ANNUAL REPORT 2017-2018



M.L. DYEING LIMITED

(Quality House of Sweater Yarn Dyeing)

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

Photo Galary



Agreement Signing with Dhaka Stock Exchange Ltd.



IPO Lottary Program



Crest Received form Chittagong Stock Exchange Ltd.



IPO Lottary Program



Ringing the Bell



IPO Lottary Program

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Letter of Transmittal

November 27, 2018

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, 2018.

Dear Sir(s),

We are pleased to enclose herewith a copy of the Annual Report together with the Audited Financial Statements including Statement of Financial Position as at 30th June 2018, 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 2018 along with notes thereon for your reference and record.

Sincerely Yours,

Sd/-

A.K.M. Atiqur Rahman
Company Secretary

Notice of the Annual General Meeting

Notice is hereby given that the 17th Annual General Meeting of the shareholders of M.L. Dyeing Limited will be held on December 18, 2018 (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, 2018 together with reports of the Auditors and the Directors there on.
2. To declare 20% Stock Dividend for the financial year ended on 30th June 2018 as recommended by the Board of Directors.
3. To consider the election/re-election of Directors.
4. To appoint Auditors for the financial year 2018-2019 and to fix their remuneration.
5. To transact any other business of the Company with the permission of the Chair.

By order of the Board,
Sd/-
(A.K.M. Atiqur Rahman)
Company Secretary

Place: Dhaka
Dated: November 26, 2018

Notes:

(1) The Record Date of the Company is on November 22, 2018.

(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 22, 2018, will be entitled to attend at the 17th 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 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) The Annual Report is available in the Company's website at www.mldyeing.com.

(6) No gift or benefit in cash or kind shall be paid to the holders of equity securities as per Bangladesh Securities & Exchange Commission Notification No. SEC/CMRRCD/2009-193/154 dated 24 October 2013.

CORPORATE DIRECTORY

BOARD OF DIRECTORS

Chairman	: Mr. 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	: Mr. Topon Kumar Paul
Member Secretary	: Mr. A.K.M. Atiqur Rahman

SENIOR CORPORATE OFFICIALS

Director Marketing	: Md. Humayun Kabir
Chief Financial Officer	: Mr. Topon Kumar Paul
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

Barrister Md. Arife Billah
The Lawyers Alliance,
M.L. Hotel Tower Ltd.
10th Floor, 208 Shahid Sayed Nazrul Islam Sarani,
Bijoynagar, Dhaka-1000.
Tel: +88-02-9511379, E-mail: thelawyeralliance@gmail.com

STATUTORY AUDITORS

Mahfel Huq & Co.
Chartered Accountants
BGIC Tower (4th Floor),
34, Topkhana Road, Dhaka-1000.
Phone: +880 2 9581786, Fax: +880 2 9571005
Email:asarkar@mahfelhuq.com, Web: www.mahfelhuq.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.

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 2,100 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 textile 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.

October 25, 2018
To:
The Board of Directors

From:
The Audit Committee

Subject: Report of the Audit Committee.

The Audit Committee of M.L. Dyeing Limited oversees the financial reporting process on behalf of the Board of Directors of the Company. The committee reviewed and discussed the financial statements and related schedules with the Company management. The committee also reviewed and discussed accounting principles, control procedures, procedure and task of the internal audit and the external auditors' observations in their reports on the draft financial statements and significant judgment on the preparation & presentation of financial reports of the Company for the financial year ended on 30th June, 2018.

In fulfilling its oversight responsibilities, the Committee discussed with the Company's internal Auditors and Statutory Auditors about the overall scope and plans for their respective audit works. The Committee met with internal auditors, external auditors and management to discuss for the results of their examinations and for their evaluation of the Company's internal control and overall quality of the Company's financial reporting.

The Committee found the statements availed adequate arrangement to present a true and fair view of the financial status of the Company, and did not find any significant material deviation, discrepancies or any adverse findings/observation in the areas of reporting and disclosures.

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

M.L. Dyeing Limited
Declaration by Managing Director & CFO

27 October 2018

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, 2018.

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, 2018 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 exist 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, 2018 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/-
Topon Kumar Paul
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 17th 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 2018. 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 2018 is Tk. 2,371,524,945.00 out of which after meeting up all costs including Corporate Income Tax, the net profit for the year is Tk. 188,986,256.00 and Earnings Per Share (EPS) is Tk. 1.35.

Proposed Dividend:
As an appreciation to our shareholders for their unwavering support, the Board of Directors is pleased to recommend Stock Dividend @ 20% for all Shareholders. This is subject to shareholders' approval at the 17th 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 1st 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 continuation 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.

Sd/-
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 17th 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 increased by 3.30%, where cost of goods sold increased by 5.08% and resulting decrease of gross profit by 10.18% while operating expenses increased by 28.84% for inclusion of IPO expenses among others and financial cost decreased due to decrease of Borrowings. Company's "Net Profit After Tax" decreased by 33.38 million and the reduction particularly affected among others, for reduction of Associates profits in our earnings as compared to the previous year, which in turn decreases the EPS from Tk. 1.58 to Tk. 1.35.

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 and Exchange Commission, Dhaka Stock Exchange Limited, Chittagong Stock Exchange Limited, National Board of Revenue, RJSC, 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,

Sd/-
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 17th 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 2018 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 2018.

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 2017-2018. The production during the year ended on 30th June 2018 was 16,982,102 Lbs. During the year under review, the company was able to sell Tk. 237.15 Crore in comparison to Tk. 229.57 Crore of Previous year. And the company was able to achieve Net Profit/ (Loss) after Tax Tk.18.90 Crore in comparison to Tk.22.23 Crore of Previous year.

1. CAPACITY / PRODUCTION:
The total capacity and production as of 30th June, 2018 was as follows:

(i) Production (Lbs):

		2017-2018	2016-2017	2015-2016	2014-2015	2013-2014
A	Installed Capacity	19,840,000	19,840,000	19,840,000	19,840,000	18,600,000
B	Actual Production	16,982,102	16,199,679	14,206,926	11,845,280	14,930,008
C	Efficiency (%)	85.60	81.65	71.61	59.70	80.27

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:

	30-06-2018	30-06-2017	30-06-2016	30-06-2015	30-06-2014
a) **Production (Lbs)**	16,982,102	16,199,679	14,206,926	11,845,280	14,930,008
b) **Cost of Production (BDT):**					
Raw Materials Consumed-Yarn	1,756,236,707	1,626,921,717	1,224,004,454	1,115,657,162	1,372,632,084
Raw Materials Consumed-Chemicals	147,629,616	153,487,778	155,204,970	118,542,646	173,337,747
Packing Materials Consumed	5,633,663	5,333,549	4,920,367	5,021,555	5,347,492
WIP-Opening	9,030,626	9,152,481	9,521,540	8,124,568	6,523,154
WIP-Closing	9,506,397	9,030,626	9,152,481	9,521,540	8,124,568
Manufacturing Overhead	107,545,617	99,370,997	94,871,073	87,979,676	80,584,879
Depreciation	141,960,770	154,544,013	162,598,058	114,603,783	124,753,753
Total	**2,158,530,602**	**2,039,779,909**	**1,641,967,981**	**1,440,407,850**	**1,755,054,541**

(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 16 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 16,982,102 lbs dyed yarn for the year ended 30th June 2018. We always focuses on more sustainable and eco-friendly products. We always recognized our valued customers through quality products with committed services.

(ii) Risks and concerns:

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

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

Cost of Goods Sold (COGS) is the expenses a company incurred in order to manufacture, create or to sell a product. It includes the purchase price of the raw materials as well as the expenses of turning it into a finished product. The Cost of goods sold for the 12 months ended on 30.06.2018 was Tk. 2,130.51 million as compared to the previous same period's cost of goods sold of Tk. 2027.38 million. Production capacity utilized during the 12 months ended 30.06.2018 was 85.60% whereas during the 12 months ended 30.06.2017 it was 81.65%.

(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. 2371.52 million during the 12 months ended 30th June, 2018 which was Tk. 2295.72 million in the last year. Gross Profit effected by 241.02 million during the 12 months ended 30th June, 2018 which was Tk. 268.34 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, 2018 was Tk.188.99 million as compared to last year's Net profit (after tax) of Tk.222.37 million.

(iv) Extra-Ordinary gain or loss:

There is no extraordinary gain or loss occurred during the reporting period except earnings from share investment in associate company i.e.; R.N. Spinning Mills Ltd. Tk.18.18 million during the 12 months ended 30th June, 2018 as compared to last year's Tk.26.34 million.

(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 30.06.2018
R.N. Spinning Mills Ltd.	Common Management	Purchases	Bills Payable	44,680,777
FAR Chemical Industries Ltd.	Common Management	Purchases	Bills Payable	3,654,550

Related Party Transactions are depicted in Note No. 29.C 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 partial utilization of IPO fund has been disclosed as IPO Expenses in note no. 19.02.A to the financial statement.

(vii) There is no event of deterioration of the financial results during the year ended 30 June 2018 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 30.06.2018 are as follows:

Name	Status	Director Remuneration	Meeting attending fees	Total Taka
Mr. Faiaz Kader	Chairman	-	1,800	1,800
Mr. Golam Azam Chowdhury (Representative Director of Rajon Textile Mills Ltd.)	Managing Director	300,000	2,400	302,400
Mr. Rezaur Rahman Rajon	Director	-	1,500	1,500
Mr. Abul Khair Manik (Representative Director of Total Spinning Mills Ltd.)	Director	-	2,400	2,400
Mr. Syed Md. Tajon Islam	Independent Director	-	2,100	2,100
Total		**300,000**	**10,200**	**310,200**

Remuneration of Directors including Independent Directors have been shown in Note no. 29.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 decreased during the year from the last year because of inclusion of IPO expenses among others and reduction of Associates profits in our earnings as compared to the previous year. 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				
	30.06.2018	30.06.2017	30.06.2016	30.06.2015	30.06.2014
Turnover (Tk)	2,371,524,945	2,295,718,352	1,923,513,063	1,712,845,768	2,379,356,874
Gross Profit (Tk)	241,017,600	268,343,131	270,618,232	258,019,615	653,028,007
Net Operating Profit (Tk)	200,413,064	230,089,771	226,964,236	205,697,883	581,057,511
Net Profit before tax (Tk)	219,295,617	257,124,374	200,457,882	217,988,411	663,566,477
Net Profit after tax (Tk)	188,986,256	222,373,010	166,174,472	186,851,105	570,317,664
Basic EPS (Tk)	1.35	1.58	1.18	1.33	4.06
Dividend per share (%)	20%	-	-	25% C	-

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

Financial Data:

Particulars	Year ended as on				
	30.06.2018	30.06.2017	30.06.2016	30.06.2015	30.06.2014
Authorized Capital (Tk)	2,100,000,000	2,100,000,000	2,100,000,000	2,100,000,000	2,100,000,000
Paid up Capital (Tk)	1,404,100,000	1,404,100,000	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)	2,114,365,918	1,925,379,662	1,703,006,652	1,887,928,961	1,701,244,128
Current Assets (Tk)	1,685,621,691	1,516,837,529	1,206,325,160	1,376,391,080	1,795,497,640
Current Liabilities (Tk)	159,855,014	179,255,158	212,419,687	324,601,001	371,101,131
Current Ratio	10.54	8.46	5.68	4.24	4.84
Quick Ratio	5.97	4.82	3.33	2.42	2.58
Debt-Equity Ratio	0.00	0.01	0.01	0.05	0.10
Time Interest Earned Ratio	303.49	32.12	14.84	8.53	13.36
Return on Assets	5.35%	6.30%	4.65%	5.11%	16.62%
Return on Equity	5.52%	6.90%	5.19%	5.84%	20.22%
Earnings per share	1.35	1.58	1.18	1.33	4.06
Dividend per share	20%	-	-	25% C	-
Inventory Turnover	3.39	3.76	3.18	2.08	2.57
Asset Turnover	0.64	0.65	0.54	0.47	0.69
Number of Shares	140,410,000	140,410,000	140,410,000	140,410,000	140,410,000
Number of Shareholders	33	26	26	26	26

(xv) Dividend: The Board of Directors has recommend dividend for all shareholders 20% Stock Dividend per share for the year ended on 30 June 2018 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 22 November 2018.

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

(xvii) Number of Board Meetings:
The Board met 8 times during year ended 30th June, 2018. 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	8	6
Mr. Golam Azam Chowdhury (Representative Director of Rajon Textile Mills Ltd.)	Managing Director	8	8
Mr. Rezaur Rahman Rajon	Director	8	5
Mr. Abul Khair Manik (Representative Director of Total Spinning Mills Ltd.)	Director	8	8
Mr. Syed Md. Tajon Islam	Independent Director	8	7

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	6,450,000
Total Spinning Mills Ltd. (Rep. by Mr. Abul Khair Manik)	Director	6,820,000

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	12,980,500
Mr. Golam Azam Chowdhury (Representative Director of Rajon Textile Mills Ltd.)	Managing Director	6,450,000
Mr. Rezaur Rahman	Director	10,212,300
Mr. Abul Khair Manik (Representative Director of Total Spinning Mills Ltd.)	Director	6,820,000
Mr. Syed Md. Tajon Islam	Independent Director	-
Mr. Topon Kumar Paul	CFO	-
Mr. A.K.M. Atiqur Rahman	Company Secretary	-
Mr. Gopal Chandra Basak	Head of Internal Audit	-
Other than above, none of the spouse and minor children hold any shares of the company		

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

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

Mr. Lee Jung Kook : 35,108,352 Shares (21.89%)

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

Retirement:

1. Mr. Golam Azam Chowdhury, Managing Director and Mr. Abul Khair Manik, Director of the Company will retire.

Appointment/Re-appointment:

1. Mr. Golam Azam Chowdhury being eligible offering himself for re-election as Managing Director.
2. Mr. Abul Khair Manik being eligible offering himself for re-election as Director.

(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	FAR Chemical Industries Ltd.	Director
			Better Life Hospital Ltd.	Director
			S.F. Textile Industries Ltd.	Chairman
			Sadman Textile Mills Ltd.	Chairman
02.	Rezaur Rahman Rajon	Director	FAR Chemical Industries Ltd.	Director
			Better Life Hospital Ltd.	Managing Director
			Total Spinning Mills Ltd.	Director

(xxi) Auditors:
Auditors for the year ended 30th June 2018, Mahfel Huq & Co., Chartered Accountants retired after completing continuing audit of 3rd term and AHMAD & AKHTAR, Chartered Accountants expressed their interest for appointment as Auditors for the year ended 30th June 2019 with an honorarium as per fees structure of the ICAB.

(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

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) within 31 December 2018.

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

(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

Sd/-
Faiaz Kader
Chairman

MANAGEMENT DISCUSSION AND ANALYSIS

OVERVIEW 2017-2018:
Let us present before you a short review on the total operational and financial performance of your company from 01 July 2017 to 30 June 2018.

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 BAS-1 "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 2018 Financial Performance and Position:
The discussions in this section relate to the financial results pertaining to the year that ended June 30, 2018. 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				
	30.06.2018	30.06.2017	30.06.2016	30.06.2015	30.06.2014
Turnover (Tk)	2,371,524,945	2,295,718,352	1,923,513,063	1,712,845,768	2,379,356,874
Gross Profit (Tk)	241,017,600	268,343,131	270,618,232	258,019,615	653,028,007
Net Operating Profit (Tk)	200,413,064	230,089,771	226,964,236	205,697,883	581,057,511
Net Profit before tax (Tk)	219,295,617	257,124,374	200,457,882	217,988,411	663,566,477
Net Profit after tax (Tk)	188,986,256	222,373,010	166,174,472	186,851,105	570,317,664
Basic EPS (Tk)	1.35	1.58	1.18	1.33	4.06
Dividend per share (%)	20%	-	-	25% C	-

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

Particulars	Year ended as on				
	30.06.2018	30.06.2017	30.06.2016	30.06.2015	30.06.2014
Authorized Capital (Tk)	2,100,000,000	2,100,000,000	2,100,000,000	2,100,000,000	2,100,000,000
Paid up Capital (Tk)	1,404,100,000	1,404,100,000	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)	2,114,365,918	1,925,379,662	1,703,006,652	1,887,928,961	1,701,244,128
Current Assets (Tk)	1,685,621,691	1,516,837,529	1,206,325,160	1,376,391,080	1,795,497,640
Current Liabilities (Tk)	159,855,014	179,255,158	212,419,687	324,601,001	371,101,131
Current Ratio	10.54	8.46	5.68	4.24	4.84
Quick Ratio	5.97	4.82	3.33	2.42	2.58
Debt-Equity Ratio	0.00	0.01	0.01	0.05	0.10
Time Interest Earned Ratio	303.49	32.12	14.84	8.53	13.36
Return on Assets	5.35%	6.30%	4.65%	5.11%	16.62%
Return on Equity	5.52%	6.90%	5.19%	5.84%	20.22%
Earnings per share	1.35	1.58	1.18	1.33	4.06
Dividend per share	20%	-	-	25% C	-
Inventory Turnover	3.39	3.76	3.18	2.08	2.57
Asset Turnover	0.64	0.65	0.54	0.47	0.69
Number of Shares	140,410,000	140,410,000	140,410,000	140,410,000	140,410,000
Number of Shareholders	33	26	26	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 30.06.2018 was Tk. 2,130.51 million as compared to the previous same period's cost of goods sold of Tk. 2027.38 million. Production capacity utilized during the 12 months ended 30.06.2018 was 85.60% whereas during the 12 months ended 30.06.2017 it was 81.65%.

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. 2,371.52 million during the 12 months ended 30th June, 2018 which was Tk. 2,295.72 million in the last year. Gross profit earned during the 12 months ended 30th June, 2018 was Tk.241.02 million as compared to last year's gross profit/(loss) of Tk.268.34 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, 2018 was Tk.188.99 million as compared to last year's Net profit (after tax) of Tk.222.37 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.

Sd/-
Golam Azam Chowdhury
Managing Director

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, 2018. This Code relates to the Notification No. BSEC/CMRRCD/2006-158/207/Admin/80, Dated: 3 June 2018 of the Bangladesh Securities and Exchange Commission.

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

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

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

(a) The Company has complied with the conditions of the Corporate Governance Code as stipulated in the above mentioned Corporate Governance Code issued by the Commission;

(b) The Company has complied with the provisions of the relevant Bangladesh Secretarial Standards (BSS) as adopted by the Institute of Chartered Secretaries of Bangladesh (ICSB) as required by this Code;

(c) Proper books and records have been kept by the company as required under the Companies Act, 1994, the securities laws and other relevant laws ; and

(d) The governance of the company is satisfactory.

For Podder & Associates



Jayanta Kumer Podder
Cost & Management Accountants

Place: Dhaka
Dated: October 27, 2018

M.L. Dyeing Limited

Status of Compliance with the Corporate Gevernance Guideline (CGC)

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)

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)	√		
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.	√		
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 no a sponsor of the company or 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 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:**			
	The Board of the company shall include the following additional statements or disclosures in the Directors' Report prepared under section 184 of the companies Act, 1994 (Act No. XVIII of 1994):-			
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;	√		
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;	√		
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

Condition No.	Title	Complied	Not Complied	Remarks (IF ANY)
1(5)(xi)	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;	√		
1(5)(xii)	Proper books of account of the issuer company have been maintained;	√		
1(5)(xiii)	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)	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)	The system of internal control is sound in design and has been effectively implemented and monitored;	√		
1(5)(xvi)	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)	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)	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;	√		Business Growth & Re-investment
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; and	√		
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)	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;	√		

Condition No.	Title	Complied	Not Complied	Remarks (IF ANY)
1(7)(b)	The code of conduct as determined by the NRC shall be posted on the website of the company including, among others, prudent conduct and behavior; confidentiality; conflict of interest; compliance with laws, rules and regulations; prohibition of insider trading; relationship with environment, employees, customers and suppliers; and independency.	√		
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 provided that CS, CFO and HIAC shall not attend such part of a meetings of the Board relating to their personal matter.	√		
3(3)	**Duties of Managing Director (MD) or Chief Executive Officer (CEO) and Chief Financial Officer (CFO)**			

Condition No.	Title	Complied	Not Complied	Remarks (IF ANY)
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; and	√		
3(3)(a)(ii)	these statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards and applicable laws;	√		
3(3)(b)	The MD or CEO and CFO shall also certify that there are, to the best of knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or in violation of the code of conduct for the company's Board or its members	√		
3(3) (c)	The certification of the MD or CEO and CFO shall be disclosed in the Annual Report.	√		
4	**Board of Directors' Committee:-** For ensuring good governance in the company, the Board shall have at least following subcommittees:			
4(i)	Audit Committee	√		
4(ii)	Nomination and Remuneration Committee	√		
5	**Audit Committee**			
5(1)	**Responsibility to the Board of Directors**			
5(1)(a)	The company shall have an Audit Committee as a sub-committee of the Board;	√		
5(1)(b)	The Audit Committee shall assist the Board in ensuring that the financial statements reflect true and fair view of the state of affairs of the company and in ensuring a good monitoring system within the business;	√		
5(1)(c)	The Audit Committee shall be responsible to the Board; the duties of the Audit Committee shall be clearly set forth in writing.	√		
5(2)	**Constitution of the Audit Committee**			
5(2)(a)	The Audit Committee shall be composed of at least 3 (three) members;	√		
5(2)(b)	The Board shall appoint members of the Audit Committee who shall be non-executive directors of the company excepting Chairperson of the Board and shall include at least 1 (one) independent director;	√		
5(2)(c)	All members of the audit committee should be "financially literate" and at least 1 (one) member shall have accounting or related financial management background and 10 (ten) years of such experience;	√		
5(2)(d)	When the term of service of any Committee member expires or there is any circumstance causing any Committee member to be unable to hold office before expiration of the term of service, thus making the number of the Committee members to be lower than the prescribed number of 3 (three) persons, the Board shall appoint the new Committee member to fill up the vacancy immediately or not later than 1 (one) month from the date of vacancy in the Committee to ensure continuity of the performance of work of the Audit Committee;	√		

Condition No.	Title	Complied	Not Complied	Remarks (IF ANY)
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;	√		
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)	**Role of Audit Committee**: The 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;	√		

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

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

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

Condition No.	Title	Complied	Not Complied	Remarks (IF ANY)
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.	√		
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 AUDITORS' REPORT
To the Shareholder's of
M. L. DYEING LIMITED

We have audited the accompanying financial statements of M. L. DYEING LIMITED which comprise the Statement of Financial Position as at June 30,2018 along with the Statement of Profit or Loss and Other Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year than ended,and a summary of significant accounting policies and other explanatory information for the year ended June 30, 2018.

Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards (IFRSs), International Accounting Standards (IASs), the Companies Act 1994, the Securities and Exchange Rules 1987 and other applicable rules& regulations. This responsibility includes; designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or errors; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's responsibility

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

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

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

Opinion

In our opinion, the financial statements prepared in accordance with International Financial Reporting Standards (IFRSs) and International Accounting Standards (IASs) give a true and fair view of the state of the affairs of the financial position of M. L. DYEING LIMITED as at June 30, 2018 and of the results of its operations and its cash flows for the year then ended and comply with the requirements of the Companies Act 1994, the Securities and Exchanges Rules 1987 and other applicable laws and regulations.

We further report that:

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

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

(c) the company's statement of financial position, statement of profit or loss and other comprehen sive income, statement of changes in equity and statement of cash flows dealt with by the report are in agreement with the books of accounts; and

(d) the expenditure incurred was for the purposes of the company's business.

Dated: Dhaka,
October 27, 2018

Mahfel Huq& Co.
Chartered Accountants

M. L. DYEING LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2018

Particulars	Notes	Amount in Taka		
		30-06-2018	30-06-2017 (Re-stated)	01-07-2016 (Re-stated)
ASSETS				
Non-Current Assets				
Property, Plant & Equipment	4	1,741,668,463	1,752,126,466	1,892,301,988
Investment in Associate Company	5	376,041,792	357,866,100	331,524,623
Total Non-Current Assets		**2,117,710,255**	**2,109,992,566**	**2,223,826,611**
Current Assets				
Inventories	6	640,390,886	614,768,683	463,206,216
Trade Receivables	7	924,105,173	839,444,477	694,126,688
Advance, Deposits and Prepayments	8	91,430,483	37,217,036	34,898,190
Cash and Cash Equivalents	9	29,695,149	25,407,333	14,094,066
Total Current Assets		**1,685,621,691**	**1,516,837,529**	**1,206,325,160**
Total Assets		**3,803,331,946**	**3,626,830,095**	**3,430,151,771**
EQUITY AND LIABILITIES				
Capital and Reserves				
Share Capital	10	1,404,100,000	1,404,100,000	1,404,100,000
Retained Earnings	11	2,114,365,918	1,925,379,662	1,703,006,652
		3,518,465,918	**3,329,479,662**	**3,107,106,652**
Non-Current Liabilities				
Deferred Tax Liabilities	12	125,011,014	118,095,275	110,625,432
Total Non-current Liabilities		**125,011,014**	**118,095,275**	**110,625,432**
Current Liabilities				
Trade Payables	13	107,590,514	88,769,710	140,310,624
Short-term Borrowings	14	-	31,179,680	31,585,225
Creditors & Accrues	15	8,116,618	8,551,508	6,585,880
Provision for Income Tax	16	44,147,882	50,754,260	33,937,958
Total Current Liabilities		**159,855,014**	**179,255,158**	**212,419,687**
Total Current & Non-Current Liabilities		**284,866,028**	**297,350,433**	**323,045,119**
Total Equity and Liabilities		**3,803,331,946**	**3,626,830,095**	**3,430,151,771**
Net Asset Value Per Share	27	**25.06**	**23.71**	**22.13**

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

Chairman	Managing Director	Company Secretary	Chief Financial Officer

Signed as per our annexed report on even date.

Place: Dhaka
Dated: October 27, 2018

Mahfel Huq & Co.
Chartered Accountants

M. L. DYEING LIMITED
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2018

Particulars	Notes	Amount in Taka	
		30-06-2018	30-06-2017 (Re-stated)
Export	17	2,371,524,945	2,295,718,352
Less: Cost of Export	18	2,130,507,345	2,027,375,221
Gross Profit		**241,017,600**	**268,343,131**
Less: Operating Expenses	19	40,122,342	31,141,530
Operating Income		**200,895,258**	**237,201,601**
Less: Financial Expenses	20	661,945	7,384,678
Add/(Less): Foreign Exchange gain or loss	21	179,751	272,848
Net operating Income		**200,413,064**	**230,089,771**
Add: Other non-operating Income	22	706,861	693,126
Add: Share of Profit/Loss of associate	23	18,175,692	26,341,477
Net Profit before tax		**219,295,617**	**257,124,374**
Income Tax Expenses	24	**30,309,361**	**34,751,364**
Current Tax		23,393,622	27,281,521
Deferred Tax Income / (Expenses)		6,915,739	7,469,843
Net Profit after Tax		**188,986,256**	**222,373,010**
Earnings per Share (EPS)	26	**1.35**	**1.58**

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

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

Place: Dhaka
Dated: October 27, 2018

Mahfel Huq & Co.
Chartered Accountants

M. L. DYEING LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED JUNE 30, 2018

Particulars	Ordinary Share Capital	Retained Earnings	Total
As at July 01, 2017	1,404,100,000	1,925,379,662	**3,329,479,662**
Net Profit during the year	-	188,986,256	**188,986,256**
Total	**1,404,100,000**	**2,114,365,918**	**3,518,465,918**

M. L. DYEING LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED JUNE 30, 2017

Particulars	Ordinary Share Capital	Retained Earnings	Total
As at July 01, 2016	1,404,100,000	1,703,006,652	**3,107,106,652**
Net Profit during the year	-	222,373,010	**222,373,010**
Total	**1,404,100,000**	**1,925,379,662**	**3,329,479,662**

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

Place: Dhaka
Dated: October 27, 2018

Mahfel Huq & Co.
Chartered Accountants

M. L. DYEING LIMITED
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2018

Particulars		Amount in Taka	
		30-06-2018	30-06-2017 Re-stated
A .Cash Flow From Operating Activities:			
Collection from Customers		2,286,864,249	2,150,400,563
Collection from other non-operating income		706,861	693,126
Cash paid to Suppliers and others		(2,033,373,620)	(2,073,458,258)
Paid for operating Expenses		(38,833,012)	(27,298,849)
Cash gernerated by operations		**215,364,478**	**50,336,582**
Income tax paid		(46,008,050)	(14,987,548)
Net cash flow from Operating activities		**169,356,428**	**35,349,034**
B. Cash Flow From Investing Activities:			
Purchase of Fixed Assets		(133,226,987)	(16,245,544)
Net cash flow from Investing activities		**(133,226,987)**	**(16,245,544)**
C. Cash Flow From Financing Activities:			
Increase/ Decrease in Short term loan from bank		(31,179,680)	(405,545)
Payment for financial Expenses		(661,945)	(7,384,678)
Net Cash flow from financing activities		**(31,841,625)**	**(7,790,223)**
D. Increase/(Decrease) in cash and cash equivalents (A+B+C)		4,287,816	11,313,267
E. Opening cash and cash equivalents		25,407,333	14,094,066
F. Closing cash and cash equivalents (D+E)		**29,695,149**	**25,407,333**
Net Operating Cash Flow Per Share	Note- 28.00	**1.21**	**0.25**

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

Signed as per our annexed report on even date.

Place: Dhaka
Dated: October 27, 2018

Mahfel Huq & Co.
Chartered Accountants

M. L. DYEING LIMITED
Notes, comprising summary of significant accounting policies and other explanatory information
For the year ended June 30, 2018

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 210,000,000 Ordinary Shares of Taka 10/= each	2,100,000,000
Issued, subscribed, called-up and paid-up capital 140,410,000 ordinary shares of Taka 10/= each fully paid up	1,404,100,000

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'.

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).

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 1991;
The Value Added Tax Rules 1991;
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 "Presentation of Financial Statements" the complete set of financial statements includes the following components.

i. Statement of financial position as at June 30, 2018;
ii. Statement of Profit or Loss and other Comprehensive Income for the year ended June 30, 2018;
iii. Statement of cash flows for the financial year ended June 30, 2018;
iv. Statement of changes in equity for the financial year ended June 30, 2018;
v. Notes, comprising summary of significant accounting policies and other explanatory information for the year ended June 30, 2018.

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, 2017 to June 30, 2018.

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 3.22 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 3.22.

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 and Errors	8
5	Events after the Reporting Period	10
6	Construction Contracts	11
7	Income Taxes	12
8	Property, Plant and Equipment	16
9	Leases	17
10	Revenue	18
11	Employees Benefits	19
12	Accounting for Government Grants & Disclosure of Government Assistance	20
13	The Effects of Changes in Foreign Exchange Rates	21
14	Borrowing Costs	23
15	Related Party Disclosures	24
16	Accounting and Reporting by Retirement Benefit Plans	26
17	Separate Financial Statements	27
18	Investment in Associates and Joint Venture	28
19	Financial Instruments: Presentation	32
20	Earnings per Share	33
21	Interim Financial Reporting	34
22	Impairment of Assets	36
23	Provision, Contingent Liabilities and Contingent Assets	37
24	Intangible Assets	38
25	Financial Instruments: Recognition and Measurement	39
26	Investment Property	40
27	Agriculture	41

SL. No.	Name of the IFRS	IFRS No.
1	First-time Adoption of International Financial Reporting Standards	1
2	Share-based Payment	2
3	Business Combinations	3
4	Insurance Contracts	4
5	Non-current Assets Held for Sale and Discontinued Operations	5
6	Exploration for and Evaluation of Mineral Resources	6
7	Financial Instruments: Disclosures	7
8	Operating Segments	8
9	Financial Instruments	9
10	Consolidated Financial Statements	10
11	Joint Arrangements	11
12	Disclosure of Interests in Other Entities	12
13	Fair Value Measurement	13

d) The financial statements are in compliance with 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 estimated net 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

Revenue from net sales of the company represents invoiced value of sale, which is recognized after considering the conditions, set in paragraph 14 of IAS 18: “Revenue”. Revenue from the sale of goods is recognized when all the following conditions are satisfied:

• the company has transferred to the buyer the significant risks and rewards of ownership of the goods;
• the company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
• the amount of revenue can be measured reliably;
• it is probable that the economic benefits associated with the transaction will flow to the company; and
• the cost incurred or to be incurred in respect of the transaction can be measured reliably.

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 Effects 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, 2018 stood at Tk. 376,041,792 for no. of share 31,445,424 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-26 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 operates in a single industry segment and within a geographical segment.

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 (amendment), 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 (Investments in Associates & Joint Ventures), 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, 2018 stood at Tk. 376,041,792 for 31,445,424 no. of ordinary shares being 8.8117% 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 30-06-2018 (Tk.)
01.	R. N. Spinning Mills Ltd.	Bills Payable	44,680,777
02.	Far Chemical Industries Ltd.	Bills Payable	3,654,550

3.22 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 re-arranged wherever considered necessary to ensure comparability with the current period.

4.00 Property, Plant & Equipment : Tk. 1,741,668,463

The above balance is made up as follows:

Particulars	30-06-2018	30-06-2017	01-07-2016
A. At cost			
Opening balance	2,791,063,387	2,774,817,843	2,684,345,539
Add: Acquisition during the year	133,226,987	16,245,544	90,472,304
Total available	**2,924,290,374**	**2,791,063,387**	**2,774,817,843**
B. Accumulated Depreciation			
Opening balance	1,038,936,921	882,515,855	717,942,922
Charged during the year	143,684,990	156,421,066	164,572,933
Total accumulated depreciation	**1,182,621,911**	**1,038,936,921**	**882,515,855**
Written down value as on June 30 (A-B)	**1,741,668,463**	**1,752,126,466**	**1,892,301,988**

Details shown in Annexure-A.

5.00 Investment in Associate Company :Tk.376,041,792

The above balance is made up as follows:

Particulars	Notes	30-06-2018	30-06-2017	01-07-2016
R.N.Spinning Mills Ltd (Cost of Investment Tk. 204,200,000)		357,866,100	331,524,623	358,743,957
Share of Profit in Associates during the year	**23.00**	18,175,692	26,341,477	(27,219,334)
Total:		**376,041,792**	**357,866,100**	**331,524,623**

6.00 Inventories: Tk.640,390,886

The above balance is made up as follows:

Particulars	Notes	30-06-2018	30-06-2017	01-07-2016
Raw Materials - Yarn	6.01	417,245,774	419,521,067	277,900,924
Raw Materials - Chemicals	6.02	74,202,700	73,905,218	75,428,715
Work in process	6.03	9,506,397	9,030,626	9,152,481
Packing Materials	6.04	2,051,364	2,405,163	2,754,196
Finished Goods	6.05	134,815,588	107,210,538	95,218,619
Store Items	6.06	2,569,063	2,696,071	2,751,281
Total:		**640,390,886**	**614,768,683**	**463,206,216**

6.01 Raw Materials-Yarn : Tk. 417,245,774

The above balance is made up as follows:

Particulars	30-06-2018	30-06-2017	01-07-2016
Opening balance	419,521,067	277,900,924	339,275,878
Add: Purchase during the year	1,753,961,414	1,768,541,860	1,162,629,500
Raw materials available for production	**2,173,482,481**	**2,046,442,784**	**1,501,905,378**
Less: Input to production	1,756,236,707	1,626,921,717	1,224,004,454
Closing balance	**417,245,774**	**419,521,067**	**277,900,924**

6.02 Raw Materials- Chemicals: Tk. 74,202,700

The above balance is made up as follows:

Particulars	30-06-2018	30-06-2017	01-07-2016
Opening balance	73,905,218	75,428,715	115,214,942
Add: Purchase during the year	147,927,098	151,964,281	115,418,743
Raw materials available for production	**221,832,316**	**227,392,996**	**230,633,685**
Less: Input to production	147,629,616	153,487,778	155,204,970
Closing balance	**74,202,700**	**73,905,218**	**75,428,715**

6.03 Work in process: Tk. 9,506,397

The above balance is made up as follows:

Particulars	30-06-2018	30-06-2017	01-07-2016
Opening balance	9,030,626	9,152,481	9,521,540
Add: Current year	1,909,499,986	1,785,743,044	1,384,129,791
	1,918,530,612	**1,794,895,525**	**1,393,651,331**
Less: Transfer to finished goods	1,909,024,215	1,785,864,899	1,384,498,850
Closing balance	**9,506,397**	**9,030,626**	**9,152,481**

6.04 Packing Materials: Tk. 2,051,364

The above balance is made up as follows:

Particulars	30-06-2018	30-06-2017	01-07-2016
Opening balance	2,405,163	2,754,196	2,430,137
Add: Purchase during the year	5,279,864	4,984,516	5,244,426
	7,685,027	7,738,712	7,674,563
Less: Consumption during the year	5,633,663	5,333,549	4,920,367
Closing balance	**2,051,364**	**2,405,163**	**2,754,196**

6.05 Finished Goods : Tk. 134,815,588

The above balance is made up as follows:

Particulars	30-06-2018	30-06-2017	01-07-2016
Opening balance	107,210,538	95,218,619	106,520,589
Add: Production during the year	2,158,530,602	2,039,779,909	1,641,967,981
Less: Cost of free issue	(418,207)	(412,769)	(375,120)
Production available for export	2,265,322,933	2,134,585,759	1,748,113,450
Less: Cost of goods sold	2,130,507,345	2,027,375,221	1,652,894,831
Closing balance	**134,815,588**	**107,210,538**	**95,218,619**

6.06 Store Items: Tk. 2,569,063

The above balance is made up as follows:

Particulars	30-06-2018	30-06-2017	01-07-2016
Opening balance	2,696,071	2,751,281	2,652,012
Add: Purchase during the year	6,394,210	5,125,416	4,865,197
	9,090,281	**7,876,697**	**7,517,209**
Less: Consumption during the year	6,521,218	5,180,626	4,765,928
Closing balance	**2,569,063**	**2,696,071**	**2,751,281**

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. 924,105,173

The above is the amount of receivable against export bills as on June 30, 2018. This is considered as good & realizable and is secured by export letter of credit duly accepted by L/C opening bank.

Particulars	30-06-2018	30-06-2017	01-07-2016
Opening balance	839,444,477	694,126,688	694,126,688
Add: Export	2,371,524,945	2,295,718,352	-
	3,210,969,422	2,989,845,040	694,126,688
Less: Realization during the year	(2,286,864,249)	(2,150,400,563)	-
Total:	**924,105,173**	**839,444,477**	**694,126,688**

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 2018	Amount 2017	Amount 2016
I	Receivables considered good and in respect of which the company is fully secured.	924,105,173	839,444,477	694,126,688
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	**924,105,173**	**839,444,477**	**694,126,688**

Ageing of the above Receivables is given below:

	1-6 Months	Above 6 Months	Total
Customers	**924,105,173**	**-**	**924,105,173**

8.00 Advances, Deposits & Prepayments: Tk. 91,430,483

The above balance is made up as follows:

Particulars	Note	30-06-2018	30-06-2017	01-07-2016
Titas Gas		1,868,000	1,868,000	1,868,000
Electricity		278,920	278,920	278,920
Sundry deposit		41,052,697	-	-
Sundry Advances	8.01	5,407,727	8,255,027	10,458,510
Advance Income Tax	8.02	42,823,139	26,815,089	22,292,760
	Total:	**91,430,483**	**37,217,036**	**34,898,190**

8.01 Sundry Advances: Tk. 5,407,727

The above balance is made up as follows:

Particulars	30-06-2018	30-06-2017	01-07-2016
Mr. Uttam Kumar	-	196,418	52,168
M/S. Gazi Enterprise	55,418	39,705	945,215
Md. Abul Khair	-	1,974,216	1,352,987
Advance Salary	812,500	719,451	463,205
Md. Shajedur Rahman	1,781,692	1,365,241	41,258
Md. Saju Miah	-	384,687	-
M/S. Techno Gas Services Ltd	-	-	521,063
M/S. Denmark Refrigeration Works	-	20,105	1,985,421
M/S. Pivot Engineering	-	2,635,217	-
M/S. Property Lift	-	-	25,418
M/S. Khan Associates	-	174,859	36,529
M/S. Bright Steel	1,842,697	-	2,985,427
NBL Capital & Equity Management Ltd.	100,000	-	-
Rupali Investment Ltd.	100,000	-	-
M/S. SB Communication	400,000	-	-
M/S. Jubair Construction	315,420	745,128	2,049,819
Total:	**5,407,727**	**8,255,027**	**10,458,510**

8.02 Advance Tax: Tk. 42,823,139

The above balance is made up as follows:

Particulars	30-06-2018	30-06-2017	01-07-2016
Opening Balance	26,815,089	22,292,760	10,465,219
Addition during the year	16,008,050	14,987,548	11,827,541
	42,823,139	**37,280,308**	**22,292,760**
Less: Adjustment during the year	-	10,465,219	-
Total:	**42,823,139**	**26,815,089**	**22,292,760**

9.00 Cash and Cash Equivalents: Tk. 29,695,149

The above balance is made up as follows:

Particulars	30-06-2018	30-06-2017	01-07-2016
Cash in hand-Factory	1,540,638	1,985,417	521,329
Cash in hand-Head Office	1,653,052	1,754,706	1,230,116
Cash at Bank -Islami Bank Ltd.- S/D A/C	2,185,591	2,581,537	656,174
Cash at Bank -Islami Bank Ltd.- C/D A/C	70,137	24,083	222,797
Cash at Bank -Islami Bank Ltd.- F/C A/C	22,998,106	1,514,236	11,260,741
Cash at Bank -Social Islami Bank Ltd.- C/D A/C	1,247,625	17,547,354	202,909
Total:	**29,695,149**	**25,407,333**	**14,094,066**

The Bank balance are in agreement with respective bank statement balances

10.00 Share Capital:

	30-06-2018	30-06-2017	01-07-2016
10.01 Authorized Share Capital :			
210,000,000 ordinary shares of Taka 10/= each.	**2,100,000,000**	**2,100,000,000**	**2,100,000,000**
10.02 Issued, subscribed, called-up and paid-up share capital:			
140,410,000 ordinary shares of Tk 10/= each fully paid-up	1,404,100,000	1,404,100,000	1,404,100,000
	1,404,100,000	**1,404,100,000**	**1,404,100,000**

The shareholding position of the company are as under:

Name	No. of shares	Percentages %	Amount in Tk
Rezaur Rahman Rajon	10,212,300	7.27%	102,123,000
Faiaz Kader	12,980,500	9.24%	129,805,000
Al-Haj Mustafizur Rahman	8,200	0.01%	82,000
Shirin Faruk	6,950,000	4.95%	69,500,000
Al-Haj Abdul Kader Faruk	6,950,000	4.95%	69,500,000
Total Spinning Mills Ltd.	6,820,000	4.86%	68,200,000
Rajon Textiles Mills Ltd.	6,450,000	4.59%	64,500,000
Lee Jung Kook	35,108,352	25.00%	351,083,520
S.F. Textile Industries Ltd.	9,330,648	6.65%	93,306,480
Sadman Textiles Mills Ltd.	6,950,000	4.95%	69,500,000
Better Life Hospital Ltd.	6,950,000	4.95%	69,500,000
Samin Food & Beverage Inds. and Textile Mills Ltd.	6,950,000	4.95%	69,500,000
Other shareholders	24,750,000	17.63%	247,500,000
Total	**140,410,000**	**100.00%**	**1,404,100,000**

11.00 Retained Earnings: Tk. 2,114,365,918

The above balance is made up as follows:

Particulars	Notes	30-06-2018	30-06-2017	01-07-2016
Opening balance		1,925,379,662	1,703,006,652	1,703,006,652
Add: Current year Profit		188,986,256	222,373,010	-
Total:		**2,114,365,918**	**1,925,379,662**	**1,703,006,652**

12.00 Deferred Tax liabilites: Tk. 125,011,014

The above balance is made up as follows:

Particulars		30-06-2018	30-06-2017	01-07-2016
Opening balance		118,095,275	110,625,432	97,662,656
Addition during the year	24.01	6,915,739	7,469,843	12,962,776
Total:		**125,011,014**	**118,095,275**	**110,625,432**

13.00 Trade Payables: Tk. 107,590,514

The above balance is made up as follows:

Particulars	30-06-2018	30-06-2017	01-07-2016
Trade payables	107,590,514	88,769,710	140,310,624
Total:	**107,590,514**	**88,769,710**	**140,310,624**

14.00 Short Term Borrowings: Tk. Nil

The above balance is made up as follows:

Particulars	30-06-2018	30-06-2017	01-07-2016
Murabaha TR - IBBL	-	11,974,513	11,861,316
MPI - IBBL	-	19,205,167	19,723,909
Total:	**-**	**31,179,680**	**31,585,225**

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 22.10.2018 but every year renewable.

15.00 Creditors & Accrues : Tk. 8,116,618

The above balance is made up as follows:

Particulars	Notes	30-06-2018	30-06-2017	01-07-2016
Gas Bill		3,251,846	3,185,418	2,793,148
Electricity Bill		57,185	55,617	45,213
Water Bill		7,851	7,152	8,985
Rent		2,000	2,000	1,000
Salary & Wages		4,451,294	4,354,874	2,595,063
MD's Remuneration and Fees		25,000	25,000	25,000
Sundry Creditors	**15.01**	71,442	771,447	867,471
Audit Fees		250,000	150,000	250,000
	Total:	**8,116,618**	**8,551,508**	**6,585,880**

15.01 Sundry Creditors: Tk. 71,442

The above balance is made up as follows:

Particulars		30-06-2018	30-06-2017	01-07-2016
M/S. Almunium Trade Centre		-	-	521,488
M/S. Crane View		-	-	210,512
M/S. Technocrate Enterprise		42,973	510,091	3,201
M/S. Omar Electrical Engineering Works		-	-	2,563
M/S Engineering Network Ltd		-	-	87,459
M/S.Challanger Elevator		-	19,718	32,012
M/S. Rainbow Printers		28,469	241,638	10,236
Total	**Total:**	**71,442**	**771,447**	**867,471**

16.00 Provision for Income Tax: Tk. 44,147,882

The above balance is made up as follows:

Particulars	Notes	30-06-2018	30-06-2017	01-07-2016
Opening Balance		50,754,260	33,937,958	28,317,324
Add: Income Tax charged	24.00	23,393,622	27,281,521	21,320,634
	Total:	74,147,882	61,219,479	49,637,958
Less: Adjustment during the year		30,000,000	10,465,219	15,700,000
		44,147,882	**50,754,260**	**33,937,958**

17.00 Export: Tk. 2,371,524,945

The above balance is made up as follows:

Particulars	30-06-2018	30-06-2017
Export	2,371,524,945	2,295,718,352
Total:	**2,371,524,945**	**2,295,718,352**

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

Particulars	30-06-2018	30-06-2017
Opening Raw Materials - Yarn	4,197,314	3,252,824
Add: Purchase during the year	16,954,218	17,221,864
Total available	**21,151,532**	**20,474,688**
Less: Input to Production	17,091,050	16,277,374
Closing stock of Raw materials	**4,060,482**	**4,197,314**
Input to Production	17,091,050	16,277,374
Add:Opening WIP	90,436	106,893
	17,181,486	**16,384,267**
Less: Closing WIP	92,527	90,436
	17,088,959	**16,293,831**
Add:Opening Finished goods	854,749	820,894
	17,943,709	**17,114,724**
Less:Wastage	106,857	94,152
Finished goods available to Export	**17,836,852**	**17,020,572**
Less:Closing Finished goods	1,061,324	854,749
Export Quantity during the year	**16,775,528**	**16,165,823**

18.00 Cost of Export : Tk.2,130,507,345

The above balance is made up as follows:

Particulars	Notes	30-06-2018	30-06-2017
Raw materials consumed-Yarn	18.01	1,756,236,707	1,626,921,717
Raw materials consumed-Chemicals	18.02	147,629,616	153,487,778
Packing materials consumed	18.03	5,633,663	5,333,549
		1,909,499,986	**1,785,743,044**
Work in process- opening		9,030,626	9,152,481
Work in process- closing		9,506,397	9,030,626
Change in work in process		**(475,771)**	**121,855**
Total consumption		**1,909,024,215**	**1,785,864,899**
Add: Manufacturing Overhead	18.04	107,545,617	99,370,997
Add: Depreciation		141,960,770	154,544,013
Cost of production		**2,158,530,602**	**2,039,779,909**
Finished goods - opening		107,210,538	95,218,619
Finished goods - closing		134,815,588	107,210,538
Change of finished goods stock		**(27,605,050)**	**(11,991,919)**
Cost of free issue		418,207	412,769
Total:		**2,130,507,345**	**2,027,375,221**

18.01 Raw materials consumed-Yarn: Tk.1,756,236,707

The above balance is made up as follows:

Particulars	30-06-2018	30-06-2017
Opening Stock	419,521,067	277,900,924
Add: Purchase during the year	1,753,961,414	1,768,541,860
Raw materials available for production	2,173,482,481	2,046,442,784
Less: Closing Stock	417,245,774	419,521,067
Total:	**1,756,236,707**	**1,626,921,717**

18.02 Raw materials consumed-Chemicals: Tk.147,629,616

The above balance is made up as follows:

Particulars	30-06-2018	30-06-2017
Opening Stock	73,905,218	75,428,715
Add: Purchase during the year	147,927,098	151,964,281
Chemicals available for Production	221,832,316	227,392,996
Less: Closing Stock	74,202,700	73,905,218
Total:	**147,629,616**	**153,487,778**

18.03 Packing materials consumed: Tk.5,633,663

The above balance is made up as follows:

Particulars	30-06-2018	30-06-2017
Opening Stock	2,405,163	2,754,196
Add: Purchase during the year	5,279,864	4,984,516
Packing materials available for packing	7,685,027	7,738,712
Less: Closing Stock	2,051,364	2,405,163
Total:	**5,633,663**	**5,333,549**

18.04 Manufacturing overhead: Tk.107,545,617

The above balance is made up as follows:

Particulars	Notes	30-06-2018	30-06-2017
Salary & Wages		45,108,643	41,521,964
Fuel, Water & Power		4,765,102	4,410,965
Printing & Stationary		1,031,059	918,541
Conveyance		517,362	413,857
Mobile bill		46,127	45,101
Store & Spares Consumed	6.06	6,521,218	5,180,626
Insurance		1,624,186	1,785,421
Gas Bill		39,671,540	37,208,143
C & F Expenses		5,792,105	5,652,107
Rent, Rates and Taxes		75,418	53,618
Repairs & Maintenance	18.04.A	2,296,446	2,118,809
Other Overhead		96,411	61,845
Total:		**107,545,617**	**99,370,997**

18.04.A Repairs & Maintenance: Tk.2,296,446

The above balance is made up as follows:

Particulars	30-06-2018	30-06-2017
Plant and Machinery	1,425,163	1,352,418
Building	817,641	715,293
Others	53,642	51,098
Total:	**2,296,446**	**2,118,809**

19.00 Operating Expenses: Tk. 40,122,342

The above balance is made up as follows:

Particulars	Notes	30-06-2018	30-06-2017
Warehouse, Distribution & Selling Exp.	19.01	14,039,931	12,432,709
Administrative Expenses	19.02	26,082,411	18,708,821
	Total:	**40,122,342**	**31,141,530**

19.01 Warehouse, Distribution & Selling Exp.: Tk. 14,039,931

The above balance is made up as follows:

Particulars	30-06-2018	30-06-2017
Advertising Expenses	12,600	25,416
Salary & Welfare	6,351,428	5,954,163
Transportation and Handling Expenses	3,540,669	2,541,867
Repair and Maintenance	311,573	306,854
Rent	25,200	24,600
Electricity, Fuel & Water	56,847	45,187
Sales promotion Expenses	306,421	209,642
Traveling Expenses	1,593,712	1,542,108
Entertainment Expenses	480,316	493,521
Miscellaneous Expenses	75,418	72,415
Sample,Test & Analysis	350,274	241,051
Cost of free issue	418,207	412,769
Depreciation	517,266	563,116
Total:	**14,039,931**	**12,432,709**

19.02 Administrative Expenses: Tk. 26,082,411

The above balance is made up as follows:

Salary & Welfare		7,182,436	6,921,867
MD's Remuneration		300,000	300,000
Postage & Telecommunication		335,418	339,521
Traveling, Haultage & passage		2,715,240	2,621,048
Repair & Maintenance		771,563	769,834
Vehicle Expenses		512,046	474,965
Electricity, Fuel & Water		835,416	819,652
Printing and Stationery		632,054	627,541
Rent, Rates and Taxes		3,105,249	3,066,295
Subscription & Donation		181,120	190,240
Entertainment		273,526	278,543
Legal & Professional Charge		312,547	384,521
Audit fees		360,000	400,000
Miscellaneous Expenses		105,694	109,741
News paper & periodical		80,648	85,116
IPO Expenses	19.02.A	7,162,300	-
Board Meeting attendance Fees		10,200	6,000
Depreciation		1,206,954	1,313,937
	Total:	**26,082,411**	**18,708,821**

19.02.A IPO Expenses: Tk. 7,162,300

The above balance is made up as follows:

Particulars	30-06-2018	30-06-2017
Prospectus submission - DSE & CSE	100,000	-
Application fees - SEC	50,000	-
Consent fees - SEC	800,000	-
Annual fees- DSE & CSE	1,200,000	-
Listing fees - DSE & CSE	5,012,300	-
Total:	**7,162,300**	**-**

20.00 Financial Expenses: Tk. 661,945

The above balance is made up as follows:

Particulars	Note	30-06-2018	30-06-2017
Interest on Loan	20.01	661,945	7,384,678
	Total:	**661,945**	**7,384,678**

20.01 Interest on loan: Tk. 661,945

The above balance is made up as follows:

Particulars		30-06-2018	30-06-2017
Interest on MPI		-	3,410,528
Interest on Murabaha TR		661,945	3,974,150
	Total:	**661,945**	**7,384,678**

21.00 Foreign Exchange gain or loss: Tk. 179,751

The above balance is made up as follows:

Particulars		30-06-2018	30-06-2017
Foreign Exchange gain or Loss		179,751	272,848
	Total:	**179,751**	**272,848**

22.00 Other non-operating income: Tk. 706,861

The above balance is made up as follows:

Particulars		30-06-2018	30-06-2017
Sale of Wastage		706,861	693,126
	Total:	**706,861**	**693,126**

23.00 Share of Profit of Associate : Tk. 18,175,692

The above balance is made up as follows:

Particulars		30-06-2018	30-06-2017
Share of Associate Profit during the year	**23.01**	18,175,692	26,341,477
	Total:	**18,175,692**	**26,341,477**

23.01 Share of Associate Profit during the period: Tk. 18,175,692

The above balance is made up as follows:

Particulars	Notes	30-06-2018	30-06-2017
Associate Profit during the period		206,267,154	298,936,708
Total No.of Share of Associate		356,858,940	297,382,450
No. of Share of Associate held by the Company		31,445,424	26,204,520
Percentage of holding in Asssociate Company		8.8117%	8.8117%
Share of Associate Profit during the period		**18,175,692**	**26,341,477**

24.00 Income Tax Expenses during the year: Tk. 30,309,361

The above balance is made up as follows:

Particulars	Notes	30-06-2018	30-06-2017
Current Tax during the year		23,393,622	27,281,521
Deferred Tax	24.01	6,915,739	7,469,843
	Total:	**30,309,361**	**34,751,364**

24.01 Deferred Tax during the year: Tk. 6,915,739

The above balance is made up as follows:

Particulars	30-06-2018	30-06-2017
Carrying amount as Accounting base:		
Property, Plant & Equipment	1,741,668,463	1,752,126,466
Carrying amount as Tax base:		
Property, Plant & Equipment	908,261,700	964,824,630
Difference	833,406,763	787,301,836
Applicable Tax Rate	**15%**	**15%**
Deferred Tax liabilities at the end of period.	125,011,014	118,095,275
Opening balance	118,095,275	110,625,432
Deferred tax expenses/(income) for the year	**6,915,739**	**7,469,843**

25.00 Reconcilation of cash generated by operations

The above balance is made up as follows:

Particulars	30-06-2018	30-06-2017
Profit before Income tax	219,295,617	257,124,374
Add: Depreciation charged	143,684,990	156,421,066
Add: Financial Expenses	661,945	7,384,678
Less: Share of Profit/Loss of associate	(18,175,692)	(26,341,477)
Add/(Less): Increase or decrease in inventory	(25,622,203)	(151,562,467)
Add/(Less): Increase or decrease in trade receivable (foreign exchange gain or loss adjusted)	(84,660,696)	(145,317,789)
Add/(Less): Increase or decrease in trade payable (foreing exchange gain or loss adjusted)	18,820,804	(51,540,914)
Add/(Less): Increase or decrease in advance, deposit and pre payments	(38,205,397)	2,203,483
Add/(Less): Increase or decrease in creditors and accrues	(434,890)	1,965,628
	215,364,478	**50,336,582**

26.00 Earnings per Share (Basic EPS) : Tk. 1.35

The above balance is made up as follows:

Particulars		30-06-2018	30-06-2017
Net Profit after Tax (Numerator)		188,986,256	222,373,010
Weighted average no. of Shares (Denominator)		140,410,000	140,410,000
Earnings Per Share	**Total:**	**1.35**	**1.58**

27.00 Net Asset Value per Share (NAV) : Tk. 25.06

The above balance is made up as follows:

Particulars		30-06-2018	30-06-2017
Net Asset Value		3,518,465,918	3,329,479,662
No. of Shares Outstanding		140,410,000	140,410,000
Net Asset Value per Share (NAV)	**Total:**	**25.06**	**23.71**

28.00 Net Operating Cash Flows per Share : Tk. 1.21

The above balance is made up as follows:

Particulars		30-06-2018	30-06-2017
Net Operating Cash Flows		169,356,428	35,349,034
No. of Shares Outstanding		140,410,000	140,410,000
Net Operating Cash Flows per Share	**Total:**	**1.21**	**0.25**

29.00 Disclosure as per requirment of Schedule XI, part II, note 5 of para 3

29.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

i) Sales

Particulars	01-07-2017 to 30-06-2018	01-07-2016 to 30-06-2017
Amount in Taka	2,371,524,945	2,295,718,352
Quantity in Lbs	16,775,528	16,165,823

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

	01-07-2017 to 30-06-2018	01-07-2016 to 30-06-2017
Opening Stock	4,197,314	3,252,824
Purchase	16,954,218	17,221,864
Total available	21,151,532	20,474,688
Less: Closing Stock	4,060,482	4,197,314
Raw Materials - consumed	**17,091,050**	**16,277,374**

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

Particulars	Opening Stock		Closing Stock	
	Quantity	Amount in Tk.	Quantity	Amount in Tk.
Raw Materials -Yarn	4,197,314 Lbs	419,521,067	4,028,677 Lbs	417,245,774
Raw Materials -Chemicals	605,418 Kg	73,905,218	606,863 Kg	74,202,700
Work in Process	90,436 Lbs	9,030,626	92,698 Lbs	9,506,397
Finished goods	854,749 Lbs	107,210,538	1,062,019 Lbs	134,815,588

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

Employee Position (as on June 30, 2018)

Salary Range	Officer & Staff		Worker	Total Employee
	Factory	Head Office		
Below 5300	12	2	117	131
Above 5300	34	48	451	533
Total	**46**	**50**	**568**	**664**

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

Payment to directors within the year ended 30.06.2018

Directors Remuneration & Fees : Tk. 310,200

Directors' are entitled Tk 300 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	-	6	1,800	1,800
Mr.Rezaur Rahman Rajon	Director	-	5	1,500	1,500
Mr. Golam Azam Chowdhury (Representive of Rajon Textile Mills Ltd	Managing Director	300,000	8	2,400	302,400
Mr. Abul Khair Manik (Representive of Total Spinning Mills Ltd	Director	-	8	2,400	2,400
Mr. Syed Md. Tajon Islam	Independent Director	-	7	2,100	2,100
Total		**300,000**		**10,200**	**310,200**

29.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	16,982,102	85.60%
Total	**19,840,000**	**16,982,102**	**85.60%**

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

30.A During the year ended June 30 , 2018 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	1,753,961,414
Raw Materials - Chemical	147,927,098

30.B The company has not incurred any expenditure in foreign currencies during the period of 01 July, 2017 to 30 June, 2018 on account of royalty, know-how, professional fees, consultancy fees, interest and other matters.

30.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, 2017 to June 30, 2018 are given as below:

Particulars	Total Comsumption	Imported Taka.	(%)	Local Taka.	(%)
Raw Materials - Yarn	1,756,236,707	1,756,236,707	100%	-	0.00%
Raw Materials - Chemical	147,629,616	147,629,616	100%	-	0.00%
Packing Materials	5,633,663	-	0%	5,633,663	100.00%
Store Items	6,521,218	-	0%	6,521,218	100.00%
Total	**1,916,021,204**	**1,903,866,323**		**12,154,881**	

30.D The company has not remitted any amount during the period of 01 July, 2017 to June 30, 2018 in foreign currencies on account of dividend for non-resident shareholders.

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

i) Total Export for the period ended 30 June 2018 is US$ 29,098,519.65 which equivalent to BDT.2,371,524,945

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

iii) No interest and dividend received.

iv) No other income received.

31.00 Capital Expediture Commitment:

The Company has no capital expenditure commitment at the reporting date.

32.00 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 PROPERTY, PLANT & EQUIPMENT
AS AT JUNE 30, 2018

Annexure-A

Particulars	Cost			Rate of Dep. / Amortization (%)	Depreciation			Written Down Value as at 30-06-2018	Written Down Value as at 30-06-2017
	Balance as on 1st July 2017	Addition during the year	Balance as on 30th June 2018		Balance as on 1st July 2017	Charge during the year	Balance as on 30th June 2018		
Land & Land Development	20,149,436	11,752,169	31,901,605	0.00%	-	-	-	31,901,605	20,149,436
Factory Building	499,861,996	73,671,520	573,533,516	2.5%	79,438,178	10,817,560	90,255,738	483,277,778	420,423,818
Plant & Machinery	1,910,090,663	30,648,719	1,940,739,382	10%	794,378,443	112,082,034	906,460,477	1,034,278,905	1,115,712,220
Power Generator Set	132,735,868	2,540,981	135,276,849	10%	69,136,458	6,508,165	75,644,623	59,632,226	63,599,410
Electrical Installation	59,834,151	2,416,393	62,250,544	10%	20,222,592	4,021,566	24,244,158	38,006,386	39,611,559
Boiler	57,849,098	1,637,150	59,486,248	10%	28,048,854	3,020,953	31,069,807	28,416,441	29,800,244
Compresser	22,272,384	421,057	22,693,441	10%	8,393,488	1,398,416	9,791,904	12,901,537	13,878,896
Fork lift	5,521,489	-	5,521,489	10%	3,012,625	250,886	3,263,511	2,257,978	2,508,864
ETP Plant	52,394,129	7,516,392	59,910,521	10%	19,412,476	3,673,985	23,086,461	36,824,060	32,981,653
Gas Installation	7,372,265	-	7,372,265	10%	3,499,646	387,262	3,886,908	3,485,357	3,872,619
Air Condition Installation	7,443,460	-	7,443,460	10%	3,886,441	355,702	4,242,143	3,201,317	3,557,019
Telephone Installation	703,072	-	703,072	20%	118,759	116,863	235,622	467,450	584,313
Office Equipment	3,680,489	35,410	3,715,899	10%	1,555,238	214,886	1,770,124	1,945,775	2,125,251
Furniture & Fixture	3,656,887	2,587,196	6,244,083	20%	1,556,135	592,630	2,148,765	4,095,318	2,100,752
Motor Car	7,498,000	-	7,498,000	20%	6,277,588	244,082	6,521,670	976,330	1,220,412
Total	**2,791,063,387**	**133,226,987**	**2,924,290,374**		**1,038,936,921**	**143,684,990**	**1,182,621,911**	**1,741,668,463**	**1,752,126,466**

Allocation of depreciation		
Manufacturing Expenses	98.80%	141,960,770
Administrative Expenses	0.84%	1,206,954
Selling & Distribution Expenses	0.36%	517,266
	100%	**143,684,990**

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 17th Annual General Meeting of the Company to be held on Tuesday, the 18th December, 2018 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.....2018.

Affix Twenty Taka Revenue Stamp

(Signature of the Shareholder) (Signature of Proxy)

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 of the meeting.

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 17th Annual General Meeting of the company being held on 18th December, 2018 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