | Independent Director | - | 2 | 2,000 | 2,000 |
| Mr. Syed Md. Tajon Islam | Independent Director | - | 2 | 2,000 | 2,000 |
| Total | | 600,000 | | 28,000 | 628,000 |

31.D Disclosure as per requirement of Schedule XI, part II, para 7

Details of Capacity as given below:

| Particulars | Production Unit | Attainable Capacity | Actual Production | Percentage of Capacity Utilization |
|----------------------------------------------------------|-----------------|---------------------|-------------------|------------------------------------|
| Annual Production of Acrylic & Cotton Yarn Dyeing in Lbs | Dyeing Unit | 19,840,000 | 2,418,801 | 12.19% |
| Cotton Yarn Production in Kg | Spinning Unit | 5,250,000 | 2,704,529 | 51.51% |
| Total | | 25,090,000 | 5,123,330 | |

32 Disclosure as per requirement of Schedule XI, Part II, para 8 of Companies Act,1994.

32.A During the year ended June 30 , 2023 total value of import in respect of raw material, spare parts calculated on CIF basis are given as below:

| Particulars | Amount (Tk.) |
|--------------------------|--------------|
| Raw Materials - Yarn | 105,240,617 |
| Raw Materials - Cotton | 610,421,864 |
| Raw Materials - Chemical | 3,205,179 |

M.L. DYEING & TEXTILE IND. PLC

32.B The company has not incurred any expenditure in foreign currencies during the period of 01 July, 2022 to 30 June, 2023 on account of royalty, know-how, professional fees, consultancy fees, interest and other matters.

32.C Value of both imported and indigenous raw materials, spare parts and components consumed and the percentage of each to the total consumption during the period of 01 July, 2022 to June 30, 2023 are given as below:

| Particulars | Total Consumption | Imported Taka. | (%) | Local Taka. | (%) |
|--------------------------|--------------------|--------------------|------|------------------|---------|
| Raw Materials - Yarn | 125,865,701 | 125,865,701 | 100% | - | 0.00% |
| Raw Materials - Cotton | 499,724,616 | 499,724,616 | 100% | - | 0.00% |
| Raw Materials - Chemical | 14,606,312 | 14,606,312 | 100% | - | 0.00% |
| Packing Materials | 5,767,849 | - | 0% | 5,767,849 | 100.00% |
| Store Items | 6,383,380 | 2,903,315 | 45% | 3,480,065 | 54.52% |
| Total | 652,347,858 | 643,099,944 | | 9,247,914 | |

32.D The company has not remitted any amount during the period of 01 July, 2022 to June 30, 2023 in foreign currencies on account of dividend for non-resident shareholders.

Earnings in foreign exchange classified under the following heads as follows:

i) Total Export for the period ended 30 June 2023 is US\$ 10,528,736.06 which equivalent to BDT. 1,074,600,069.00

32.E ii) No royalty, know-how, professional and consultancy fees were received.

iii) No interest and dividend received.

iv) No other income received.

33.00 Fire Loss:

A fire incident occurred in factory godown, during the fire incident partial Raw cotton and Finished yarn burnt down to ash. At per assessment 604,706 Kg Raw cotton and 238,338 Kg Finished yarn burnt and value equivalent to Tk. 120,698,229 and Tk. 59,487,188 respectively.

34.00 Directors' interest in contracts with the company :

There was no other transaction resulting in Directors' interest with the Company and no leasing facilities have been made available to the Directors which mentioned in accounts.

35.00 Fire Incident:

A fire incident has been occurred at Bhabanipur, Gazipur, factory godown dated-29 November 2022. Company's assets and inventories were coverage by City General Insurance Company Limited and the coverage amount was Taka 31 Crore.

M. L. DYEING & TEXTILE IND. PLC
SCHEDULE OF FIXED ASSETS-DYEING UNIT
AS AT JUNE 30, 2023

| Particulars | Cost | | | Rate of Depreciation (%) | Depreciation | | | Written Down Value as at 30-06-2023 | Written Down Value as at 30-06-2022 |
|----------------------------|-----------------------------|--------------------------|----------|--------------------------|------------------------------|------------------------|----------|-------------------------------------|-------------------------------------|
| | Balance as on 1st July 2022 | Addition during the year | Disposal | | Balance as on 30th June 2023 | Charge during the year | Disposal | | |
| Land & Land Development | 31,901,605 | - | - | 0.00% | 31,901,605 | - | - | 31,901,605 | 31,901,605 |
| Factory Building | 1,053,231,129 | - | - | 2.5% | 1,053,231,129 | - | - | 174,310,160 | 878,920,969 |
| Plant & Machinery | 2,077,326,586 | - | - | 10% | 2,077,326,586 | - | - | 1,373,275,418 | 704,051,168 |
| Power Generator Set | 136,582,266 | - | - | 10% | 136,582,266 | - | - | 100,224,529 | 36,357,737 |
| Electrical Installation | 67,709,760 | - | - | 10% | 67,709,760 | - | - | 41,298,199 | 26,411,561 |
| Boiler | 61,124,497 | - | - | 10% | 61,124,497 | - | - | 42,907,308 | 18,217,189 |
| Compressor | 23,497,569 | - | - | 10% | 23,497,569 | - | - | 15,173,718 | 8,323,851 |
| Fork lift | 5,521,489 | - | - | 10% | 5,521,489 | - | - | 4,188,176 | 1,333,313 |
| ETP Plant | 65,433,888 | - | - | 10% | 65,433,888 | - | - | 39,930,541 | 25,503,447 |
| Gas Installation | 7,372,265 | - | - | 10% | 7,372,265 | - | - | 5,314,197 | 2,058,068 |
| Air Condition Installation | 7,443,460 | - | - | 10% | 7,443,460 | - | - | 5,553,114 | 1,890,346 |
| Telephone Installation | 703,072 | - | - | 20% | 703,072 | - | - | 549,898 | 153,174 |
| Office Equipment | 4,546,823 | - | - | 10% | 4,546,823 | - | - | 2,884,494 | 1,662,329 |
| Furniture & Fixture | 8,614,300 | - | - | 20% | 8,614,300 | - | - | 6,290,951 | 2,323,349 |
| Motor Car | 7,498,000 | - | - | 20% | 7,498,000 | - | - | 7,178,076 | 319,924 |
| Total | 3,558,506,809 | - | - | | 3,558,506,809 | 114,992,103 | - | 1,819,078,779 | 1,739,428,030 |

Allocation of depreciation

| | |
|---------------------------------|-------------|
| Manufacturing Expenses | 98.80% |
| Administrative Expenses | 0.84% |
| Selling & Distribution Expenses | 0.36% |
| | 100% |

| | |
|--|--------------------|
| | 113,612,198 |
| | 965,934 |
| | 413,971 |
| | 114,992,103 |

M. L. DYEING & TEXTILE IND. PLC
SCHEDULE OF FIXED ASSETS - SPINNING UNIT
AS AT JUNE 30, 2023

| Particulars | Cost | | | Rate of Depreciation (%) | Depreciation | | | Written Down Value as at 30-06-2023 | Written Down Value as at 30-06-2022 |
|----------------------------|-----------------------------|--------------------------|-------------------|--------------------------|------------------------------|------------------------|------------------|-------------------------------------|-------------------------------------|
| | Balance as on 1st July 2022 | Addition during the year | Disposal | | Balance as on 30th June 2023 | Charge during the year | Disposal | | |
| Land & Land Development | 135,969,582 | - | - | 0.00% | - | - | - | 135,969,582 | 135,969,582 |
| Factory Building | 469,125,920 | 73,523,647 | 59,625,000 | 2.5% | 483,024,567 | 11,973,545 | 1,088,598 | 463,574,594 | 460,560,894 |
| Plant & Machinery | 435,360,371 | 104,759,718 | - | 10% | 540,120,089 | 41,921,790 | - | 84,254,192 | 455,865,897 |
| Electrical Installation | 37,298,965 | 504,216 | - | 10% | 37,803,181 | 3,371,084 | - | 7,085,264 | 30,717,917 |
| Fork lift | 2,889,000 | - | - | 10% | 2,889,000 | 259,868 | - | 550,193 | 2,338,808 |
| Air Condition Installation | 34,301,014 | - | - | 10% | 34,301,014 | 3,085,400 | - | 6,532,417 | 27,768,597 |
| Telephone Installation | 8,746 | - | - | 20% | 8,746 | 1,757 | - | 3,155 | 5,591 |
| Office Equipment | 1,029,807 | 37,189 | - | 10% | 1,066,996 | 98,235 | - | 158,089 | 908,907 |
| Furniture & Fixture | 715,241 | - | - | 20% | 715,241 | 114,313 | - | 257,988 | 457,253 |
| Total | 1,116,698,646 | 178,824,770 | 59,625,000 | | 1,235,898,416 | 60,825,632 | 1,088,598 | 118,291,270 | 1,117,607,146 |

Allocation of depreciation

| | |
|---------------------------------|-------------------|
| Manufacturing Expenses | 60,095,724 |
| Administrative Expenses | 510,935 |
| Selling & Distribution Expenses | 218,972 |
| | <u>60,825,632</u> |

| |
|-------------|
| 98.80% |
| 0.84% |
| 0.36% |
| <u>100%</u> |

M.L. Dyeing & Textile Ind. PLC

Corporate Office: House # 11 (Floor: 6-A)
Road # 12, Block # F, Niketon,
Gulshan-1, Dhaka-1212

PROXY FORM

I/We.....of
..... being a shareholder of **M.L. Dyeing & Textile Ind. PLC** and entitled to vote hereby appoint Mr./Ms as my/our proxy to attend and vote for me/us on my/our behalf at the **22nd Annual General Meeting** of the Company to be held on Thursday, December 21, 2023 at 10:00 AM at Digital Platform and at any adjournment thereof.

As witness my/our hand thisday of.....2023

(Signature of the Shareholder)

(Signature of Proxy)

Affix
Twenty Taka
Revenue
Stamp

Folio No./BO ID No.

| | | | | | | | | | | | | | | | | | | | |
|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|
| | | | | | | | | | | | | | | | | | | | |
|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|

NO. of Shares heldDated

Note :

01. A member entitled to attend and vote at the 22nd Annual General Meeting may appoint a Proxy to attend and vote in his/her behalf.
02. The Proxy Form, duly stamped, must reach at the share office Located at House # 11 (6th Floor), Unit # 6-A, Road # 12, Block # F, Niketon, Gulshan-1, Dhaka-1212 of the company not less than 48 hours before of the meeting.

M.L. Dyeing & Textile Ind. PLC

Corporate Office: House # 11 (Floor: 6-A)
Road # 12, Block # F, Niketon,
Gulshan-1, Dhaka-1212

SEAL

ATTENDANCE SLIP

I/We hereby record my/our attendance at the **22nd Annual General Meeting** of the company being held on **Thursday, December 21, 2023 at 10:00 AM at Digital Platform.**

Name of Shareholder/Proxy

Folio No./BO ID No.

| | | | | | | | | | | | | | | | | | | | |
|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|
| | | | | | | | | | | | | | | | | | | | |
|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|

NO. of Shares held

(Signature of Proxy)

(Signature of the Shareholder)



M.L. DYEING & TEXTILE IND. PLC

Manufacturer of Quality Cotton Yarn and Sweater & Knit Yarn

Corporate Office: House # 11 (Floor: 6-A), Road # 12, Block # F, Niketon, Gulshan-1, Dhaka-1212, Bangladesh, Tel: 48810050, Fax: +88 02 48810055
E-mail: info@mldyeing.com, Web: www.mldyeing.com

FACTORY

Dyeing Unit : Vill: Zamirdia, 10 Hobirbari, P.S: Bhaluka, Dist: Mymensingh.
Spinning Unit : Mohona, Vabanipur, Gazipur Sadar, Gazipur.