

M.L. DYEING LIMITED

(Quality House of Sweater Yarn Dyeing)





ANNUAL REPORT

2019
2020

OUR VISION

To be an ample House of Sweater Yarn Dyeing Company to satisfy the customers' needs.



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 Limited 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 Limited 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 Limited 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

Pictures of 18th AGM & 8th EGM-2018-2019











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Letter of Transmittal

November 27, 2020

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, 2020.

Dear Sir(s),

We are pleased to enclose here with a copy of the Annual Report together with the Audited Financial Statements including Statement of Financial Position as at **30th June 2020**, 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 **30th June 2020** along with notes thereon for your reference and record.

Sincerely Yours,

A.K.M. Atiqur Rahman
Company Secretary

Notice of the Annual General Meeting

Notice is hereby given that the 19th Annual General Meeting of the shareholders of M.L. Dyeing Limited will be held on December 29, 2020 (Tuesday) at 11:30 a.m. at Tepantor Hotel & Resort, Square Master Bari, Jamirdia, Bhaluka, Mymensingh 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 30th June, 2020 together with reports of the Auditors and the Directors thereon.
2. To declare 5% Cash & 5% Stock Dividend for the financial year ended on 30th June 2020 as recommended by the Board of Directors.
3. To consider the election/re-election of Directors.
4. To appoint Auditors for the financial year 2020-2021 and to fix their remuneration.
5. To consider the Utilization of IPO fund.
6. To consider the undergoing civil construction and related machineries L/C of M.L. Dyeing Ltd. - Spinning Unit.
7. To transact any other business of the Company with the permission of the Chair.

By order of the Board,

Place: Dhaka
Dated: October 28, 2020

(A.K.M. Atiqur Rahman)
Company Secretary

Notes:

(1) The Record Date of the Company shall be on November 19, 2020 (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 19, 2020, will be entitled to attend at the 19th 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) Admission to the meeting room will be strictly on production of the attendance slip sent with the Notice as well as verification of signature of Member(s) and/or Proxy-holder(s).

(5) Written queries, if any, expected to be replied at the 19th Annual General Meeting on the Directors' and Auditors' Reports and Audited Accounts for the year ended June 30, 2020 should reach at the share department of the company at least 3 days before the meeting for the sake of convenience of appropriate explanation.

(6) 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 2019-20 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 2019-20 from the share department of the company.

(7) 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. Faiaz Kader
Managing Director	: Mr. Golam Azam Chowdhury (Representative Director of Rajon Textile Mills Ltd.)
Director	: Mr. Rezaur Rahman Rajon
Director	: Mr. Abul Khair Manik (Representative Director of Total Spinning Mills Ltd.)
Independent Director	: Mr. Syed Md. Tajon Islam

AUDIT COMMITTEE

Chairman	: Mr. Syed Md. Tajon Islam
Member	: Mr. Rezaur Rahman Rajon
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. Syed Md. Tajon Islam
Member	: Mr. Golam Azam Chowdhury (Representative Director of Rajon Textile Mills Ltd.)
Member	: Mr. Faiaz Kader
Member Secretary	: Mr. A.K.M. Atiqur Rahman

SENIOR CORPORATE OFFICIALS

Director Marketing	: Md. Humayun Kabir
Chief Financial Officer	: Md. Rakib Hasan
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

LEGAL ADVISOR

Md. Anwar Zahid Bhuiyan (Advocate)
Head of the Chamber: Md. Anwar Zahid Bhuiyan & Asssociates
Address: Flat - 703, Sylcon Villa, 8/1,
Segun Bagicha, Dhaka -1000.
Phone: 47115069, Mobile: 01819-141084
E-mail: anwar.zahid56@yahoo.com

STATUTORY AUDITORS

Shiraz Khan Basak & Co.
Chartered Accountants
R.K. Tower (Level-10),
86, Bir Uttam C.R. Datta Road,
(312, Sonargaon Road), Dhaka-1205.
Phone: 88-02-9635139, 88-02-9673597
Email:shirazkhanbasak@yahoo.com

CORPORATE OFFICE

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

REGISTERED OFFICE & FACTORY

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

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.

LISTING WITH

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

CORPORATE ACHIEVEMENTS

1. Date of Incorporation: March 21, 2001
2. Commencement of Commercial Operation: July 01, 2002
3. Date of Conversion to Public Limited Company: June 02, 2010
4. Date of Approval for IPO : June 10, 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. Faiaz Kader
Chairman



Mr. Faiaz Kader is Chairman of M.L. Dyeing Limited. His permanent & present address: 22/A, Chamillybag, Shantinagar, Dhaka-1217. He was born in the year of 1994. Initially he has involved in their family business as Management Trainee. Gradually he shown his skill and by dint of own power he advanced sufficiently in short of time in the line of Garments and Textiles industry and business activities. 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 traveled many countries including China, Korea, U.K. and Germany for gaining technical know-how of dyeing industry and latest development of production technology.

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. Rezaur Rahman Rajon,
Director



Mr. Rezaur Rahman Rajon is Director of M.L. Dyeing Limited. His permanent & present address: House 35/7/A Shantinagar, Dhaka. He was born in a high esteemed Muslim business family in the year of 1990. After completion of MBA he involved himself in M.L. Dyeing Limited. By the course of time he became Director of the company with his personal skill, due leadership behavior, very profound business concept and very hard-working nature. He is involved in many social activities & related works. He traveled many countries including China, Korea, India and Germany for gaining technical know-how of dyeing industry and latest development of production technology.

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. Syed Md. Tajon Islam,
Independent Director



Mr. Tajon Islam is the Independent Director of the Company. After completing MBA, he started his career in a multinational company engaged in Textiles and Garments industry. He is very much technical and efficient operating person in Textiles and Garments industry's manufacturing and marketing through 13 years of his career. He has visited many countries of the world in connection of business and has bagged to his credit a vast experience and Knowledge in modern method, technology, production and Marketing & Management techniques of textiles industries by participating several courses/seminars and visiting similar industrial concerns of the world. He is a qualified person who is not involved with any sponsors/shareholders of the Company.

M.L. DYEING LIMITED

October 22, 2020

To:
The Board of Directors

From:
The Audit Committee

Subject: Report of the Audit Committee.

The Audit Committee of M.L. Dyeing Limited 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. Syed Md. Tajon Islam
Member	: Mr. Rezaur Rahman Rajon
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.

Sd/-

Syed Md. Tajon Islam
Chairman
Audit Committee
M.L. Dyeing Limited

M.L. Dyeing Limited

Declaration by Managing Director & CFO

October 27, 2020

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

Subject: Declaration on Financial Statements for the year ended on 30 June, 2020.

Dear Sirs,

Pursuant to the condition No. 1(5) (xxvi) imposed vide the commission's Notification No. BSEC/CMRRCD/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 Limited for the year ended on 30 June, 2020 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 materials 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 30 June, 2020 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,

Sd/-

Golam Azam Chowdhury
Managing Director

Sd/-

Md. Rakib Hasan
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 19th 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 Ltd. 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 30th June 2020. 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 30 June 2020 is Tk. 2,388,452,683 out of which after meeting up all costs including Corporate Income Tax, the net profit for the year is Tk. 201,286,281 and Earning Per Share (EPS) is Tk. 0.91.

Proposed Dividend:

As an appreciation to our shareholders for their unwavering support, the Board of Directors is pleased to recommend 5% Cash & 5% Stock Dividend for all Shareholders. This is subject to shareholders' approval at the 19th Annual General Meeting.

IPO Permission:

Dear valued shareholders, M.L. Dyeing Limited obtained its IPO permission on June 10, 2018 vide Bangladesh Securities and Exchange Commission letter no. BSEC/CI/IPO – 152/2011/395 and subsequently listed with Dhaka Stock Exchange Ltd. & Chittagong Stock Exchange Ltd. on August 29, 2018. This is the 3rd AGM for us after obtaining IPO permission. The changed situation has been imposed many obligations on us on behalf of the valued shareholders in respect of last AGM and to offer them assurance our sincerity in maintaining operational results up to their expectations at present as well as in future.

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.

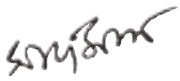
Conclusion:

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.



Faiaz Kader
Chairman
M.L. Dyeing Limited

Message from the Managing Director



Bismillahir Rahmanir Rahim

Dear Shareholders,

Assalamu Alykum,

I am delighted to welcome you all at this 19th Annual General Meeting of M.L. Dyeing Ltd. and thank you for 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 3.24%, where cost of goods sold decreased by 4.13% and resulting increase of gross profit by 4.53% while operating expenses decreased by .03%. Company's "Net Profit after Tax" increased by 2.39% and the Net Profit after Tax particularly affected among others, for nil of Associates profits in our earnings. Our Associate, R.N. Spinning Mills Ltd., has been destroyed by a fire incident dated 8th April, 2019, and we have to bear proportion loss of associate to the extent of our investment and the proportion loss has been adjusted with the investment and cumulative profit from the associate company. 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.

Business Expansion:

Dear shareholders, synchronizing with international market demand we have planned to introduce sophisticated technology based machinery during the next few years. We hope that from this year and toward we will be able to achieve our optimum goal.

Marketing and Promotion:

Activities of M.L. Dyeing Limited 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 Limited

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 19th Annual General Meeting of M.L. Dyeing Limited. We, the members of the Board are pleased to present Directors' Report, Auditors' Report and Audited Financial Statements for the financial year ended on 30th June 2020 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 30th June 2020.

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.

Company's Operational Activity: The Company's Annual production capacity of Acrylic & Cotton Yarn Dyeing is 19,840,000 Lbs. in the year of 2019-2020. The production during the year ended on 30th June 2020 was 17,969,152 Lbs. During the year under review, the company was able to sell Tk. 238.45 Crore in comparison to Tk. 246.84 Crore of Previous year. And the company was able to achieve Net Profit/ (Loss) after Tax Tk.20.13 Crore in comparison to Tk.19.66 Crore of Previous year.

1. CAPACITY / PRODUCTION:

The total capacity and production as of 30th June, 2020 was as follows:

(i) Production (Lbs):

		2019-2020	2018-2019	2017-2018	2016-2017	2015-2016
A	Installed Capacity	19,840,000	19,840,000	19,840,000	19,840,000	19,840,000
B	Actual Production	17,969,152	17,978,053	16,982,102	16,199,679	14,206,926
C	Efficiency (%)	90.57	90.62	85.60	81.65	71.61

2. 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:

		30-06-2020	30-06-2019	30-06-2018	30-06-2017	30-06-2016
a)	Production (Lbs)	17,969,152	17,978,053	16,982,102	16,199,679	14,206,926
b)	Cost of Production (BDT):					
Raw Materials Consumed-Yarn		1,758,487,260	1,810,346,848	1,756,236,707	1,626,921,717	1,224,004,454
Raw Materials Consumed-Chemicals		151,010,896	162,122,811	147,629,616	153,487,778	155,204,970
Packing Materials Consumed		5,578,290	5,294,879	5,633,663	5,333,549	4,920,367
WIP-Opening		9,357,214	9,506,397	9,030,626	9,152,481	9,521,540
WIP-Closing		8,917,632	9,357,214	9,506,397	9,030,626	9,152,481
Manufacturing Overhead		115,605,290	114,389,889	107,545,617	99,370,997	94,871,073
Depreciation		132,193,524	134,652,795	141,960,770	154,544,013	162,598,058
Total		**2,181,150,106**	**2,226,956,405**	**2,158,530,602**	**2,039,779,909**	**1,641,967,981**

(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.

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 18 years of experiences in yarn dyeing. The Company is one of the largest yarn dyeing industry in the textile sector of Bangladesh. The company produced 17,969,152 lbs dyed yarn for the year ended 30th June 2020. 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 i n 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 30.06.2020 was Tk. 2,122.60 million as compared to the previous same period's cost of goods sold of Tk. 2,214.02 million. Production capacity utilized during the 12 months ended 30.06.2020 was 90.57% whereas during the 12 months ended 30.06.2019 it was 90.62%.

(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. 2,388.45 million during the 12 months ended 30th June, 2020 which was Tk. 2,468.36 million in the last year. Gross Profit effected by Tk. 265.86 million during the 12 months ended 30th June, 2020 which was Tk. 254.34 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 30th June, 2020 was Tk. 201.29 million as compared to last year's Net profit (after tax) of Tk. 196.58 million.t

(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:

During the year the company has carried out transactions with related parties besides the normal course of business, details are given below:

Name of related party	Relationship	Nature of transaction	Transaction type at the end of the period	Outstanding balance as on 30.06.2020
R.N. Spinning Mills Ltd.	Common Management	-	-	Nil
FAR Chemical Industries Ltd.	Common Management	Purchases	Bills Payable	998,368
Samin Food and Beverage Inds. and Textile Mills Ltd.	Common Management	Purchases	Bills Payable	77,979,822

Related Party Transactions are depicted in Note No. 321.2 in the Notes of Accounts.

(vi) Utilization of Proceeds from Public Issuer:

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

Sl. No.	Purpose of Utilization	Allotment as per IPO (Tk.)	As per Revised Utilization plan approved in the 18th AGM dated 19/12/2019	Fund utilization (Taka) up to August, 2020	Fund utilized (Taka) for the month of September, 2020 (**)	Total Utilization of Fund (Taka) upto September 30, 2020	Balance (Taka)
1	Acquisition of Machineries and Equipments	178,300,000	181,611,244	168,938,170	12,673,074	181,611,244	-
2	IPO Expenses	21,700,000	18,388,756	18,388,756	-	18,388,756	-
	Total IPO Proceeds	200,000,000	200,000,000	187,326,926	12,673,074	200,000,000	-

Exchange Loss /Interest Income/Bank Charges related to IPO fund:

Interest Income	10,868,973
Bank Charges	73,580
Exchange Loss	97,160

Use of Fund for September 2020 are as follows:

Cost/Payment:

Total Cost of Acquisition of Machineries	**13,766,399**

Allocation of Payment:

From IPO Fund (**)	12,673,074	
Fund from Company's Own source	1,093,325	
Total		**13,766,399**

The Board of Directors has discussed in threadbare on the utilization status of IPO proceeds by allowing the situation that Company's IPO fund utilization as per time schedule as declared in prospectus have been affected by the global impact of COVID-19 pandemic as the import of respective machineries and equipments are from the overseas and the overseas suppliers have also been impacted by COVID-19 pandemic and therefore completion of utilization in between the declared time schedule has also been effected. Meantime, the company has already successfully carried out the L/C of the respective machineries and equipment even though the pandemic situation of which sail is under process and all disbursements from IPO fund have already been executed and the board has applied to the commission to allow the time extension which also to be placed before Shareholders in upcoming AGM for approval and related due regulatory process will be complied duly. All of these are effected for Covid-19 pandemic.

The total expenses/utilization Tk. 200,000,000 of IPO proceeds have been completed as on September 30, 2020 after the receiving of IPO fund. The company utilized Tk. 69,602,488 within 18 months as mentioned in time schedule/ implementation schedule as specified in IPO implementation schedule as well as approval of shareholders in 18th AGM dated 19/12/2019 for revised utilization of IPO fund. The company utilized Tk 6,972,309 from IPO proceeds in the month of July 2020, Tk. 110,767,130 in August 2020 and Tk. 12,673,074 in the month of September 2020 which exceeds the implementation time schedule as per IPO declaration. The company could not utilized the full IPO fund within the declared time schedule as specified in prospectus due to the global impact of COVID-19 Pandemic and the utilization which exceeds the declared time and implementation schedule will be placed before the shareholders for approval in the company's upcoming AGM.

(vii) There is no event of deterioration of the financial results during the year ended 30 June 2020 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 30.06.2020 are as follows:

Name	Status	Director Remuneration	Meeting attending fees	Total Taka
Mr. Faiaz Kader	Chairman	-	13,000	13,000
Mr. Golam Azam Chowdhury (Representative Director of Rajon Textile Mills Ltd.)	Managing Director	600,000	13,000	613,000
Mr. Rezaur Rahman Rajon	Director	-	12,000	12,000
Mr. Abul Khair Manik (Representative Director of Total Spinning Mills Ltd.)	Director	-	13,000	13,000
Mr. Syed Md. Tajon Islam	Independent Director	-	13,000	13,000
Total		**600,000**	**64,000**	**664,000**

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:**

a) 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.

b) Proper books of accounts of the issuer company have been maintained.

c) 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.

d) 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.

e) The system of internal control is sound in design and has been effectively implemented and monitored.

f) 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;

g) 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 increased during the year from the last year because of increase of efficiency and resources. Apart from that there is no such other type of deviation in operating results compared to the previous period. Moreover, the growth in the business is very positive and 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				
	30.06.2020	30.06.2019	30.06.2018	30.06.2017	30.06.2016
Turnover (Tk)	2,388,452,683	2,468,360,191	2,371,524,945	2,295,718,352	1,923,513,063
Gross Profit (Tk)	265,855,757	254,335,938	241,017,600	268,343,131	270,618,232
Net Operating Profit (Tk)	231,021,294	219,075,862	207,575,364	230,089,771	226,964,236
Net Profit before tax (Tk)	238,570,419	228,313,790	226,457,917	257,124,374	200,457,882
Net Profit after tax (Tk)	201,286,281	196,577,339	195,074,211	222,373,010	166,174,472
Basic EPS (Tk)	0.91	1.03	1.39	1.58	1.18
Dividend per share (%)	5% C & 5% Stock	5% C & 15% Stock	20%	-	-

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

Financial Data:

Particulars	Year ended as on				
	30.06.2020	30.06.2019	30.06.2018	30.06.2017	30.06.2016
Authorized Capital (Tk)	3,100,000,000	2,100,000,000	2,100,000,000	2,100,000,000	2,100,000,000
Paid up Capital (Tk)	2,213,658,000	1,924,920,000	1,404,100,000	1,404,100,000	1,404,100,000
Face value per share (Tk)	10	10	10	10	10
Retained Earnings (Tk)	1,413,471,116	1,597,243,835	2,113,291,573	1,925,379,662	1,703,006,652
Current Assets (Tk)	2,046,996,290	1,948,864,207	1,685,621,691	1,516,837,529	1,206,325,160
Current Liabilities (Tk)	155,865,204	147,092,991	159,855,014	179,255,158	212,419,687
Current Ratio	13.13	13.25	10.54	8.46	5.68
Quick Ratio	7.37	6.73	5.97	4.82	3.33
Debt-Equity Ratio	0.001	0.001	0.00	0.01	0.01
Time Interest Earned Ratio	376.86	306.00	303.49	32.12	14.84
Return on Assets	5.21%	5.17%	5.25%	6.30%	4.65%
Return on Equity	5.63%	5.58%	5.70%	6.90%	5.19%
Earnings per share	0.91	1.03	139	1.58	1.18
Dividend per share	5% C, 5% Stock	5% C, 15% Stock	20%	-	-
Inventory Turnover	2.55	3.04	3.39	3.76	3.18
Asset Turnover	0.62	0.65	0.64	0.65	0.54
Number of Shares	221,365,800	192,492,000	140,410,000	140,410,000	140,410,000
Number of Shareholders	1,683	3,050	33	26	26

(xv) Dividend: The Board of Directors has recommend dividend for all shareholders 5% Cash & 5% Stock Dividend per share for the year ended on 30 June 2020 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 19 November 2020.

(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 13 times during year ended 30th June, 2020 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. Faiaz Kader	Chairman	13	13
Mr. Golam Azam Chowdhury (Representative Director of Rajon Textile Mills Ltd.)	Managing Director	13	13
Mr. Rezaur Rahman Rajon	Director	13	12
Mr. Abul Khair Manik (Representative Director of Total Spinning Mills Ltd.)	Director	13	13
Mr. Syed Md. Tajon Islam	Independent Director	13	13

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 Textile Mills Ltd. and Total Spinning Mills Ltd. has following share investment in M.L. Dyeing Ltd. who have significant influence in decision making as Directors in M.L. Dyeing Limited.

Name	Position	Number of shares held
Rajon Textile Mills Ltd. (Rep. by Mr. Golam Azam Chowdhury)	Managing Director	8,901,000
Total Spinning Mills Ltd. (Rep. by Mr. Abul Khair Manik)	Director	9,411,600

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. Faiaz Kader	Chairman	17,913,090
Mr. Golam Azam Chowdhury (Representative Director of Rajon Textile Mills Ltd.)	Managing Director	8,901,000
Mr. Rezaur Rahman	Director	14,092,974
Mr. Abul Khair Manik (Representative Director of Total Spinning Mills Ltd.)	Director	9,411,600
Mr. Syed Md. Tajon Islam	Independent Director	-
Mr. Md. Rakib Hasan	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		

c) Senior Corporate Executives :
Number of shares held : Nil

d) Shareholders holding ten percent (10%) or more voting interest in the company

Mr. Lee Jung Kook : 48,449,525 Shares (21.89%)

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

Retirement:

1. Mr. Faiaz Kader, Chairman & Director and Mr. Abul Khair Manik (Representative Director of Total Spinning Mills Ltd.), Director of the Company will retire.

Appointment/Re-appointment:

1. Mr. Faiaz Kader, being eligible offering himself for re-election as Chairman.
2. Mr. Abul Khair Manik, being eligible offering himself for re-election as Director.

(xx) Director's involvement in other companies:

(xx) Director's involvement in other companies:

Sl. No.	Name of Directors	Position at M.L. Dyeing Limited	Entitles where they have interests	Position in other Companies
01.	Faiaz Kader	Chairman	S.F. Textile Industries Ltd.	Chairman
			Better Life Hospital Ltd.	Director
			Sadman Textile Mills Ltd.	Chairman
02.	Rezaur Rahman Rajon	Director	Better Life Hospital Ltd.	Managing Director
			Total Spinning Mills Ltd.	Director

(xxi) Auditors:

a) Auditors for the year ended 30th June 2020, Shiraz Khan Basak & Co., Chartered Accountants retired after completing the audit of 1st year for the year ended 30th June 2020 and Shiraz Khan Basak & Co., Chartered Accountants expressed their interest for re-appointment as Auditors among others, for the year ended 30th June 2021 with an honorarium as per fees structure of the ICAB.

b) Mujibur Rahman & Co., Cost & Management Accountants expressed their interest for appointment as Auditors to audit compliance conditions on the Corporate Governance code for the financial year ended 30th June, 2021 with an honorarium Tk. 50,000/- (Tk. Fifty Thousand) only.

(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 & Independent Director	: Mr. Syed Md. Tajon Islam
Member	: Mr. Rezaur Rahman Rajon
Member	: Mr. Abul Khair Manik, (Representative Director of Total Spinning Mills Ltd.)
Member Secretary	: Mr. A.K.M. Atiqur Rahman

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

The company has achieved an export turnover of Tk. 2,388.45 million during the 12 months ended 30th June, 2020 which was Tk. 2,468.36 million in the last year. Gross profit earned during the 12 months ended 30th June, 2020 was Tk. 265.86 million as compared to last year's gross profit/(loss) of Tk. 254.34 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 30th June, 2020 was Tk. 201.29 million as compared to last year's Net profit (after tax) of Tk. 196.58 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

During the reporting period under review, the Committee held five 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. Syed Md. Tajon Islam, Independent Director
Member	: Mr. Golam Azam Chowdhury (Representative Director of Rajon Textile Mills Ltd.)
Member	: Mr. Faiaz Kader
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 Ltd. 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 Ltd.

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.
- 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 Ltd.

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 Limited 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 Limited 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 Limited'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 Limited 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.

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.

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

Faiaz Kader
Chairman

MANAGEMENT DISCUSSION AND ANALYSIS

OVERVIEW 2019-2020:

Let us present before you a short review on the total operational and financial performance of your company from 01 July 2019 to 30 June 2020.

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 2020 Financial Performance and Position:

The discussions in this section relate to the financial results pertaining to the year that ended June 30, 2020. The financial statements of M.L. Dyeing Limited 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				
	30.06.2020	30.06.2019	30.06.2018	30.06.2017	30.06.2016
Turnover (Tk)	2,388,452,683	2,468,360,191	2,371,524,945	2,295,718,352	1,923,513,063
Gross Profit (Tk)	265,855,757	254,335,938	241,017,600	268,343,131	270,618,232
Net Operating Profit (Tk)	231,021,294	219,075,862	207,575,364	230,089,771	226,964,236
Net Profit before tax (Tk)	238,570,419	228,313,790	226,457,917	257,124,374	200,457,882
Net Profit after tax (Tk)	201,286,281	196,577,339	195,074,211	222,373,010	166,174,472
Basic EPS (Tk)	0.91	1.03	1.39	1.58	1.18
Dividend per share (%)	5% C & 5% Stock	5% C & 15% Stock	20%	-	-

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

Financial Data:

Particulars	Year ended as on				
	30.06.2020	30.06.2019	30.06.2018	30.06.2017	30.06.2016
Authorized Capital (Tk)	3,100,000,000	2,100,000,000	2,100,000,000	2,100,000,000	2,100,000,000
Paid up Capital (Tk)	2,213,658,000	1,924,920,000	1,404,100,000	1,404,100,000	1,404,100,000
Face value per share (Tk)	10	10	10	10	10
Retained Earnings (Tk)	1,413,471,116	1,597,243,835	2,113,291,573	1,925,379,662	1,703,006,652
Current Assets (Tk)	2,046,996,290	1,948,864,207	1,685,621,691	1,516,837,529	1,206,325,160
Current Liabilities (Tk)	155,865,204	147,092,991	159,855,014	179,255,158	212,419,687
Current Ratio	13.13	13.25	10.54	8.46	5.68
Quick Ratio	7.37	6.73	5.97	4.82	3.33
Debt-Equity Ratio	0.001	0.001	0.00	0.01	0.01
Time Interest Earned Ratio	376.86	306.00	303.49	32.12	14.84
Return on Assets	5.21%	5.17%	5.25%	6.30%	4.65%
Return on Equity	5.63%	5.58%	5.70%	6.90%	5.19%
Earnings per share	0.91	1.03	1.39	1.58	1.18
Dividend per share	5% C, 5% Stock	5% C,15% Stock	20%	-	-
Inventory Turnover	2.55	3.04	3.39	3.76	3.18
Asset Turnover	0.62	0.65	0.64	0.65	0.54
Number of Shares	221,365,800	192,492,000	140,410,000	140,410,000	140,410,000
Number of Shareholders	1,683	3,050	33	26	26

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 30.06.2020 was Tk. 2,122.60 million as compared to the previous same period's cost of goods sold of Tk. 2,214.02 million. Production capacity utilized during the 12 months ended 30.06.2020 was 90.57% whereas during the 12 months ended 30.06.2019 it was 90.62%.

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.

Certificate Of BAPLC

BANGLADESH ASSOCIATION OF PUBLICLY LISTED COMPANIES

Ref. No: **CM-2020/255**

BAPLC

Date of issue : **October 14, 2020**

Renewed Certificate

This is to certify that

M. L. DYEING LIMITED

is an Ordinary Member of **Bangladesh Association of Publicly Listed Companies** *and is entitled to all the rights and privileges appertaining thereto.*

This certificate remains current until 31st December **2020.**

BAPLC

Secretary-General

Report to the Shareholders of M.L. Dyeing Limited on compliance on the Corporate Governance Code

We have examined the compliance status to the Corporate Governance Code by M.L. Dyeing Limited for the year ended on June 30, 2020. This Code relates to the Notification No. BSEC/C-MRRCD/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: 19th November 2020

Podder & Associates
Cost & Management Accountants

M.L. Dyeing Limited

Status of Compliance with the Corporate Governance Guideline (CGC)

For the year ended 30th June 2020

Status of compliance with the conditions imposed by the Commission's Notification No. SEC/CMRRCD/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)	*For the purpose of this clause 'independent director' means a director-*			
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;	√		

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 (NBFI);	√		
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);	√		
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);	√		

Condition No.	Title	Complied	Not Complied	Remarks (IF ANY)
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
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;	√		No such matter to explain
1(5)(x)	A statement of remuneration paid to the directors including independent directors	√		Independent Directors have not received any remuneration
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;	√		

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;	√		No such matter to explain
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;	√		
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;	√		
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;	√		

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	√		

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;	√		
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;	√		

Condition No.	Title	Complied	Not Complied	Remarks (IF ANY)
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**			
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;	√		

Condition No.	Title	Complied	Not Complied	Remarks (IF ANY)
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 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**			
5(6)(a)(i)	The Audit Committee shall report on its activities to the Board.	√		

Condition No.	Title	Complied	Not Complied	Remarks (IF ANY)
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;	√		
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

Condition No.	Title	Complied	Not Complied	Remarks (IF ANY)
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:	√		
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;	√		

Condition No.	Title	Complied	Not Complied	Remarks (IF ANY)
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;	√		
7(1)(ii)	Financial information systems design and implementation;	√		
7(1)(iii)	Book-keeping or other services related to the accounting records or financial statements;	√		
7(1)(iv)	Broker-dealer services;	√		
7(1)(v)	Actuarial services;	√		
7(1)(vi)	Internal audit services or special audit services;	√		
7(1)(vii)	Any service that the Audit Committee determines;	√		
7(1)(viii)	Audit or certification services on compliance of corporate governance as required under condition No. 9(1);	√		
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.	√		
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.	√		

Condition No.	Title	Complied	Not Complied	Remarks (IF ANY)
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 Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of **M.L. Dyeing Limited** (the "Company"), which comprise the Statement of Financial Position as at 30 June 2020 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 2020, 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.

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
Revenue recognition	
At year end the company reported total revenue of BDT 2,388,452,683. 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. There is also a risk that revenue may be overstated/understated due to the timing differences between L/C opening and goods exported. 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	We have tested the design and operating effectiveness of key controls focusing on the following: - Obtaining an understanding of and assessing the design and operating effectiveness of controls designed to ensure that revenue is recognized in the appropriate accounting period; - 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

inherent risk of the existence and accuracy of the revenue.	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. ***[See note number 17 for details]***
Valuation of Inventory	
The inventory of BDT 850,211,990 as at 30th June 2020, held in warehouses and across multiple product lines in the factory. 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. 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. 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.	We challenged the appropriateness of management's assumptions applied in calculating the value of the inventory provisions by: - Evaluating the design and implementation of key inventory controls operating across the company's factory and warehouse; - Checked and verified the stock count report done by the management as on date. - We have reconciled the inventory with purchase, production and sales to ensure the physically 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. - 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. ***[See note number 06 for details]***
Management's Consideration of the Potential Impact of COVID-19	
Management has made estimates and judgements that there was adverse impact of COVID-19 on the company. In doing so, management have made estimates	Our audit included the following procedures: - We obtained management's most recent financial results forecasts and liquidity analysis underlying their going concern assessment and tested the

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. 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.	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. ***[See note number 3.22 for details]***

Other Matters

Due to the pandemic situation of COVID-19 all over the world, physical verification of inventory could not be held by us for the the year ended June 30, 2020 considering the health risks. However, during the course of our audit we have carried out audit procedures to ensure the value of inventory as on 30 June, 2020 is appropriate and free from any material misstatement. Detailed audit procedures are described in the key audit matter paragraph of this report.

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 thefinancial 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.

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 abilityto 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.



Dated, Dhaka
28th October, 2020

Ramendra Nath Basak, FCA
Partner
Shiraz Khan Basak & Co.
Chartered Accountants

M. L. DYEING LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2020

Particulars	Notes	Amount in Taka	
		30-06-2020	30-06-2019
ASSETS			
Non Current Assets			
Property, Plant & Equipment	4	1,876,447,157	1,855,513,740
Investment in Associate Company	5	-	-
Total Non-Current Assets		**1,876,447,157**	**1,855,513,740**
Current Assets			
Inventories	6	850,211,990	816,241,817
Trade Receivables	7	991,825,416	964,869,983
Advance, Deposits and Prepayments	8	48,457,035	26,339,128
Cash and Cash Equivalents	9	156,501,849	141,413,279
Total Current Assets		**2,046,996,290**	**1,948,864,207**
Total Assets		**3,923,443,447**	**3,804,377,947**
EQUITY AND LIABILITIES			
Capital and Reserves			
Share Capital	10	2,213,658,000	1,924,920,000
Retained Earnings	11	1,413,471,116	1,597,243,835
		3,627,129,116	**3,522,163,835**
Non-Current Liabilities			
Deferred Tax Liabilites	12	140,449,127	135,121,121
Total Non-Current Liabilities		**140,449,127**	**135,121,121**
Current Liabilities			
Trade Payables	13	110,344,192	111,587,165
Short term Borrowings	14	4,695,600	3,718,561
Creditors & Accrues	15	8,714,677	8,914,113
Provision for Income Tax	16	32,110,735	22,873,152
Total Current Liabilities		**155,865,204**	**147,092,991**
Total Current & Non Current Liabilities		**296,314,331**	**282,214,112**
Total Equity and Liabilities		**3,923,443,447**	**3,804,377,947**
Net Asset Value Per Share	28	**16.39**	**18.30**

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 28, 2020

Shiraz Khan Basak & Co.
Chartered Accountants

M. L. DYEING LIMITED
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2020

Particulars	Notes	Amount in Taka	
		30-06-2020	30-06-2019
Export	17	2,388,452,683	2,468,360,191
Less: Cost of Export	18	2,122,596,926	2,214,024,253
Gross Profit		**265,855,757**	**254,335,938**
Less: Operating Expenses	19	35,063,149	35,075,309
Operating Income		**230,792,608**	**219,260,629**
Less: Financial Expenses	20	612,405	716,528
Add/(Less): Foreign Exchange gain or loss	21	841,091	531,761
Net operating Income		**231,021,294**	**219,075,862**
Add: Other non-operating income	22	7,549,125	4,641,099
Add: Share of Profit/Loss of associate	23	-	4,596,829
Net profit before tax		**238,570,419**	**228,313,790**
Income Tax Expenses	24	**37,284,138**	**31,736,451**
Current Tax		31,956,132	22,700,689
Deferred Tax Income / (Expenses)		5,328,006	9,035,762
Net Profit after tax		**201,286,281**	**196,577,339**
Earnings Per Share (EPS)	27	**0.91**	**1.03**

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

Chairman **Managing Director** **Director**

Company Secretary **Chief Financial Officer**

Place: Dhaka
Dated: October 28, 2020

Shiraz Khan Basak & Co.
Chartered Accountants

M. L. DYEING LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED JUNE 30, 2020

Particulars	Ordinary Share Capital	Retained Earnings	Total
As at July 01, 2019	1,924,920,000	1,597,243,835	**3,522,163,835**
Issue during the year - Bonus share	288,738,000	(384,984,000)	**(96,246,000)**
IPO Expenses	-	(75,000)	**(75,000)**
Net Profit during the year	-	201,286,281	**201,286,281**
Total	**2,213,658,000**	**1,413,471,116**	**3,627,129,116**

M. L. DYEING LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED JUNE 30, 2019

Particulars	Ordinary Share Capital	Retained Earnings	Total
As at July 01, 2018	1,404,100,000	2,113,291,573	**3,517,391,573**
Addition during the year - IPO	200,000,000	-	**200,000,000**
Issue during the year - Bonus share	320,820,000	(320,820,000)	-
IPO Expenses	-	(11,166,456)	**(11,166,456)**
Fire Loss of Investment on Asssociate		(380,638,621)	**(380,638,621)**
Net Profit during the year	-	196,577,339	**196,577,339**
Total	**1,924,920,000**	**1,597,243,835**	**3,522,163,835**

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 28, 2020

Shiraz Khan Basak & Co.
Chartered Accountants

M. L. DYEING LIMITED
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2020

Particulars	Amount in Taka	
	30-06-2020	30-06-2019
A .Cash Flow From Operating Activities:		
Collection from Customers	2,362,593,790	2,427,595,381
Collection from other non-operating income	7,549,125	5,616,317
Cash paid to Suppliers and others	(2,049,264,041)	(2,217,078,591)
Paid for operating Expenses	(33,656,996)	(32,642,355)
Cash generated by operations	**287,221,878**	**183,490,752**
Income tax paid	(21,401,346)	(13,489,605)
Net cash flow from Operating activities	**265,820,532**	**170,001,147**
B. Cash Flow From Investing Activities:		
Purchase of Fixed Assets	(154,732,530)	(250,133,531)
		-
Net cash flow from Investing activities	**(154,732,530)**	**(250,133,531)**
C. Cash Flow From Financing Activities:		
Increase/ Decrease in Short term loan from bank	977,039	3,718,561
Dividend Paid	(96,246,000)	
Issuance of Share Capital (IPO)	-	200,000,000
Payment for IPO Expenses	(135,000)	(11,166,456)
Payment for financial Expenses	(612,405)	(716,528)
Net Cash flow from financing activities	**(96,016,366)**	**191,835,577**
D.Increase/(Decrease) in cash and cash equivalents (A+B+C)	15,071,636	111,703,193
E.Foreign Exchange gain or loss (FC account)	16,934	14,937
E.Opening cash and cash equivalents	141,413,279	29,695,149
G.Closing cash and cash equivalents (D+E+F)	**156,501,849**	**141,413,279**
Net Operating Cash Flow Per Share	**1.20**	**0.88**

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 28, 2020

Shiraz Khan Basak & Co.
Chartered Accountants

M. L. DYEING LIMITED
Notes, comprising summary of significant accounting policies and other explanatory information
For the year ended June 30, 2020

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.

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 221,365,800 ordinary shares of Taka 10/= each fully paid up	2,213,658,000

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 under construction 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 Institute of Chartered Accountants of Bangladesh (ICAB) based on International Accounting Standards (IAS) and International Financial Reporting Standards (IFRS).

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 Value Added Tax Act 2012;
The Value Added Tax Rules 2012;
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 ICAB 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, 2020;
ii. Statement of Profit or Loss and other comprehensive income for the year ended June 30, 2020;
iii. Statement of cash flows for the financial year ended June 30, 2020;
iv. Statement of changes in equity for the financial year ended June 30, 2020;
v. Notes, comprising summary of significant accounting policies and other explanatory information for the year ended June 30, 2020.

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 is responsible for the preparation and presentation of financial statements of M. L. DYEING LIMITED.

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

2.08 Reporting Period

The financial period of the companies covers 1 (one) year from July 01, 2019 to June 30, 2020.

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

Category of Stocks	Basis of valuation
Raw & packing materials including WIP	: Moving average (Weighted) Cost
Finished Goods at Factory	: At lower of cost or net estimated realizable value
At warehouses	: At cost
Stores Items	: At cost
Materials in-transit	: 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", Entity recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Revenue is recognized only when following steps match with a transaction;

a) Identification of the contract(s) with a customer;
b) Identification the performance obligation 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 companies 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, 2020 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. Income from other sources like sale of wastage is taxed at 35% 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 has 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.

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 Related Party Disclosures

The company carried out a number of transactions with related parties in the normal course of business and on arms' length basis. The information as required by IAS 24: Related Party Disclosures has been disclosed.

3.13 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.

3.14 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.

3.15 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.

3.16 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 .was charged off as revenue expenditure as they incurred.

3.17 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.

3.18 Intangible Assets

The company has no intangible assets.

3.19 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.

3.20 Advertising and promotional expenses

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

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, 2019 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.

3.21.2 Business Transaction

SL. No.	Name of company	Nature of transaction	Balance as at 30-06-2020 (Tk.)
01.	R. N. Spinning Mills Ltd.	Bills Payable	Nil
02.	Far Chemical Industries Ltd.	Bills Payable	998,368
03.	Samin Food and Beverage Inds. And Textile Mills Ltd.	Bills Payable	77,979,822

3.22 Impact of COVID 19

COVID- 19 has impacted in some cases 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 28, 2020. Board of Directors recommended 5% cash dividend and 5% stock dividend for the financial year ended 30th June, 2020. Therefore, amount to be distributed as dividend will be BDT. 221,365,800 subject to final approval by the shareholders at the company's forthcoming 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. 1,876,447,157

The above balance is made up as follows:

Particulars	30-06-2020	30-06-2019
A. At cost		
Opening balance	3,174,423,905	2,924,290,374
Add: Acquisition during the year	154,732,530	250,133,531
Total available	**3,329,156,435**	**3,174,423,905**
B. Accumulated Depreciation		
Opening balance	1,318,910,165	1,182,621,911
Charged during the year	133,799,113	136,288,254
Total accumulated depreciation	**1,452,709,278**	**1,318,910,165**
Written down value as on June 30 (A-B)	**1,876,447,157**	**1,855,513,740**

Details shown in Annexure-A.

5.00 Investment in Associate Company :Tk. Nil

The above balance is made up as follows:

Particulars	Not	30-06-2020	30-06-2019
R.N.Spinning Mills Ltd (Cost of Investment Tk. 204,200,000)		-	376,041,792
Less: Fire loss		-	(380,638,621)
Share of Profit in Associates during the year		-	4,596,829
Total:		**-**	**-**

No loss for the year 2019-2020 is recognized as total investment become nil.

5.01 Fire loss :Tk. Nil

The above balance is made up as follows:

Particulars	Not	30-06-2020	30-06-2019
Total post acquisition profit		-	171,841,792
Total fire loss		-	6,123,281,989
% of Investment in R.N Spinning Mills ltd.		**8.81%**	**8.81%**
Share of fire loss in Associates		**-**	**539,566,688**
Total Investment in Associates as on 30-06-2020		**-**	**380,638,621**
Maximum amount of fire loss, lower one		**-**	**380,638,621**

6.00 Inventories: Tk. 850,211,990

The above balance is made up as follows:

Particulars	Notes	30-06-2020	30-06-2019
Raw Materials - Yarn	6.01	568,105,246	574,051,869
Raw Materials - Chemicals	6.02	80,152,477	80,621,537
Work in process	6.03	8,917,632	9,357,214
Packing Materials	6.04	2,203,791	2,184,631
Finished Goods	6.05	187,682,416	147,350,216
Store Items	6.06	3,150,428	2,676,350
Total:		**850,211,990**	**816,241,817**

6.01 Raw Materials-Yarn : Tk. 568,105,246

The above balance is made up as follows:

Particulars	30-06-2020	30-06-2019
Opening balance	574,051,869	417,245,774
Add: Purchase during the year	1,752,540,637	1,967,152,943
Raw materials available for production	**2,326,592,506**	**2,384,398,717**
Less: Input to production	1,758,487,260	1,810,346,848
Closing balance	**568,105,246**	**574,051,869**

6.02 Raw Materials- Chemicals: Tk. 80,152,477

The above balance is made up as follows:

Particulars	30-06-2020	30-06-2019
Opening balance	80,621,537	74,202,700
Add: Purchase during the year	150,541,836	168,541,648
Raw materials available for production	**231,163,373**	**242,744,348**
Less: Input to production	151,010,896	162,122,811
Closing balance	**80,152,477**	**80,621,537**

6.03 Work in process: Tk. 8,917,632

The above balance is made up as follows:

Particulars	30-06-2020	30-06-2019
Opening balance	9,357,214	9,506,397
Add: Current year	1,915,076,446	1,977,764,538
	1,924,433,660	**1,987,270,935**
Less: Transfer to finished goods	1,915,516,028	1,977,913,721
Closing balance	**8,917,632**	**9,357,214**

6.04 Packing Materials: Tk. 2,203,791

The above balance is made up as follows:

Particulars	30-06-2020	30-06-2019
Opening balance	2,184,631	2,051,364
Add: Purchase during the year	5,597,450	5,428,146
	7,782,081	7,479,510
Less: Consumption during the year	5,578,290	5,294,879
Closing balance	**2,203,791**	**2,184,631**

6.05 Finished Goods : Tk. 187,682,416

The above balance is made up as follows:

Particulars	30-06-2020	30-06-2019
Opening balance	147,350,216	134,815,588
Add: Production during the year	2,163,314,842	2,226,956,405
Less: Cost of free issue	(385,716)	(397,524)
Production available for export	2,310,279,342	2,361,374,469
Less: Cost of goods sold	2,122,596,926	2,214,024,253
Closing balance	**187,682,416**	**147,350,216**

6.06 Store Items: Tk. 3,150,428

The above balance is made up as follows:

Particulars	30-06-2020	30-06-2019
Opening balance	2,676,350	2,569,063
Add: Purchase during the year	6,795,263	6,682,410
	9,471,613	**9,251,473**
Less: Consumption during the year	6,321,185	6,575,123
Closing balance	**3,150,428**	**2,676,350**

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.

7.00 Trade and other Receivables: Tk. 991,825,416

The above is the amount of receivable against export bills as on June 30, 2020. This is considered as good & realizable and is secured by export letter of credit duly accepted by L/C opening bank.

Particulars	30-06-2020	30-06-2019
Opening balance	964,869,983	924,105,173
Add:Export	2,388,452,683	2,468,360,191
	3,353,322,666	3,392,465,364
Less: Realization during the year	2,361,497,250	(2,427,595,381)
Total:	**991,825,416**	**964,869,983**

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:

Sl	Particulars	Amount		
		2020		2019
I	Receivables considered good and in respect of which the company is fully secured.	991,825,416		964,869,983
II	Receivables considered good for which the company holds no security other than the debtors personal security.	-		-
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 or a member.	-		-
V	Receivables due by companies under same management.	-		-
VI	The maximum amount due by directors or other officers of the company at any time during the year.	-		-
	Total	**991,825,416**		**964,869,983**

Ageing of the above Receivables is given below:

1-6 Months	935,431,236	964,869,983
More than 6 months	56,394,180	-

8.00 Advances, Deposits & Prepayments: Tk. 48,457,035

The above balance is made up as follows:

Particulars	Note		30-06-2020	30-06-2019
Titas Gas			1,868,000	1,868,000
Electricity			278,920	278,920
Security deposit			4,849,920	7,849,920
Sundry Advances	8.01		30,380,073	4,004,963
Advance Income Tax	8.02		11,080,122	12,337,325
		Total:	**48,457,035**	**26,339,128**

8.01 Sundry Advances: Tk. 30,380,073

The above balance is made up as follows:

Particulars		30-06-2020	30-06-2019
M/S. Gazi Enterprise		3,517	17,541
Advance Salary		1,063,800	917,300
Md. Shajedur Rahman		1,972,814	1,685,081
M/S. SB Communication		522,151	750,022
M/S. Jubair Construction		26,817,791	635,019
	Total:	**30,380,073**	**4,004,963**

8.02 Advance Tax: Tk. 11,080,122

The above balance is made up as follows:

Particulars		30-06-2020	30-06-2019
Opening Balance		12,337,325	42,823,139
Addition during the year - Interest Income		748,572	395,688
Addition during the year - Export		10,331,550	11,941,637
		23,417,447	**55,160,464**
Less: Adjustment during the year		12,337,325	42,823,139
	Total:	**11,080,122**	**12,337,325**

9.00 Cash and Cash Equivalents: Tk. 156,501,849

The above balance is made up as follows:

Particulars	Notes		30-06-2020	30-06-2019
IPO Fund	9.01		125,547,592	126,023,432
Cash and Bank balance	9.02		30,954,257	15,389,847
		Total:	**156,501,849**	**141,413,279**

9.01 IPO Fund: Tk. 125,547,592

The above balance is made up as follows:

Particulars		30-06-2020	30-06-2019
Cash at Bank -Islami Bank Ltd.-MSND A/C		5,522,277	3,164,673
Cash at Bank - SIBL- MND A/C		25,315	2,858,759
Cash at Bank - FDR		120,000,000	120,000,000
	Total:	**125,547,592**	**126,023,432**

9.02 Cash and Cash Equivalents: Tk. 30,954,257

The above balance is made up as follows:

Particulars	30-06-2020	30-06-2019
Cash in hand-Factory	1,561,766	1,763,501
Cash in hand-Head Office	1,274,512	1,205,039
Cash at Bank -Islami Bank Ltd.- S/D A/C	30,586	3,997,174
Cash at Bank -Islami Bank Ltd.- C/D A/C	390,449	1,277,132
Cash at Bank -Islami Bank Ltd.- F/C A/C	22,659,009	3,434,499
Cash at Bank -Islami Bank Ltd.	5,033,717	3,585,664
Cash at Bank - SBAC - C/D A/C	4,218	-
Cash at Bank -Social Islami Bank Ltd.- C/D A/C	-	126,838
Total:	**30,954,257**	**15,389,847**

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

10.00 Share Capital:

	30-06-2020	30-06-2019
10.01 Authorized Share Capital :		
310,000,000 ordinary shares of Taka 10/= each.	**3,100,000,000**	**2,100,000,000**
10.02 Issued, subscribed, called-up and paid-up share capital:		
221,365,800 ordinary shares of Tk 10/= each fully paid-up	2,213,658,000	1,924,920,000
	2,213,658,000	**1,924,920,000**
10.03 Paid-up Share Capital:		
Opening Share Capital	1,924,920,000	1,404,100,000
Issued during the period - Bonus Issue	288,738,000	320,820,000
Issued during the period - IPO	-	200,000,000
	2,213,658,000	**1,924,920,000**

The shareholding position of the company are as under:

Name	No. of shares	Percentages %	Amount in Tk.
Rezaur Rahman Rajon	14,092,974	6.37%	140,929,740
Faiaz Kader	17,913,090	8.09%	179,130,900
Al-Haj Mustafizur Rahman	11,316	0.01%	113,160
Shirin Faruk	9,591,000	4.33%	95,910,000
Abdul Kader Faruk	9,591,000	4.33%	95,910,000
Total Spinning Mills Ltd.	9,411,600	4.25%	94,116,000
Rajon Textiles Mills Ltd.	8,901,000	4.02%	89,010,000
Lee Jung Kook	48,449,526	21.89%	484,495,260
S.F Textile Industries Ltd.	12,876,293	5.82%	128,762,930
Sadman Textiles Mills Ltd.	9,591,000	4.33%	95,910,000
Better Life Hospital Ltd.	9,591,000	4.33%	95,910,000
Samin Food & Beverage Inds and Textile Mills Ltd.	9,591,000	4.33%	95,910,000
Other shareholders	61,755,001	27.90%	617,550,010
Total	**221,365,800**	**100%**	**2,213,658,000**

10.04 Classification of Shareholders by holdings

Ranges of Shareholdings	30-06-2020	
	No. of Holder	% of Holdings
Less than or equal to 500 Shares	698	0.04%
501 to 1,000 Shares	447	0.14%
1,001 to 5,000 Shares	217	0.26%
5,001 to 10,000 Shares	82	0.28%
10,001 to 20,000 Shares	55	0.36%
20,001 to 30,000 Shares	30	0.33%
30,001 to 40,000 Shares	20	0.31%
40,001 to 50,000 Shares	12	0.24%
50,001 to 100,000 Shares	29	0.95%
100,001 to 1,000,000 Shares	71	10.79%
Over 1,000,000 Shares	22	86.28%
Total	1683	100%

11.00 Retained Earnings: Tk. 1,413,471,116

The above balance is made up as follows:

Particulars	Notes	30-06-2020	30-06-2019
Opening balance		1,597,243,835	2,113,291,573
Less: Bonus Issue		(384,984,000)	(320,820,000)
Add: Current year Profit		201,286,281	196,577,339
		1,413,546,116	**1,989,048,912**
Less: IPO Expenses	11.01	75,000	11,166,456
Less: Fire loss of Investment in Associates		-	380,638,621
Total:		**1,413,471,116**	**1,597,243,835**

11.01 IPO Expenses: Tk. 18,403,756

The above balance is made up as follows:

Particulars	30-06-2020	30-06-2019
Opening balance	18,328,756	7,162,300
Add: Current year	75,000	11,166,456
Total:	**18,403,756**	**18,328,756**

12.00 Deferred Tax liabilites: Tk. 140,449,127

The above balance is made up as follows:

Particulars		30-06-2020	30-06-2019
Opening balance		135,121,121	126,085,359
Addition during the year	**24.02**	5,328,006	9,035,762
Total:		**140,449,127**	**135,121,121**

13.00 Trade Payables: Tk. 110,344,192

The above balance is made up as follows:

Particulars	30-06-2020	30-06-2019
Trade payables	110,344,192	111,587,165
Total:	**110,344,192**	**111,587,165**

14.00 Short Term Borrowings: Tk. 4,695,600

The above balance is made up as follows:

Particulars	30-06-2020	30-06-2019
EDF/MDB - IBBL	4,695,600	3,718,561
Total:	**4,695,600**	**3,718,561**

14.01 The Islami Bank Bangladesh Limited sanctioned a composite working capital limit for Tk 65.00 crore to make stock of raw materials, work in process and finished goods in form of:

a) L/C limit for Tk 540.00 million
b) Bai-Murabaha & MPI for Tk 110.00 million

Terms and Conditions :

a) Rate of profit 11 % per annum
b) Validity upto 21.10.2020 but every year renewable.

15.00 Creditors & Accrues : Tk. 8,714,677

The above balance is made up as follows:

Particulars	Notes	30-06-2020	30-06-2019
Gas Bill		3,405,418	3,745,261
Electricity Bill		63,824	62,405
Water Bill		6,312	6,418
Rent		2,000	2,000
Salary & Wages		4,583,926	4,501,247
MD's Remuneration and Fees		50,000	50,000
Sundry Creditors	**15.01**	308,197	236,782
Audit Fees		295,000	310,000
Total:		**8,714,677**	**8,914,113**

15.01 Sundry Creditors: Tk. 308,197

The above balance is made up as follows:

Particulars		30-06-2020	30-06-2019
M/S. Technocrate Enterprise		30,412	37,058
M/S Engineering Network Ltd		277,785	199,724
Total	**Total:**	**308,197**	**236,782**

16.00 Provision for Income Tax: Tk. 32,110,735

The above balance is made up as follows:

Particulars	Notes	30-06-2020	30-06-2019
Opening Balance		22,873,152	44,147,882
Add:Income Tax charged	24.00	31,956,132	22,700,689
		54,829,284	66,848,571
Less: Adjustment during the year		22,718,549	43,975,419
	Total:	**32,110,735**	**22,873,152**

17.00 Export: Tk. 2,388,452,683

The above balance is made up as follows:

Particulars		30-06-2020	30-06-2019
Export		2,388,452,683	2,468,360,191
	Total:	**2,388,452,683**	**2,468,360,191**

17.01 Particualrs of Import, Export, Production and Stock in Quantity (Lbs) during the year:

Particulars	30-06-2020	30-06-2019
Opening Raw Materials - Yarn	5,767,728	4,060,482
Add: Purchase during the year	18,285,417	19,896,524
Total available	**24,053,145**	**23,957,006**
Less: Input to Production	18,179,870	18,189,278
Closing stock of Raw materials	**5,873,275**	**5,767,728**
Input to Production	18,179,870	18,189,278
Add:Opening WIP	94,000	92,527
	18,273,871	**18,281,804**
Less: Closing WIP	92,873	94,000
	18,180,998	**18,187,804**
Add:Opening Finished goods	1,187,861	1,061,324
	19,368,858	**19,249,128**
Less:Wastage	211,846	209,751
Finished goods available to Export	**19,157,012**	**19,039,377**
Less:Closing Finished goods	1,556,017	1,187,861
Export Quantity during the year	**17,600,995**	**17,851,516**

18.00 Cost of Export : Tk. 2,122,596,926

The above balance is made up as follows:

Particulars	Notes	30-06-2020	30-06-2019
Raw materials consumed-Yarn	18.01	1,758,487,260	1,810,346,848
Raw materials consumed-Chemicals	18.02	151,010,896	162,122,811
Packing materials consumed	18.03	5,578,290	5,294,879
		1,915,076,446	**1,977,764,538**
Work in process- opening		9,357,214	9,506,397
Work in process- closing		8,917,632	9,357,214
Change in work in process		**439,582**	**149,183**
Total consumption		**1,915,516,028**	**1,977,913,721**
Add: Manufacturing Overhead	18.04	115,605,290	114,389,889
Add: Depreciation		132,193,524	134,652,795
Cost of production		**2,163,314,842**	**2,226,956,405**
Finished goods - opening		147,350,216	134,815,588
Finished goods - closing		187,682,416	147,350,216
Change of finished goods stock		**(40,332,200)**	**(12,534,628)**
Cost of free issue		385,716	397,524
	Total:	**2,122,596,926**	**2,214,024,253**

18.01 Raw materials consumed-Yarn: Tk. 1,758,487,260

The above balance is made up as follows:

Particulars		30-06-2020	30-06-2019
Opening Stock		574,051,869	417,245,774
Add: Purchase during the year		1,752,540,637	1,967,152,943
Raw materials available for production		2,326,592,506	2,384,398,717
Less: Closing Stock		568,105,246	574,051,869
	Total:	**1,758,487,260**	**1,810,346,848**

18.02 Raw materials consumed-Chemicals: Tk. 151,010,896

The above balance is made up as follows:

Particulars		30-06-2020	30-06-2019
Opening Stock		80,621,537	74,202,700
Add: Purchase during the year		150,541,836	168,541,648
Chemicals available for Production		231,163,373	242,744,348
Less: Closing Stock		80,152,477	80,621,537
	Total:	**151,010,896**	**162,122,811**

18.03 Packing materials consumed: Tk. 5,578,290

The above balance is made up as follows:

Particulars		30-06-2020	30-06-2019
Opening Stock		2,184,631	2,051,364
Add: Purchase during the year		5,597,450	5,428,146
Packing materials available for packing		7,782,081	7,479,510
Less: Closing Stock		2,203,791	2,184,631
	Total:	**5,578,290**	**5,294,879**

18.04 Manufacturing overhead: Tk. 115,605,290

The above balance is made up as follows:

Particulars	Notes	30-06-2020	30-06-2019
Salary & Wages		47,852,639	47,682,405
Fuel, Water & Power		5,279,652	5,240,861
Printing & Stationary		1,034,210	1,096,432
Conveyance		682,041	634,107
Mobile bill		43,874	44,108
Store & Spares Consumed	**6.06**	6,321,185	6,575,123
Insurance		1,524,063	1,350,846
Gas Bill		45,182,469	43,972,101
C & F Expenses		5,287,196	5,365,081
Rent, Rates and Taxes		108,713	93,642
Repairs & Maintenance	**18.04.A**	2,179,577	2,236,635
Other Overhead		109,671	98,548
Total:		**115,605,290**	**114,389,889**

18.04.A Repairs & Maintenance: Tk. 2,179,577

The above balance is made up as follows:

Particulars		30-06-2020	30-06-2019
Plant and Machinery		1,577,832	1,524,942
Building		512,074	632,051
Others		89,671	79,642
	Total:	**2,179,577**	**2,236,635**

19.00 Operating Expenses: Tk. 35,063,149

The above balance is made up as follows:

Particulars	Notes	30-06-2020	30-06-2019
Warehouse, Distribution & Selling Exp.	19.01	14,773,555	14,631,667
Administrative Expenses	19.02	20,289,594	20,443,642
	Total:	**35,063,149**	**35,075,309**

19.01 Warehouse, Distribution & Selling Exp.: Tk. 14,773,555

The above balance is made up as follows:

Particulars	30-06-2020	30-06-2019
Advertising Expenses	197,518	10,763
Salary & Welfare	6,582,417	6,505,278
Transportation and Handling Expenses	3,898,714	3,875,416
Repair and Maintenance	355,417	342,109
Rent	36,500	34,500
Electricity, Fuel & Water	82,718	78,692
Sales promotion Expenses	476,351	508,469
Traveling Expenses	1,341,824	1,482,517
Entertainment Expenses	520,418	539,061
Miscellaneous Expenses	107,458	94,736
Sample,Test & Analysis	306,827	271,964
Cost of free issue	385,716	397,524
Depreciation	481,677	490,638
Total:	**14,773,555**	**14,631,667**

19.02 Administrative Expenses: Tk. 20,289,594

The above balance is made up as follows:

Salary & Welfare	7,741,526	7,652,408
MD's Remuneration	600,000	450,000
Postage & Telecommunication	352,408	341,052
Traveling, Haultage & passage	2,841,639	3,140,849
Repair & Maintenance	736,533	723,518
Vehicle Expenses	553,857	594,125
Electricity, Fuel & Water	925,129	912,416
Printing and Stationery	605,412	655,240
Rent, Rates and Taxes	3,509,671	3,405,163
Subscription & Donation	277,241	201,539
Entertainment	307,549	297,541
Legal & Professional Charge	175,841	274,153
Audit fees	295,000	435,000
Miscellaneous Expenses	110,524	109,854
Newspaper & periodical	69,352	71,563
Board Meeting attendance Fees	64,000	34,400
Depreciation	1,123,912	1,144,821
Total:	**20,289,594**	**20,443,642**

20.00 Financial Expenses: Tk. 612,405

The above balance is made up as follows:

Particulars	Notes	30-06-2020	30-06-2019
Interest on Loan	20.01	612,405	716,528
	Total:	**612,405**	**716,528**

20.01 Interest on loan: Tk. 612,405

The above balance is made up as follows:

Particulars	30-06-2020	30-06-2019
Interest on MDB Loan	17,319	351,420
Interest on IBP Loan	9,358	129,428
Interest on Murabaha TR / EDF	585,728	235,680
Total:	**612,405**	**716,528**

21.00 Foreign Exchange gain or loss: Tk. 841,091

The above balance is made up as follows:

Particulars		30-06-2020	30-06-2019
Foreign Exchange gain or Loss - Realized		824,157	516,824
Foreign Exchange gain or Loss - Unrealized		16,934	14,937
	Total:	**841,091**	**531,761**

22.00 Other non-operating income: Tk. 7,549,125

The above balance is made up as follows:

Particulars		30-06-2020	30-06-2019
Sale of Wastage		63,402	684,215
Interest Income		7,485,723	3,956,884
	Total:	**7,549,125**	**4,641,099**

23.00 Share of Profit of Associate : Tk. Nil

The above balance is made up as follows:

Particulars	Notes	30-06-2020	30-06-2019
Share of Associate Profit during the year	**23.01**	-	4,596,829
	Total:	**-**	**4,596,829**

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

The above balance is made up as follows:

Particulars	Notes	30-06-2020	30-06-2019
Associate Profit/Loss during the year		(344,939,466)	52,167,197
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 Asssociate Company		8.8117%	8.8117%
Share of Associate Profit during the period	**Total:**	**(30,395,113)**	**4,596,829**

No loss is recognized as total investment in assciated become Nil.

24.00 Income Tax Expenses during the year: Tk. 37,284,138

The above balance is made up as follows:

Particulars	Notes	30-06-2020	30-06-2019
Current Tax on operating Income	24.01	29,313,938	21,076,304
Current Tax on other Income		2,642,194	1,624,385
Deferred Tax	24.02	5,328,006	9,035,762
	Total:	**37,284,138**	**31,736,451**

24.01 Current Tax on operating Income : Tk. 29,313,938

The above balance is made up as follows:

Particulars		30-06-2020	30-06-2019
Profit before tax		238,570,419	228,313,790
Less: IPO Expenses		(75,000)	(11,166,456)
Less: Other non-operating income		(7,549,125)	(4,641,099)
Less: Share of Profit/Loss of associate		-	(4,596,829)
Add: Depreciation on Accounting base		133,799,113	136,288,254
Less: Depreciation on Tax base		(169,319,154)	(203,688,969)
		195,426,253	**140,508,691**
Applicable Tax Rate		**15%**	**15%**
Current tax on operating Income	**Total:**	**29,313,938**	**21,076,304**

24.02 Deferred Tax during the year: Tk. 5,328,006

The above balance is made up as follows:

Particulars		30-06-2020	30-06-2019
Carrying amount as Accounting base:			
Property, Plant & Equipment		1,876,447,157	1,855,513,740
Carrying amount as Tax base:			
Property, Plant & Equipment		940,119,638	954,706,261
Difference		936,327,519	900,807,479
Applicable Tax Rate		15%	15%
Deferred Tax liabilities at the end of year		140,449,128	135,121,122
Opening balance		135,121,122	126,085,359
Deferred tax expenses/(income) for the year	**Total:**	**5,328,006**	**9,035,762**

25.00 IPO Expenses: Tk. 75,000

The above balance is made up as follows:

Particulars		30-06-2020	30-06-2019
Issue Management fees		-	2,300,000
Audit fees		75,000	135,000
Data Transmission fees		-	400,000
Underwriting fees		-	402,500
CDBL fees		-	849,116
Printing, Publication and Distribution		-	7,079,840
	Total:	**75,000**	**11,166,456**

26.00 Reconcilation of cash generated by operations

The above balance is made up as follows:

Particulars	30-06-2020	30-06-2019
Profit before Income tax	238,570,419	228,313,790
Add: Depreciation charged	133,799,113	136,288,254
Add: Financial Expenses	612,405	716,528
Less: Share of Profit/Loss of associate	-	(4,596,829)
Add(Less): Increase or decrease in inventory	(33,970,173)	(175,850,931)
Add(Less): Increase or decrease in trade receivable (foreign exchange gain or loss adjusted)	(26,955,433)	(40,764,810)
Add(Less): Increase or decrease in trade payable (foreign exchange gain or loss adjusted)	(1,242,973)	3,996,651
Add(Less): Increase or decrease in advance, deposit and pre payments	(23,375,110)	34,605,541
Add(Less): Increase or decrease in Foreign Exchange gain or loss - FC Account	(16,934)	(14,937)
Add(Less): Increase or decrease in creditors and accrues	(199,436)	797,495
	287,221,878	**183,490,752**

27.00 Earnings Per Share (Basic EPS) : Tk. 0.91

The above balance is made up as follows:

Particulars	30-06-2020	30-06-2019
a) Net Profit after Tax	201,286,281	196,577,339
b) Weighted average number of shares outstanding (Note-27.01)	221,365,800	190,300,219
Earnings per share (EPS)	**0.91**	**1.03**

27.01 Weighted average No. of Shares outstanding

The above balance is made up as follows:

Particulars	30-06-2020	30-06-2019
Opening Share	192,492,000	140,410,000
Issued during the year - Bonus Issue	28,873,800	32,082,000
Issued during the year - IPO (20,000,000 X 325/365)	-	17,808,219
Weighted average No. of Shares outstanding	**221,365,800**	**190,300,219**

28.00 Net Asset Value per Share (NAV) : Tk. 16.39

The above balance is made up as follows:

Particulars		30-06-2020	30-06-2019
Net Asset Value		3,627,129,116	3,522,163,835
No. of Shares Outstanding		221,365,800	192,492,000
Net Asset Value per Share (NAV)	**Total:**	**16.39**	**18.30**

29.00 Net Operating Cash Flows per Share : Tk. 1.20

The above balance is made up as follows:

Particulars		30-06-2020	30-06-2019
Net Operating Cash Flows		265,820,532	170,001,147
No. of Shares Outstanding		221,365,800	192,492,000
Net Operating Cash Flows per Share	**Total:**	**1.20**	**0.88**

30.00 Disclosure as per requirment 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, 1994

Quantity wise schedules of sales, raw material consumed and opening and closing stock of finished goods relating to the financial statements for the year ended June 30, 2020 are given below:

i) Sales

Particulars	01-07-2019 to 30-06-2020	01-07-2018 to 30-06-2019
Amount in Taka	2,388,452,683	2,468,360,191
Quantity in Lbs	17,600,995	17,851,516

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

	01-07-2019 to 30-06-2020	01-07-2018 to 30-06-2019
Opening Stock	5,767,728	4,060,482
Purchase	18,285,417	19,896,524
Total available	24,053,145	23,957,006
Less: Closing Stock	5,873,275	5,767,728
Raw Materials - consumed	**18,179,870**	**18,189,278**

iii) Particulars in respect of Opening Stock and Closing Stock of Inventories

Particulars	Opening Stock		Closing Stock	
	Quantity	Amount in Tk.		Amount in Tk.
Raw Materials -Yarn	5,767,728 Lbs	547,051,869	5,873,275 Lbs	568,105,246
Raw Materials -Chemicals	619,754 Kg	80,621,537	612,934 Kg	80,152,477
Work in Process	94,000 Lbs	9,357,214	92,873 Lbs	8,917,632
Finished goods	1,187,861 Lbs	147,350,216	1,556,017 Lbs	187,682,416

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

Employee Position (as on June 30, 2020)

Salary Range	Officer & Staff		Worker	Total Employee
	Factory	Head Office		
Below 6000	11	2	92	105
Above 6000	37	48	458	543
Total	**48**	**50**	**550**	**648**

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

Payment to directors within the year ended 30.06.2020

Directors Remuneration & Fees : Tk. 664,000

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. Faiaz Kader	Chairman	-	13	13,000	13,000
Mr.Rezaur Rahman Rajon	Director	-	12	12,000	12,000
Mr. Golam Azam Chowdhury (Representive of Rajon Textile Mills Ltd	Managing Director	600,000	13	13,000	613,000
Mr. Abul Khair Manik (Representive of Total Spinning Mills Ltd	Director	-	13	13,000	13,000
Mr. Syed Md. Tajon Islam	Independent Director	-	13	13,000	13,000
Total		**600,000**		**64,000**	**664,000**

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

Details of Capacity as given below:

Particulars	Attainable Capacity in Lbs	Actual Production in Lbs	Percentage of Capacity Utilization
Annual Production of Acrylic & Cotton Yarn Dyeing in Lbs	19,840,000	17,969,152	90.57%
Total	**19,840,000**	**17,969,152**	**90.57%**

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

32.A During the year ended June 30 , 2020 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	1,752,540,637
Raw Materials - Chemical	150,541,836

32.B The company has not incurred any expenditure in foreign currencies during the period of 01 July, 2019 to 30 June, 2020 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, 2019 to June 30, 2020 are given as below:

Particulars	Total Comsumption	Imported Taka.	(%)	Local Taka.	(%)
Raw Materials - Yarn	1,758,487,260	1,758,487,260	100%	-	0.00%
Raw Materials - Chemical	151,010,896	151,010,896	100%	-	0.00%
Packing Materials	5,578,290	-	0%	5,578,290	100.00%
Store Items	6,321,185	-	0%	6,321,185	100.00%
Total	1,921,397,631	1,909,498,156		11,899,475	

32.D The company has not remitted any amount during the period of 01 July, 2019 to June 30, 2020 in foreign currencies on account of dividend for non-resident shareholders.

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

i) Total Export for the period ended 30 June 2020 is US$ 28,388,414.76 which equivalent to BDT. 2,388,452,683
ii) No royalty, know-how, professional and consultancy fees were received.
iii) No interest and dividend received.
iv) No other income received.

33.00 Capital Expenditure Commitment:

The Company has no other capital expenditure commitment other than IPO fund utilization at the reporting date.

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.

M. L. DYEING LIMITED
SCHEDULE OF FIXED ASSETS
AS AT JUNE 30, 2020

Annexure-A

Particulars	Cost			Rate of Depreciation (%)	Depreciation			Written Down Value as at 30-06-2020	Written Down Value as at 30-06-2019
	Balance as on 1st July 2019	Addition during the year	Balance as on 30th June 2020		Balance as on 1st July 2019	Charge during the year	Balance as on 30th June 2020		
Land & Land Development	31,901,605	-	31,901,605	0.00%	-	-	-	31,901,605	31,901,605
Land & Land Development - Spinning Unit	-	132,445,512	132,445,512	0.00%	-	-	-	132,445,512	-
Factory Building	767,802,219	6,552,688	774,354,907	2.5%	102,742,409	16,694,752	119,437,161	654,917,746	665,059,810
Plant & Machinery	1,993,082,486	14,845,386	2,007,927,872	10%	1,010,324,560	98,894,350	1,109,218,910	898,708,962	982,757,926
Power Generator Set	135,276,849	-	135,276,849	10%	81,607,846	5,366,900	86,974,746	48,302,103	53,669,003
Electrical Installation	62,671,595	618,427	63,290,022	10%	28,058,832	3,487,044	31,545,876	31,744,146	34,612,763
Boiler	59,486,248	-	59,486,248	10%	33,911,449	2,557,480	36,468,929	23,017,319	25,574,799
Compresser	22,693,441	-	22,693,441	10%	11,082,058	1,161,138	12,243,196	10,450,245	11,611,383
Fork lift	5,521,489	-	5,521,489	10%	3,489,309	203,218	3,692,527	1,828,962	2,032,180
ETP Plant	60,715,717	-	60,715,717	10%	26,795,707	3,392,001	30,187,708	30,528,009	33,920,010
Gas Installation	7,372,265	-	7,372,265	10%	4,235,444	313,683	4,549,127	2,823,138	3,136,821
Air Condition Installation	7,443,460	-	7,443,460	10%	4,562,275	288,118	4,850,393	2,593,067	2,881,185
Telephone Installation	703,072	-	703,072	20%	329,112	74,792	403,904	299,168	373,960
Office Equipment	4,546,823	-	4,546,823	10%	2,013,172	253,365	2,266,537	2,280,286	2,533,651
Furniture & Fixture	7,708,636	270,517	7,979,153	20%	3,041,056	956,059	3,997,115	3,982,038	4,667,580
Motor Car	7,498,000	-	7,498,000	20%	6,716,936	156,213	6,873,149	624,851	781,064
Total	**3,174,423,905**	**154,732,530**	**3,329,156,435**		**1,318,910,165**	**133,799,113**	**1,452,709,278**	**1,876,447,157**	**1,855,513,740**

Allocation of depreciation		
Manufacturing Expenses	98.80%	132,193,524
Administrative Expenses	0.84%	1,123,912
Selling & Distribution Expenses	0.36%	481,677
	100%	**133,799,113**

M.L. Dyeing Limited

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 Limited 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 19th Annual General Meeting of the Company to be held on Tuesday, the 29th December, 2020 at 11:30 a.m. at Tepantor Hotel & Resort, Square Master Bari, Jamirdia, Bhaluka, Mymensingh and at any adjournment thereof.

As witness my/our hand this .....day of.....2020

(Signature of the Shareholder) (Signature of Proxy)

Affix Twenty Taka Revenue Stamp

Folio No./BO ID No. | | | | | | | | | | | | | | | | |

NO. of Shares held .....Dated .....

Note :

01. A memer entitled to attend and vote at the 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 (Floor: 6-A) Road # 12, Block # F, Niketon, Gulshan-1, Dhaka-1212 of the company not less than 48 hours before

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M.L. Dyeing Limited

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 19th Annual General Meeting of the company being held on 29th December, 2020 at 11:30 a.m. at **Tepantor Hotel & Resort, Square Master Bari, Jamirdia, Bhaluka, Mymensingh.**

Name of Shareholder/Proxy .....

Folio No./BO ID No. | | | | | | | | | | | | | | | | |

NO. of Shares held .....

(Signature of Proxy) (Signature of the Shareholder)

N.B: Please present this slip duly signed at the entrance of the Meeting Hall.



M.L. DYEING LIMITED

(Quality House of Sweater Yarn Dyeing)

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 : Vill: Zamirdia, 10 Hobirbari, P.S: Bhaluka, Dist: Mymensingh