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Mahfel Huq & Co.

Chartered Accountants

The first registered accounting firm in independent Bangladesh

PRIVATE & CONFIDENTIAL

AUDITORS' REPORT
AND
FINANCIAL STATEMENTS
of
M. L. DYEING LIMITED
As at and for the year ended June 30, 2018
House # 11, (Unit-6A), Road #12, Block # F, Niketon,
Gulshan-1, Dhaka-1212

Member of agn

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M. L. DYEING LIMITED

As at and for the year ended June 30, 2018

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

MAHFEL HUQ & CO.
CHARTERED ACCOUNTANTS
BGIC Tower (4th Floor),
34 Topkhana Road, Dhaka-1000
Phone: 9581786, 9553143, Fax: 9571005
E-mail: asarkar@mahfelhuq.com
Web: www.mahfelhuq.com

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An independent member firm of AGN International

BGIC Tower (4th Floor)
34, Topkhana Road
Dhaka-1000, Bangladesh
Tel: +88-02-9553143, 9581786
Fax: +88-02-9571005
E-mail : info@mahfelhuq.com
Web: www.mahfelhuq.com

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.

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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 comprehensive 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

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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

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Chartered Accountants

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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

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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

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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 generated 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.
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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:

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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

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Sl. No.	Name of the IAS	IAS's No.
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;

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- 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.

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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.

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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.

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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**

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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.

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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 liabilities: 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**

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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. Technocrat 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**

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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 Particulars 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**

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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**

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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**	**-**

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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 Associate 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

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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 Reconciliation 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 (foreign 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**

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29.00 Disclosure as per requirement 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

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

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29.B **Disclosure as per requirement 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 requirement 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 (Represented of Rajon Textile Mills Ltd	Managing Director	300,000	8	2,400	302,400
Mr. Abul Khair Manik (Represented 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 requirement 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 Consumption	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**	

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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 Expenditure 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.

Estd. 1974

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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
Compressor	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**

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