

পুঁজিবাজারে বিনিয়োগ ঝুঁকিপূর্ণ। জেনে ও বুঝে বিনিয়োগ করুন।

“Investment in capital market involves certain degree of risks. The investors are required to read the prospectus and risk factors carefully, assess their own financial conditions and risk taking ability before making their investment decisions.”

PUBLIC ISSUE OF 20,000,000 ORDINARY SHARES

ISSUE DATE OF THE PROSPECTUS: \_\_\_\_\_

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## PROSPECTUS

Name of Issuer:



M.L. Dyeing Limited

Name of Issue Managers:



NBL Capital & Equity Management Limited

&



RUPALI INVESTMENT LIMITED

A State Owned Merchant Bank & Subsidiary of Rupali Bank Limited

Rupali Investment Limited

(a) Preliminary Information and Declarations:

- (i) Name(s), address(s), telephone number(s), web address(s), e-mail(s), fax number(s) and contact persons of the issuer, issue manager(s), underwriter(s), auditors, credit rating company and valuer, where applicable;

Issuer		
Name & Address	Telephone & Fax Number, E-mail, Web Address	Contact Person
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Issue Managers		
Name & Address	Telephone & Fax Number, E-mail, Web Address	Contact Person
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<b>Rupali Investment Limited</b> Shadharan Bima Tower 37-A Dilkusha C/A (7th Floor), Dhaka-1000.	Tel: +88-02-47112923 Fax: +88-02-47118073 E-mail: rilbd.info@gmail.com Web: www.riltd.org	<b>Md. Mamunur Rashid</b> Chief Executive Officer
Underwriters		
Name & Address	Telephone & Fax Number, E-mail, Web Address	Contact Person
<b>NBL Capital &amp; Equity Management Limited</b> Printers Building (8th Floor) 5 Rajuk Avenue, Dhaka-1000.	Tel: +88-02-47118816, +88-02-47118807 Fax: +88-02-47118805 E-mail: cemd@nblbd.com Web: www.nblceml.com	<b>Kamrun Naher</b> Chief Executive Officer
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<b>BMSL Investment Limited</b> Shareef Mansion (4th Floor) 56-57 Motijheel C/A Dhaka-1000.	Tel: +88-02-9577651, +88-02-9570624, +88-02-9565183 Fax: +88-02-47117218 E-mail: info@bmslinvestment.com Web: www.capmadvisorybd.com	<b>Md. Riyad Matin</b> Managing Director

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<b>Auditor</b>		
<b>Name &amp; Address</b>	<b>Telephone &amp; Fax Number, E-mail, Web Address</b>	<b>Contact Person</b>
<b>Mahfel Huq &amp; Co.</b> Chartered Accountants 34, Topkhana Road, BGIC Tower (4th Floor), Dhaka-1000.	Tel: +88-02-9553143 Fax: +88-02-9571005 E-mail: mahfelcofca@yahoo.com web: www.mahfelhuq.com	<b>Nur Mohammad (Masud)</b> Manager, Audit & Assurance

The Company has no involvement with Valuer, Credit rating is not applicable for the issuer.

(ii) A person interested to get a prospectus may obtain from the issuer and the issue managers.

(iii) “If you have any query about this document, you may consult the issuer, issue manager and underwriter”

(iv) "CONSENT OF THE BANGLADESH SECURITIES AND EXCHANGE COMMISSION HAS BEEN OBTAINED TO THE ISSUE/OFFER OF THESE SECURITIES UNDER THE SECURITIES AND EXCHANGE ORDINANCE, 1969, AND THE BANGLADESH SECURITIES AND EXCHANGE COMMISSION (PUBLIC ISSUE) RULES, 2015. IT MUST BE DISTINCTLY UNDERSTOOD THAT IN GIVING THIS CONSENT THE COMMISSION DOES NOT TAKE ANY RESPONSIBILITY FOR THE FINANCIAL SOUNDNESS OF THE ISSUER COMPANY, ANY OF ITS PROJECTS OR THE ISSUE PRICE OF ITS SECURITIES OR FOR THE CORRECTNESS OF ANY OF THE STATEMENTS MADE OR OPINION EXPRESSED WITH REGARD TO THEM. SUCH RESPONSIBILITY LIES WITH THE ISSUER, ITS DIRECTORS, CHIEF EXECUTIVE OFFICER, MANAGING DIRECTOR, CHIEF FINANCIAL OFFICER, COMPANY SECRETARY, ISSUE MANAGER, ISSUE MANAGER'S CHIEF EXECUTIVE OFFICER, UNDERWRITERS, AUDITOR(S), VALUER AND/OR CREDIT RATING COMPANY."

(v) *'Risks in relation to the First Issue'*

"This being the first issue of the issuer, there has been no formal market for the securities of the issuer. The face value of the securities is Tk. 10.00 (Ten) and the issue price is Tk. 10.00, i.e. the face value. The issue price has been determined and justified by the issuer and the issue managers as stated under the paragraph on "justification of issue price" should not be taken to be indicative of the market price of the securities after listing. No assurance can be given regarding an active or sustained trading of the securities or the price after listing."

(vi) *'General Risk'*

"Investment in securities involves a degree of risk and investors should not invest any funds in this offer unless they can afford to take the risk of losing their investment. Investors are advised to read the risk factors carefully before taking an investment decision in this offer. For taking an investment decision, investors must rely on their own examination of the issuer and the offer including the risks involved. The securities have not been recommended by the Bangladesh Securities and Exchange Commission (BSEC) nor does BSEC guarantee the accuracy or adequacy of this document. Specific attention of investors is invited to the statement of 'risk factors' given on page number(s) 131-138"

(vii) *'MLDL's Absolute Responsibility'*

"The issuer, having made all reasonable inquiries, accepts responsibility for and confirms that this prospectus contains all material information with regard to the issuer and the issue, that the information contained in the prospectus are true, fair and correct in all material aspects and are not misleading in any respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which make this document as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect."

(b) **Availability of Prospectus**

- (i) **Names, addresses, telephone numbers, fax numbers, website addresses and e-mail addresses and names of contact persons of the institutions where the prospectus and abridged version of prospectus are available in hard and soft forms;**

The Prospectus and abridged version prospectus in hard and soft forms of the Company shall be obtained from the following addresses:

<b>Issuer</b>		
<b>Name &amp; Address</b>	<b>Telephone &amp; Fax Number, E-mail, Web Address</b>	<b>Contact Person</b>
<b>M.L. Dyeing Limited (MLDL)</b> House # 11, (Floor- 6A), Road # 12, Niketon, Gulshan-1, Dhaka-1212.	Tel: +88-02-48810050 Fax: +88-02-48810055 Email: mldyeing@fargroupbd.com Web: www.mldyeing.com	<b>A.K.M. Atiqur Rahman</b> Company Secretary
<b>Issue Managers</b>		
<b>Name &amp; Address</b>	<b>Telephone &amp; Fax Number, E-mail, Web Address</b>	<b>Contact Person</b>
<b>NBL Capital &amp; Equity Management Limited</b> Printers Building (8th Floor) 5 Rajuk Avenue, Dhaka-1000.	Tel: +88-02-47118816, +88-02-47118807 Fax: +88-02-47118805 E-mail: cemd@nblbd.com Web: www.nblceml.com	<b>Kamrun Naher</b> Chief Executive Officer
<b>Rupali Investment Limited</b> Shadharan Bima Tower 37-A Dilkusha C/A (7th Floor), Dhaka-1000.	Tel: +88-02-47112923 Fax: +88-02-47118073 E-mail: rilbd.info@gmail.com Web: www.riltd.org	<b>Md. Mamunur Rashid</b> Chief Executive Officer
<b>Stock Exchanges</b>		
<b>Name &amp; Address</b>	<b>Telephone &amp; Fax Number, E-mail, Web Address</b>	<b>Contact Person</b>
<b>Dhaka Stock Exchange Limited</b> DSE Library, 9/F Motijheel C/A, Dhaka-1000	Tel: +88-02-9564601, 9576210-18 Fax: +88-02-9564727, +88-02-9569755 E-mail: reasearch@dsebd.org Web: www.dsebd.org	<b>Afzalur Rahaman</b> Manager
<b>Chittagong Stock Exchange Limited</b> CSE Library, CSE Building, 1080, Sheikh Mujib Road Agrabad, Chittagong- 4100.	Tel: 031-714632-3 Fax: 031-714101 E-mail: jabed@cse.com.bd Web: www.cse.com.bd	<b>Mohammed Javed Sarwar</b> Assistant Manager

Prospectus would also be available on the web sites of BSEC (www.sec.gov.bd) and at the Public Reference Room of the Bangladesh Securities and Exchange Commission (BSEC) for reading and studying.

- (ii) **Names and dates of the newspapers where abridged version of prospectus was published.**

Names and dates of the newspapers where abridged version of prospectus was published:

<b>Sl. No.</b>	<b>Name of the Newspaper</b>	<b>Date of Publication</b>
1		
2		
3		
4		

### (iii) Definitions and Acronyms/Elaborations

#### Acronyms/Elaborations:

<b>A</b>	
“Articles” or “Articles of Association” or “AoA”	The Articles of Association of M.L. Dyeing Limited, as amended
AGM	Annual General Meeting
Allotment	Letter of Allotment of shares
<b>B</b>	
“Board” or “Board of Directors” or “our Board”	The Board of Directors of M.L. Dyeing Limited, as duly constituted from time to time including any committees thereof
B. Com	Bachelor of Commerce
B.SC	Bachelor of Science
BAS	Bangladesh Accounting Standards
BB	Bangladesh Bank
BDT	Bangladeshi Taka
BFRS	Bangladesh Financial Reporting Standards
BO A/C	Beneficiary Owner's Account
BOI	Board of Investment
BSEC	Bangladesh Securities and Exchange Commission
BSS	Bachelor of Social Studies
<b>C</b>	
CDBL	Central Depository Bangladesh Limited
Certificate	Share Certificate
CFO	Chief Financial Officer
CIB	Credit Information Bureau
Commission	Bangladesh Securities and Exchange Commission
CSE	Chittagong Stock Exchange Limited
<b>D</b>	
DSE	Dhaka Stock Exchange Limited
<b>E</b>	
E-Mail	Electronic Mail
EMS	Express Mail Service
EPS	Earnings Per Share
ETP	Effluent Treatment Plant
EU	European Union
Exchanges	Stock Exchanges
<b>F</b>	
FC A/C	Foreign Currency Account
FDR	Fixed Deposit Receipt
FOB	Free on Board
FY	Fiscal Year
<b>G</b>	
GBP	Great Britain Pound
GOB	Government of Bangladesh
<b>I</b>	
IPO	Initial Public Offering
Issue	Public Issue of shares

Issue Managers	NBL Capital & Equity Management Limited & Rupali Investment Limited
Issuer	M.L. Dyeing Limited
<b>L</b>	
L/C	Letter of Credit
<b>M</b>	
“Memorandum” or “Memorandum of Association” or “MoA”	The Memorandum of Association of M.L. Dyeing Limited, as amended
M.Com	Master of Commerce
MBS	Master of Business Studies
MLDL	M.L. Dyeing Limited
MS-Word	Microsoft word
<b>N</b>	
NAV	Net Asset Value
NBFI	Non-Banking Financial Institution
NBLCEML	NBL Capital & Equity Management Limited
NBR	National Board of Revenue
NRB	Non Resident Bangladeshi
<b>O</b>	
“Our Company”	M.L. Dyeing Limited, a public limited company incorporated under the Companies Act
Offering Price	Price of the Securities of MLDL
<b>P</b>	
PE	Price to Earnings
<b>R</b>	
RJSC	Registrar of Joint Stock Companies and Firms
RIL	Rupali Investment Limited
<b>S</b>	
Securities	Share of M.L. Dyeing Limited
Securities Market	The Share Market of Bangladesh
Sponsors	The sponsor shareholders of M.L. Dyeing Limited
STD A/C	Short Term Deposit Account
Stock Holder	Share Holder
Subscription	Application Money
<b>T</b>	
The Company/Issuer	M.L. Dyeing Limited, a public limited company incorporated under the Companies Act
TT	Telephonic Transfer
<b>U</b>	
UK Pound	United Kingdom Pound
USD	United States Dollar
<b>V</b>	
VAT	Value Added Tax
<b>W</b>	
WDV	Written Down Value



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## CHAPTER (I): EXECUTIVE SUMMARY

### (a) About 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 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 which is increasing day by day considering the development of the Textile & RMG sector.

[Source: BKMEA website]

### (b) About the Issuer:

Incorporation	As Private Limited Company	March 21, 2001 & Reg. no. C-42701(2060)/2001
Converted Public Limited Company	02-Jun-10	
Commencement of Commercial Operation	1-Jul-02	
Registered Office & Factory	Vill: Zamirdia, 10 Hobirbari, Bhaluka, Mymensingh, Bangladesh.	
Corporate Office	House # 11, (Floor- 6A), Road # 12, Niketon, Gulshan-1, Dhaka-1212.	
Nature of Business	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.	

**(c) Financial Information:**

Major financial information of M.L. Dyeing Limited (MLDL) is as follows:

Sl. No.	Particulars	31-Dec-16	30-Jun-16	30-Jun-15	30-Jun-14	30-Jun-13	30-Jun-12
		6 Months	For the year				
1	Sales	1,179,054,128	1,923,548,793	1,712,845,768	2,379,356,874	2,538,284,589	1,561,896,278
2	Gross Profit	140,177,694	270,646,030	258,019,615	653,028,007	846,476,222	291,142,185
3	Net Profit before Tax	122,325,574	227,605,435	206,410,365	582,249,007	728,542,641	658,519,818
4	Net Profit after Tax	103,912,876	193,322,025	175,273,059	489,000,194	619,003,258	603,622,408
5	Total Assets	3,424,155,246	3,302,827,148	3,559,748,661	3,451,493,745	3,205,692,666	3,030,766,947
6	Share Capital	1,404,100,000	1,404,100,000	1,404,100,000	1,404,100,000	702,050,000	702,050,000
7	Retained Earnings	1,679,594,905	1,575,682,029	1,733,385,004	1,558,111,945	1,771,161,751	1,152,158,493
8	No. of Shares	140,410,000	140,410,000	140,410,000	140,410,000	70,205,000	70,205,000
9	Face Value	10.00	10.00	100.00	10.00	10.00	10.00
10	NAV Per Share (with revaluation reserve)	21.96	21.22	22.35	21.10	35.23	26.41
11	Earnings per Share (EPS)	0.74	1.38	1.25	3.48	8.82	8.60

**(d) Features of the issue and its objects:**

<b>Offer Price</b>	Tk. 10.00
<b>Number of Shares</b>	20,000,000
<b>Offer Size</b>	Tk. 200,000,000.00
<b>Purpose of Raising Fund</b>	Proceeds from Initial Public Offering (IPO) will be used for acquisition of Machinery & Equipment and for IPO Expenses
<b>Date of Implementation</b>	Within 21 months after receiving IPO fund

**(e) Legal and other Information:**

Sl.	Name of Certificate/license/Registration	License Issuer/Issuing Authority	Certificate / License No.	Validity/Current Status
1	Trade License	10 Habirbari Union Parishad, Bhaluka	502	30.06.2017
2	TIN Certificate	National Board of Revenue	847475218132	N/A
3	VAT Reg. No.	Customs, Excise & VAT Commissionerate, Gazipur	18061001924	N/A
4	Export Registration Certificate	Controller of Import & Export, Government of Bangladesh	Ra 56986	30.06.2017
5	Import Registration Certificate		Ba 123829	30.06.2017
6	BDYEA	Bangladesh Dyed Yarn Exporters Association	Serial # 09	31.12.2017
7	Fire License	Bangladesh Fire Services and Civil Defense	Mymen/853/2002	30.06.2017
8	BOI License	Board of Investment Bangladesh	J-58011108008-H	N/A
9	Environment Clearance Certificate	Department of Environment, Dhaka Division	22.02.6100.142.72.021.15.38	23.11.2016 (Applied for renewal)
10	Factory License	Department of Factory, Dhaka Division	126/Mymensingh	30.06.2017
11	Boiler License	Department of Explosive	Ba: B: 2433	13.03.2017
			Ba: B: 2918	16.07.2017
12	Bonded Warehouse License	Customs Bond Commissionarate	165/Cas-SBW/2002	27.03.2017

**(f) Promoters' background:**

When the Company was incorporation time following persons were the subscribers to the memorandum:

Sl. No.	Name of Promoter
1	Alhaj Abdul Kader Faruk
2	Alhaj Mustafizur Rahman
3	Mrs. Shirin Faruk

Their background is stated below:

**Al-Haj Abdul Kader Faruk**

Al-Haj Abdul Kader Faruk aged 57, sponsor shareholder of the Company born in well known business family in 1960 in Barisal. After completing his Masters in Commerce from Dhaka University he engages himself in business. He became a successful business man in short time of his business career with his sincerity, honesty, conceptual and practical problem solving minded. He has established and own of different type of Industries including R.N Spinning Mills Limited, FAR Apparels, Chong Won ARS Sweater Ltd. and other organization. During his tenor of business career, he gained business technique in textile spinning and its manufacturing, operating, marketing and controlling systems. Mr. Faruk is associated with and donors of a number of schools, colleges and different social welfare organizations. He is well acquainted international scenario because of his business tours in many countries including America, Japan, China, India, German, U.K, Australia, Saudi Arab, Hong Kong, Singapore and many others countries.

**Al-Haj Mustafizur Rahman**

Al-Haj Mustafizur Rahman, aged 79, is sponsor shareholder of the company. He has taken Graduation Degree from Barisal B.M. College. He started his career as a business man in 1964. He was engaged in different types of local and international businesses. Mr. Rahman acquired vast experience in textile trading and other manufacturing business through his forty-five years of business career. Mr. Rahman is associated with and donors of many schools, colleges and different social welfare organizations. He is also the Managing Director and Director of other industrial unit. He traveled many countries of Europe and Asia to enrich his knowledge and experience.

**Mrs. Shirin Faruk**

Mrs. Shirin Faruk, aged 51, is sponsor shareholder of the company. She started her career as an officer in a Jute spinning mills after completion of her Master degree. After gaining technical details and production & factory labor administration of spinning mills she joins in her family business. She is the founder of Aysha Memorial - A health care organization of distress woman and she is associated with and donors of many schools, colleges and different social welfare organizations. She is also the Director of R.N Spinning Mills Limited, a Private Limited company. She has traveled many countries U.K, Malaysia, Singapore, Saudi Arabia etc. She is well known in yarn quality, technical details of spinning machinery and general production process and administration.

**(g) Capital structure and history of capital raising:**

The Company intends to issue 20,000,000 ordinary shares of Tk. 10.00 each at par through Initial public offering (IPO) totaling to Tk. 200,000,000.00 subject to regulatory approvals.

Particulars	No. of Shares	Face Value (Tk.)	Issue Price (Tk.)	Amount in Taka
Authorized Capital	210,000,000	10.00	10.00	2,100,000,000
<b>Before IPO:</b>				
Paid up capital	140,410,000	10.00	10.00	1,404,100,000
<b>After IPO:</b>				
To be issued as IPO	20,000,000	10.00	10.00	200,000,000
<b>Paid up capital (Post IPO)</b>	<b>160,410,000</b>	<b>10.00</b>	<b>10.00</b>	<b>1,604,100,000</b>

The Company has raised its paid-up capital in following phases:

Particulars of Allotment	Date of Allotment	Form of Consideration (No. of Shares)				Face Value of Share (Tk.)	Paid-up Capital
		In cash		Other than in cash	Bonus		
		Considering Face Value of Tk.100 each Share	Considering Face Value Tk.10 each Share after split				
1 <sup>st</sup> (subscriber to the Memorandum & Articles of Association at the time of incorporation)	21-Mar-01	1,000	-	-	-	100.00	100,000
2 <sup>nd</sup>	14-Jan-10	-	998,000	-	-	100.00	99,800,000
3 <sup>rd</sup>	2-May-10	-	8,000,000	52,215,000	-	10.00	602,150,000
4 <sup>th</sup>	27-Aug-13	-	-	-	70,205,000	10.00	702,050,000
Total							1,404,100,000

Notes: The Company has changed the face value of its ordinary share from Tk. 100.00 to Tk. 10.00 by passing a special resolution in its extraordinary general meeting held on 7<sup>th</sup> March, 2010 and necessary amendments in capital clause of the Memorandum and Articles of Association were made accordingly.

(h) Summary of Valuation Report of securities:

Particulars	Amount (in Tk.)
<b>Method 1: Net Asset Value (NAV) per share/Equity based valuation</b>	
Net Asset Value per share (without revaluation reserve)	21.96
<b>Method 2: Historical Earnings based valuation</b>	
Earnings based Value per share based on Overall Market P/E	30.52
<b>Method 3: Average market price of similar stock based valuation</b>	18.39

## CHAPTER (II): CONDITIONS IMPOSED BY THE COMMISSION IN THE CONSENT LETTER

### DISCLOSURE IN RESPECT OF ISSUANCE OF SECURITY IN DEMAT FORM:

As per provision of the Depository Act, 1999 and regulation made there under, shares will be issued in dematerialized condition. All transfer/transmission/splitting will take place in the Central Depository Bangladesh Ltd. (CDBL) system and any further issuance of shares (rights/bonus) will be issued in dematerialized form only.

### CONDITIONS UNDER 2CC OF THE SECURITIES AND EXCHANGE ORDINANCE, 1969:

#### PART-A

1. The Company shall go for Initial Public Offer (IPO) for 2,00,00,000 ordinary shares of Tk. 10.00 each at par totaling to Tk. **20,00,00,000.00 (Taka twenty Crore only)** following the Securities and Exchange Ordinance, 1969, the Bangladesh Securities and Exchange Commission (Public Issue) Rules, 2015, the Depository Act, 1999 and rules made there under.
2. The abridged version of the prospectus, as approved by the Commission, shall be published by the issuer in 4 (Four) national daily newspapers (two in Bangla and two in English), within **02 (two) working days** of issuance of this consent letter. The issuer shall post the full prospectus, vetted by Commission, in the issuer's website and shall also put on the websites of the Commission, stock exchanges, and the issue manager, within **3 (three) working days** from the date of issuance of this letter and shall remain posted till the closure of the subscription list. The issuer shall submit to the Commission, the stock exchanges and the issue manager a diskette containing the text of the vetted prospectus in "MS -Word" format.
3. The company shall submit **40 (Forty)** copies of the printed prospectus to the Commission for official record within **5 (Five) working days** from the date of publication of the abridged version of the prospectus in the newspaper.
4. The issuer company and the issue manager shall ensure transmission of the prospectus and its abridged version for NRBs through email to the Bangladesh Embassies and Missions abroad within **5 (Five) working days** from the date of publication of the abridged version of the prospectus in the newspaper. A compliance report shall be submitted in this respect to the Commission jointly by the issuer and the Issue Manager within **02 (Two) working days** from the date of said transmission of the prospectus.
5. The following declaration shall be made by the company in the prospectus, namely: -

#### **"Declaration about Listing of Shares with the stock exchange (s):**

None of the stock exchange(s), if for any reason, grants listing within **75 (Seventy Five) days** from the closure of subscription, any allotment in terms of this prospectus shall be void and the company shall refund the subscription money within **15 (Fifteen) days** from the date of refusal for listing by the stock exchanges, or from the date of expiry of the said **75 (Seventy Five) days**, as the case may be.

In case of non-refund of the subscription money within the aforesaid **15 (Fifteen) days**, the Directors of the company, in addition to the issuer company, shall be collectively and severally liable for refund of the subscription money, with interest at the rate of **2% (two percent)** above the bank rate, to the subscribers concerned.

The issue manager, in addition to the issuer company, shall ensure due compliance of the above mentioned conditions and shall submit compliance report thereon to the Commission within **07 (Seven) days** of expiry of the aforesaid **15 (Fifteen) days** time period allowed for refund of the subscription money.”

6. All applicants shall apply for a minimum lot of 500 shares worth Taka 5,000/- (Taka five thousand only) or its multiples.
7. The IPO shall stand cancelled in case of under-subscription in any category above 35%. In such an event, the issuer and issue manger shall inform the Commission **within 2 (two) working days** and release the subscription money within 10 (ten) working days after receiving verification report from CDBL and the information from exchanges regarding subscription.
8. **20% of the securities reserved for other general public shall be reserved for ক্ষতিগ্রস্ত ক্ষুদ্র বিনিয়োগকারী.** In case of under-subscription under any of sub-categories of eligible investors category or general public category, the unsubscribed portion shall be added to other sub-category of the same category. In case of over subscription in the general public category, the issuer and the issue manager shall jointly conduct an open lottery. In case of over subscription in the eligible investors category, securities shall be allotted on pro-rata basis. No eligible investor shall apply for more than 10% (ten percent) of the total securities reserved for the other eligible investors.
9. An applicant cannot submit more than two applications, one in his/her own name and the other jointly with another person. In case, an applicant submits more than two applications, all applications will be treated as invalid and will not be considered for allotment purpose. In addition, 15% (fifteen) of the application money will be forfeited by the Commission and the balance amount will be refunded to the applicant.
10. The applicants who have applied for more than two applications using same bank account, their application will not be considered for lottery and the Commission will forfeit 15% of their subscription money.
11. Making of any false statement in the application or supplying of incorrect information therein or suppressing any relevant information in the application shall make the application liable to rejection and subject to forfeiture of 25% of the application money and/or forfeiture of share (unit) before or after issuance of the same by the issuer. The said forfeited application money or share (unit) will be deposited in account of the Bangladesh Securities and Exchange Commission (BSEC). This is in addition to any other penalties as may be provided for by the law.
12. The company shall furnish the list of allottees to the Commission and the stock exchange(s) simultaneously in which the shares will be listed, within **24 (Twenty Four) hours** of allotment.
13. Shares not allotted at the time of according this consent, but allotted after listing, in favor of sponsors, directors or shareholders having 5% or more shares through stock dividends, shall be subject to a lock-in period of 02(two) years from the date of issuance of the prospectus.
14. If any share of Sponsors/Directors/Promoters is in paper format, it shall be handed over to securities custodian registered with the Commission and shall remain held till completion of lock-in period and the name of the securities custodian shall be



furnished to the Commission jointly by the issuer and issue manager, along with a confirmation thereof from the custodian, within one week of listing of the shares with the stock exchange(s). Or they (shares of Sponsors/ Directors/ Promoters) can be demated and shall remain in lock-in under CDBL system and issuer shall submit a dematerialization confirmation report generated by CDBL and attested by Managing Director of the company along with the lock-in confirmation to the Commission within one week of listing of the shares with the stock exchange(s). In respect of shares other than Sponsors/Directors/Promoters the issuer will ensure their lock-in of those shares and submit a statement to this effect to the Commission.

15. The company shall not declare any dividend/bonus shares before listing of its capital with any Exchange from the date of this consent for raising of capital.

## **PART-B**

### **Application Process**

#### **Step-1 (Applicant)**

1. An applicant for public issue of securities shall submit application/buy instruction to the Stockbroker/  
Merchant Banker where the applicant maintains customer account, within the cut-off date (i.e. the subscription closing date), which shall be the **25<sup>th</sup> (twenty fifth) working day** from the date of publication of abridged version of prospectus.
2. The application/buy instruction may be submitted in prescribed paper or electronic form, which shall contain the Customer ID, Name, BO Account Number, Number of Securities applied for, Total Amount and Category of the Applicant. At the same time:
  - a) Other than non-resident Bangladeshi (NRB) and Foreign applicants shall make the application money and service charge available in respective customer account maintained with the Stockbroker/Merchant Banker. No margin facility, advance or deferred payment is permissible for this purpose. In case the application is made through a margin account, the application money shall be deposited separately and the Stockbroker/Merchant Banker shall keep the amount segregated from the margin account, which shall be refundable to the applicant, if become unsuccessful.
  - b) Non-resident Bangladeshi (NRB) and Foreign applicants shall submit bank drafts (FDD), issued in favor of the Issuer for an amount equivalent to the application money, with their application to the concerned Stockbroker/Merchant Banker. A Non-resident Bangladeshi (NRB) and Foreign applicant may also submit a single draft against 02(two) applications made by him/her, i.e. one in his/her own name and the other jointly with another person. The draft (FDD) shall be issued by the Bank where the applicant maintains NITA/Foreign Currency account debiting the same account. No banker shall issue more than two drafts from any NITA/Foreign Currency account for any public issue. At the same time, the applicant shall make the service charge available in respective customer account maintained with the Stockbroker/Merchant Banker.

#### **Step-2 (Intermediary)**

3. The Stockbroker/Merchant Banker shall maintain a separate bank account only for this purpose namely "Public Issue Application Account". The Stockbroker/Merchant Banker shall:
  - a) post the amount separately in the customer account (other than NRB and Foreign

applicants), and upon availability of fund, block the amount equivalent to the application money;

- b) accumulate all the application/buy instructions received up to the cut-off date, deposit the amount in the “Public Issue Application Account” maintained with its bank within the first banking hour of **next working day** of the cut-off date. In case of application submitted by the Stock-dealer or the Merchant Banker’s own portfolio, the application amount should also be transferred to the “Public Issue Application Account”;
  - c) instruct the banker to block the account for an amount equivalent to the aggregate application money and to issue a certificate in this regard.
- 4. Banker of the Stockbroker/Merchant Banker shall block the account as requested for, issue a certificate confirming the same and handover it to the respective Stockbroker/Merchant Banker.
  - 5. For Non-resident Bangladeshi (NRB) and Foreign applicants, the Stockbroker/Merchant Banker shall prepare a list containing the draft information against the respective applicant’s particulars.
  - 6. The Stockbroker/Merchant Banker shall prepare category wise lists of the applicants containing Customer ID, Name, BO Account Number and Number of Securities applied for, and **within 03 (three) working days** from the cut-off date, send to the respective Exchange, the lists of applicants in electronic (text format with tilde ‘~’ separator) format, the certificate(s) issued by its banker, the drafts received from Non-resident Bangladeshi (NRB) and Foreign applicants and a copy of the list containing the draft information.
  - 7. **On the next working day**, the Exchanges shall provide the Issuer with the information received from the Stockbroker/Merchant Bankers, the drafts submitted by Non-resident Bangladeshi (NRB) and Foreign applicants and the list containing the draft information. Exchanges shall verify and preserve the bankers’ certificates in their custody.
  - 8. The application/buy instructions shall be preserved by the Stockbroker/Merchant Bankers up to 6 months from listing of the securities with exchange.

### **Step-3 (Issuer)**

- 9. The Issuer shall prepare consolidated list of the applications and send the applicants’ BOIDs in electronic (text) format in a CDROM to CDBL for verification. The Issuer shall post the consolidated list of applicants on its website and websites of the Exchanges. CDBL shall verify the BOIDs as to whether the BO accounts of the applicants are active or not.
- 10. **On the next working day**, CDBL shall provide the Issuer with an updated database of the applicants containing BO Account Number, Name, Addresses, Parents’ Name, Joint Account and Bank Account information along with the verification report.
- 11. After receiving verification report and information from CDBL, the Issuer shall scrutinize the applications, prepare category wise consolidated lists of valid and invalid applications and submit report of final status of subscription to the Commission and the Exchanges **within 10 (ten) working days** from the date of receiving information from the Exchanges.
- 12. The Issuer and the issue manager shall conduct category wise lottery with the valid

applications **within 03 (three) working days** from the date of reporting to the Commission and the Exchanges, if do not receive any observation from the Commission or the Exchanges.

13. The Issuer and issue manager shall arrange posting the lottery result on their websites within **06 (six) hours** and on the websites of the Commission and Exchanges within **12 (twelve) hours** of lottery.
14. Within **02 (two) working days** of conducting lottery, the Issuer shall:
  - a) send category wise lists of the successful and unsuccessful applicants in electronic (text format with tilde '~' separator) format to the respective Exchange.
  - b) send category wise lists of unsuccessful applicants who are subject to penal provisions as per conditions of the Consent Letter issued by the Commission in electronic (text format with tilde '~' separator) format to the Commission and Exchanges mentioning the penalty amount against each applicant.
  - c) issue allotment letters in the names of successful applicants in electronic format with digital signatures and send those to respective Exchange in electronic form.
  - d) send consolidated allotment data (BOLD and number of securities) in electronic text format in a CDRom to CDBL to credit the allotted shares to the respective BO accounts.

#### **Step-4 (Intermediary)**

15. **On the next working day**, Exchanges shall distribute the information and allotment letters to the Stockbroker/Merchant Bankers concerned in electronic format and instruct them to:
  - a) remit the amount of successful (other than NRB and Foreign) applicants to the Issuer's respective Escrow Account opened for subscription purpose, and unblock the amount of unsuccessful applicants;
  - b) send the penalty amount of other than NRB and Foreign applicants who are subject to penal provisions to the Issuer's respective Escrow Accounts along with a list and unblock the balance application money;
16. **On the next working day** of receiving the documents from the Exchanges, the Stockbrokers/Merchant Banker shall request its banker to:
  - a) release the amount blocked for unsuccessful (other than NRB and foreign) applicants;
  - b) remit the aggregate amount of successful applicants and the penalty amount of unsuccessful applicants (other than NRB and foreign) who are subject to penal provisions to the respective 'Escrow' accounts of the Issuer opened for subscription purpose.
17. **On the next working day** of receiving request from the Stockbrokers/Merchant Bankers, their bankers shall unblock the amount blocked in the account(s) and remit the amount as requested for to the Issuer's 'Escrow' account.
18. **Simultaneously**, the stockbrokers/Merchant Bankers shall release the application money blocked in the customer accounts; inform the successful applicants about allotment of securities and the unsuccessful applicants about releasing their blocked amounts and send documents to the Exchange evidencing details of the remittances made to the respective 'Escrow' accounts of the Issuer. The unblocked amounts of unsuccessful applicants shall be placed as per their instructions. The Stockbroker/Merchant Banker shall be entitled to recover the withdrawal charges, if

any, from the applicant who wants to withdraw the application money, up to an amount of Tk. 5.00 (five) per withdrawal.

19. All drafts submitted by NRB or Foreign applicants shall be deposited in the Issuer's respective 'Escrow' accounts and refund shall be made by the Issuer by refund warrants through concerned stockbroker or merchant banker or transfer to the applicant's bank account through banking channel within 10 (ten) working days from the date of lottery.

**Miscellaneous:**

20. The Issuer, Issue Manager(s), Stockbrokers and Merchant Bankers shall ensure compliance of the above.
21. The bank drafts (FDD) shall be issued considering TT Clean exchange rate of Sonali Bank Ltd. on the date of publication of abridged version of prospectus.
22. Amount deposited and blocked in the "Public Issue Application Account" shall not be withdrawn or transferred during the blocking period. Amount deposited by the applicants shall not be used by the Stockbrokers/Merchant Bankers for any purpose other than public issue application.
23. The Issuer shall pay the costs related to data transmission, if claimed by the Exchange concerned up to an amount of Tk.2,00,000.00 (taka two lac) for a public issue.
24. The Stockbroker/Merchant Bankers shall be entitled to a service charge of Tk.5.00 (taka five) only per application irrespective of the amount or category. The service charge shall be paid by the applicant at the time of submitting application.
25. The Stockbroker/Merchant Banker shall provide the Issuer with a statement of the remittance and drafts sent.
26. The Issuer shall accumulate the penalty amount recovered and send it to the Commission through a bank draft/payment order issued in favor of the Bangladesh Securities and Exchange Commission.
27. The concerned Exchange are authorized to settle any complaints and take necessary actions against any Stockbroker/Merchant Banker in case of violation of any provision of the public issue application process with intimation to the Commission.

**PART-C**

1. The issue manager shall carefully examine and compare the published prospectus and its abridged version on the date of publication with the copies vetted by the Commission. If any discrepancy is found, both the issuer and the issue manager shall jointly publish a corrigendum immediately in the same newspapers concerned, simultaneously endorsing copies thereof to the Commission and the stock exchanges concerned. In this regard, the issue manager shall submit a compliance report to the Commission within 5 working days from the date of such publications.
2. The fund collected through Public Offering shall not be utilized prior to listing with Exchange(s) and that utilization of the said fund shall be effected through banking channel, i.e. through account payee cheque, pay order or bank drafts etc.
3. The company shall furnish status report on utilization of Public Offering proceeds audited by foreign affiliated auditors and authenticated by the board of directors to the Commission and the Exchanges within 15 (Fifteen) days of the closing of each month until such fund is fully utilized, as mentioned in the schedule contained in

the prospectus. The issuer shall simultaneously post the status report in its website and Exchanges shall also post the same in company information contained in websites of the Exchanges. In the event of any irregularity or inconsistency, the Commission may employ or engage any person to examine whether the issuer has utilized the proceeds for the purpose disclosed in the prospectus.

4. While auditing the utilization of IPO proceeds, the auditors will perform their jobs under the following terms of reference (TOR) and confirm the same in their report/certificate:
  - (a) Whether IPO proceeds have been utilized for the purposes/heads as specified in the prospectus;
  - (b) Whether IPO proceeds have been utilized in line with the condition (if any) of the Commission's consent letter;
  - (c) Whether utilization of IPO proceeds have been completed within the time schedule/implementation schedule as specified in the published prospectus;
  - (d) Whether utilization of IPO proceeds is accurate and for the purpose of the company as mentioned/specified in the published prospectus; and
  - (e) The auditors should also confirm that: (i) assets have been procured/imported/constructed maintaining proper/required procedure as well as at reasonable price; and (ii) auditors' report has been made on verification of all necessary documents/papers/vouchers in support of IPO proceeds making reconciliation with Bank Statement.
5. All transactions, excluding petty cash expenses, shall be effected by crossed cheques or bank transfers.
6. Proceeds of the public offering shall not be transferred to any other bank account before listing with the Exchange(s). The proceeds shall not be used for any purpose other than those specified in the prospectus without any valid ground. Any deviation in respect of time or purpose of utilization must have prior approval of the shareholders in the general meeting and if approved by the shareholders, the meeting resolution shall be submitted to the Commission and the Exchanges along with reasonable explanations.
7. If any quarter or half-year of the financial year ends after publication of the abridged version of prospectus and before listing of its securities with any exchange, the company shall disseminate/transmit/submit the said quarterly/half yearly financial statements in accordance with the Commission's Notification SEC/CMRRCD/2008-183/admin/03-34 dated September 27, 2009 and Rules 13 of the Securities and Exchange Rules, 1987.
8. In the event of arising issues concerning Price Sensitive Information as defined under the Securities and Exchange Act, 1956, the company shall disseminate/transmit/submit the information as price sensitive in accordance with the Commission's Notification No. SEC/SRMI/200-953/1950 dated October 24, 2000.

#### **PART-D**

1. As per provision of the Depository Act, 1999 & Regulations made thereunder, shares will only be issued in dematerialized condition. All transfer/transmission/splitting will take place in the depository system of Central Depository Bangladesh Ltd. (CDBL) and any further issuance of shares (including rights/bonus) will be made in dematerialized form only.
2. The issuer and the issue manager shall ensure due compliance of all the above conditions, the 'Bangladesh Securities and Exchange Commission (Public Issue) Rules, 2015' and the listing regulations of the Exchanges.
3. The Commission may impose further conditions/restrictions etc. from time to time as and when considered necessary which shall also be binding upon the issuer company.

## CHAPTER (III): DECLARATION AND DUE DILIGENCE CERTIFICATES

*Annexure-A*

### **DECLARATION ABOUT THE RESPONSIBILITY OF THE DIRECTORS, INCLUDING THE CEO OF THE ISSUER IN RESPECT OF THE PROSPECTUS**

#### **[Rule 4 (1)(d)]**

This prospectus has been prepared, seen and approved by us, and we, individually and collectively, accept full responsibility for the authenticity, accuracy and adequacy of the statements made, information given in the prospectus, documents, financial statements, exhibits, annexes, papers submitted to the Commission in support thereof, and confirm, after making all reasonable inquiries that all conditions concerning this public issue and prospectus have been met and that there are no other information or documents, the omission of which make any information or statements therein misleading for which the Commission may take any civil, criminal or administrative actions against any or all of us as it may deem fit.

We also confirm that full and fair disclosures have been made in this prospectus to enable the investors to make a well informed decision for investment.

Sd/-

**Faiaz Kader**

Chairman

Date: February 28, 2017

Sd/-

**Golam Azam Chowdhury**

**(Representative Director from Rajon Textile Mills Ltd.)**

Managing Director & Director

Date: February 28, 2017

Sd/-

**Rezaur Rahman Rajon**

Director

Date: February 28, 2017

Sd/-

**Abul Khair Manik**

**(Representative Director of Total Spinning Mills Ltd.)**

Director

Date: February 28, 2017

Sd/-

**Syed Md. Tajon Islam**

Independent Director

Date: February 28, 2017

**DUE DILIGENCE CERTIFICATE BY ISSUE MANAGER**  
**(NBL CAPITAL & EQUITY MANAGEMENT LIMITED)**

**[Rule 4 (1)(d)]**

**To**

**The Bangladesh Securities and Exchange Commission**

**Sub:** Public Issue of 20,000,000 Ordinary Shares of Tk. 200,000,000.00 by M. L. Dyeing Limited.

**Dear Sir,**

We, the issue manager to the above-mentioned forthcoming issue, state and confirm as follows:

- (1) We have examined all the documents submitted with the application for the above mentioned public issue, visited the premises of the issuer and interviewed the Chairperson, Directors and key management personnel of the issuer in connection with the finalization of the prospectus pertaining to the said issue;
- (2) On the basis of such examination and the discussions with the directors, officers and auditors of the issuer, other agencies, independent verification of the statements concerning objects of the issue and the contents of the documents and other materials furnished by the issuer.

**WE CONFIRM THAT:**

- a) The prospectus filed with the Commission is in conformity with the documents, materials and papers relevant to the issue;
- b) All the legal requirements relating to the issue as also in the rules, notification, guidelines, instructions, etc. framed/issued by the Commission, other competent authorities in this behalf and the Government have been duly complied with;
- c) The disclosures made in prospectus are true, fair and adequate to enable the investors to make a well informed decision for investment in the proposed issue and such disclosures are in accordance with the requirements of the Companies Act, 1994, the Bangladesh Securities and Exchange Commission (Public Issue) Rules, 2015 and other applicable laws;
- d) Besides ourselves, all the intermediaries named in the prospectus are registered with the Commission and that till date such registrations are valid;
- e) We have satisfied ourselves about the capability of the underwriters to fulfill their underwriting commitments;
- f) The proposed activities of the issuer for which the funds are being raised in the present issue fall within the 'main objects' listed in the object clause of the Memorandum of Association or other charter of the issuer and that the activities which



have been carried out till now are valid in terms of the object clause of its Memorandum of Association;

- g) Necessary arrangements have been made to ensure that the moneys to be received pursuant to the issue shall be kept in a separate bank account and shall be used for the purposes disclosed in the use of proceeds section of the prospectus;
- h) All the applicable disclosures mandated in the Bangladesh Securities and Exchange Commission (Public Issue) Rules, 2015 have been made in addition to other disclosures which, in our view, are fair and adequate to enable the investor to make a well informed decision;
- i) We enclose a note explaining how the process of due diligence has been exercised by us in view of the nature of current business background or the issuer, situation at which the proposed business stands, the risk factors, sponsors experiences etc. We also confirm that the due diligence related process, documents and approval memos shall be kept in record by us for the next 5 (five) years after the IPO for any further inspection by the Commission;
- j) We enclose a checklist confirming rule-wise compliance with the applicable provisions of the Bangladesh Securities and Exchange Commission (Public Issue) Rules, 2015 containing details such as the rule number, its text, the status of compliance, page numbers of the prospectus where the rules has been complied with and our comments, if any;
- k) We also declare that we have not managed any public issue in the last 05 (five) years.

Sd/-

**Kamrun Naher**

Chief Executive Officer

**NBL Capital & Equity Management Limited**

**Place: Dhaka**

**Date: March 1, 2017**

**DUE DILIGENCE CERTIFICATE BY ISSUE MANAGER**  
**(RUPALI INVESTMENT LIMITED)**

[Rule 4 (1)(d)]

To

**The Bangladesh Securities and Exchange Commission**

**Sub:** Public Issue of 20,000,000 Ordinary Shares of Tk. 200,000,000.00 by M.L. Dyeing Limited.

**Dear Sir,**

We, the issue manager to the above-mentioned forthcoming issue, state and confirm as follows:

- (3) We have examined all the documents submitted with the application for the above mentioned public issue, visited the premises of the issuer and interviewed the Chairperson, Directors and key management personnel of the issuer in connection with the finalization of the prospectus pertaining to the said issue;
- (4) On the basis of such examination and the discussions with the directors, officers and auditors of the issuer, other agencies, independent verification of the statements concerning objects of the issue and the contents of the documents and other materials furnished by the issuer.

**WE CONFIRM THAT:**

- a) The prospectus filed with the Commission is in conformity with the documents, materials and papers relevant to the issue;
- b) All the legal requirements relating to the issue as also in the rules, notification, guidelines, instructions, etc. framed/issued by the Commission, other competent authorities in this behalf and the Government have been duly complied with;
- c) The disclosures made in prospectus are true, fair and adequate to enable the investors to make a well-informed decision for investment in the proposed issue and such disclosures are in accordance with the requirements of the Companies Act, 1994, the Bangladesh Securities and Exchange Commission (Public Issue) Rules, 2015 and other applicable laws;
- d) Besides ourselves, all the intermediaries named in the prospectus are registered with the Commission and that till date such registrations are valid;
- e) We have satisfied ourselves about the capability of the underwriters to fulfill their underwriting commitments;
- f) The proposed activities of the issuer for which the funds are being raised in the present issue fall within the 'main objects' listed in the object clause of the Memorandum of Association or other charter of the issuer and that the activities which

have been carried out till now are valid in terms of the object clause of its Memorandum of Association;

- g) Necessary arrangements have been made to ensure that the moneys to be received pursuant to the issue shall be kept in a separate bank account and shall be used for the purposes disclosed in the use of proceeds section of the prospectus;
- h) All the applicable disclosures mandated in the Bangladesh Securities and Exchange Commission (Public Issue) Rules, 2015 have been made in addition to other disclosures which, in our view, are fair and adequate to enable the investor to make a well-informed decision;
- i) We enclose a note explaining how the process of due diligence has been exercised by us in view of the nature of current business background or the issuer, situation at which the proposed business stands, the risk factors, sponsors experiences etc. We also confirm that the due diligence related process, documents and approval memos shall be kept in record by us for the next 5 (five) years after the IPO for any further inspection by the Commission;
- j) We enclose a checklist confirming rule-wise compliance with the applicable provisions of the Bangladesh Securities and Exchange Commission (Public Issue) Rules, 2015 containing details such as the rule number, its text, the status of compliance, page numbers of the prospectus where the rules has been complied with and our comments, if any;
- k) We also declare that we have not managed any public issue in the last 05 (five) years.

For the Issue Manager

Sd/-

**Md. Mamunur Rashid**  
Chief Executive Officer  
**Rupali Investment Limited**

**Place: Dhaka**  
**Date: March 1, 2017**

**DUE DILIGENCE CERTIFICATE BY THE UNDERWRITER**  
**(NBL CAPITAL & EQUITY MANAGEMENT LIMITED)**

[Rule 4 (1)(d)]

**To**  
**The Bangladesh Securities and Exchange Commission**

**Sub:** Public Offer of 20,000,000 Ordinary Shares of Tk. 200,000,000.00 by M.L. Dyeing Limited.

**Dear Sir,**

We, the under-noted Underwriter(s) to the above-mentioned forthcoming issue, state individually and collectively as follows:

- (1) We, while underwriting the above mentioned issue on a firm commitment basis, have examined the draft prospectus, other documents and materials as relevant to our underwriting decision; and
- (2) On the basis of such examination and the discussions with the issuer company, its directors and officers, and other agencies, independent verification of the statements concerning objects of the issue and the contents of the documents and other materials furnished by the issuer company.

**WE CONFIRM THAT:**

- (a) We are registered with the Bangladesh Securities and Exchange Commission as a merchant banker and eligible to carry out the underwriting activities. Our present paid-up capital stands at Tk. 250,000,000.00 (Taka Twenty Five Crore) and we have the capacity to underwrite a total amount of Tk. 1,250,000,000.00 (Taka One Hundred Twenty Five Crore) as per relevant legal requirements. We have committed to underwrite for up to Tk. 20,000,000.00 (Taka Two Crore) for the upcoming issue.
- (b) At present, the following underwriting obligations are pending for us: (Name of issue and amount underwritten)

Sl. No.	Name of the Company	Amount Underwritten (in Tk.)
01	Aftab Hatchery Limited	126,000,000.00
02	STS Holdings Limited	20,000,000.00
03	Dhaka Regency Hotel & Resort Limited	21,000,000.00
04	AB Bank Limited	300,000,000.00
05	IFIC Bank Limited	200,000,000.00
06	Oimex Electrode Limited	8,750,000.00
07	Delta Hospital Ltd	8,000,000.00
08	Indo-Bangla Pharmaceuticals Ltd	17,500,000.00
09	Popular Pharmaceuticals Ltd.	10,000,000.00
10	aamra networks limited	20,000,000.00
<b>Total</b>		<b>731,250,000.00</b>

- (c) All information as are relevant to our underwriting decision have been received by us and the draft prospectus forwarded to the Commission has been approved by us;
- (d) We shall subscribe and take up the un-subscribed securities against the above-mentioned public issue within 15 (fifteen) days of calling up thereof by the issuer; and

(e) This underwriting commitment is unequivocal and irrevocable.

**For the Underwriter:**

Sd/-

**Kamrun Naher**

Chief Executive Officer

NBL Capital & Equity Management Limited

Date: March 1, 2017

**DUE DILIGENCE CERTIFICATE BY THE UNDERWRITER**  
**(RUPALI INVESTMENT LIMITED)**

[Rule 4 (1)(d)]

To  
The Bangladesh Securities and Exchange Commission

**Sub:** Public Offer of 20,000,000 Ordinary Shares of Tk. 200,000,000.00 by M.L. Dyeing Limited.

**Dear Sir,**

We, the under-noted Underwriter(s) to the above-mentioned forthcoming issue, state individually and collectively as follows:

- (1) We, while underwriting the above mentioned issue on a firm commitment basis, have examined the draft prospectus, other documents and materials as relevant to our underwriting decision; and
- (2) On the basis of such examination and the discussions with the issuer company, its directors and officers, and other agencies, independent verification of the statements concerning objects of the issue and the contents of the documents and other materials furnished by the issuer company.

**WE CONFIRM THAT:**

- (a) We are registered with the Bangladesh Securities and Exchange Commission as a merchant banker and eligible to carry out the underwriting activities. Our present paid-up capital stands at Tk. 1,000,000,000.00 (Taka One Hundred Crore) and we have the capacity to underwrite a total amount of Tk. 5,000,000,000.00 (Taka Five Hundred Crore) as per relevant legal requirements. We have committed to underwrite for up to Tk. 20,000,000.00 (Taka Two Crore) for the upcoming issue.
- (b) At present, the following underwriting obligations are pending for us: (Name of issue and amount underwritten)

Sl. No.	Name of the Company	Amount Underwritten (in Tk.)
01	IFIC Bank Limited	200,000,000.00
02	Beach Hatchery Limited	50,000,000.00
<b>Total</b>		<b>250,000,000.00</b>

- (c) All information as are relevant to our underwriting decision have been received by us and the draft prospectus forwarded to the Commission has been approved by us;
- (d) We shall subscribe and take up the un-subscribed securities against the above-mentioned public issue within 15 (fifteen) days of calling up thereof by the issuer; and
- (e) This underwriting commitment is unequivocal and irrevocable.

**For the Underwriter:**

Sd/-

**Md. Mamunur Rashid**  
Chief Executive Officer  
Rupali Investment Limited

**Place:** Dhaka  
**Date:** March 1, 2017

**DUE DILIGENCE CERTIFICATE BY THE UNDERWRITER**  
**(BMSL INVESTMENT LIMITED)**

[Rule 4 (1)(d)]

To  
The Bangladesh Securities and Exchange Commission

Sub: Public Offer of 20,000,000 Ordinary Shares of Tk. 10.00 each at par totaling to Tk. 200,000,000.00 of M.L. DYEING LIMITED.

Dear Sir,

We, the under-noted Underwriter (s) to the above-mentioned forthcoming Issue, state individually and collectively as follows:

1. We, while underwriting the above mentioned Issue on a firm commitment basis, have examined the draft prospectus, other documents and materials as relevant to our underwriting decision; and
2. On the basis of such examination and the discussions with the Issuer Company, its directors and officers, and other agencies, independent verification of the statements concerning objects of the Issue and the contents of the documents and other materials furnished by the Issuer Company.

**WE CONFIRM THAT:**

- a) We are registered with the Bangladesh Securities and Exchange Commission as a merchant banker and eligible to carry out the underwriting activities. Our present paid-up capital stands at Tk. 42,00,00,000 (Forty Two Crore Only) and we have the capacity to underwrite a total amount of Tk. 210,00,00,000 (Two Hundred Ten Crore Only) as per relevant legal requirements. We have committed to underwrite for up to Tk. 10,000,000.00 (One Crore Only) for the upcoming issue.
- b) At present, the following underwriting obligations are pending for us: (Name of issue and amount underwritten)

Sl.	Name of the company	Amount Underwritten (In Tk.)
1	Dhaka Regency Hotel & Resorts Ltd.	21,000,000
2	Ananda Shipyard & Slipways Ltd.	18,180,000
3	MP Spinning Mills Ltd.	40,000,000
4	Hemple Rhee Manufacturing Co. (BD) Ltd.	14,000,000
5	Summit Shipping Ltd.	52,500,000
6	Karim Spinning Mills Ltd.	75,000,000
7	Bashundhara Paper Mills Ltd.	50,000,000
8	Delta Hospital Ltd	8,000,000
9	IDLC Finance Limited	50,000,000
10	AB Bank Ltd.	50,000,000
11	CMC Kamal Textile Mills Ltd.	350,000,000
12	Advent Pharma Ltd.	15,000,000
<b>Total</b>		<b>743,680,000</b>

- c) All information as are relevant to our underwriting decision have been received by us and the draft prospectus forwarded to the Commission has been approved by us;
- d) We shall subscribe and take up the un-subscribed securities against the above-mentioned public issue within 15 (fifteen) days of calling up thereof by the issuer; and
- e) This underwriting commitment is unequivocal and irrevocable.

**For Underwriter(s)**

Sd/-

**Md. Riyad Matin**

Managing Director

**BMSL Investment Limited**

Date: 01 March, 2017



**DUE DILIGENCE CERTIFICATE BY THE UNDERWRITER**  
**(UTTARA FINANCE AND INVESTMENTS LIMITED)**

[Rule 4 (1)(d)]

**To**  
**The Bangladesh Securities and Exchange Commission**

**Sub:** Public Offer of 20,000,000 Ordinary Shares of Tk. 200,000,000.00 by M.L. Dyeing Limited.

**Dear Sir,**

We, the under-noted Underwriter(s) to the above-mentioned forthcoming issue, state individually and collectively as follows:

- (1) We, while underwriting the above mentioned issue on a firm commitment basis, have examined the draft prospectus, other documents and materials as relevant to our underwriting decision; and
- (2) On the basis of such examination and the discussions with the issuer company, its directors and officers, and other agencies, independent verification of the statements concerning objects of the issue and the contents of the documents and other materials furnished by the issuer company.

**WE CONFIRM THAT:**

- (a) We are registered with the Bangladesh Securities and Exchange Commission as a merchant banker and eligible to carry out the underwriting activities. Our present paid-up capital stands at Tk. 1,252,204,800.00 (One Hundred Twenty Five Crore Twenty Two Lac Four Thousand Eight Hundred only) and we have the capacity to underwrite a total amount of Tk. 6,261,024,000.00 (Six Hundred Twenty Six Crore Ten Lac Twenty Four Thousand) as per relevant legal requirements. We have committed to underwrite for up to Tk. 15,000,000.00 (One Crore Fifty Lac) for the upcoming issue.
- (b) At present, the following underwriting obligations are pending for us: (Name of issue and amount underwritten)

Sl.	Name of the Company	Amount Underwritten (TK.)
1	Oimex Electrode Limited	8,750,000.00
2	Genex Infosys Limited	10,000,000.00
3	Advent Pharma Limited	15,000,000.00
<b>Total</b>		<b>33,750,000.00</b>

- (c) All information as are relevant to our underwriting decision have been received by us and the draft prospectus forwarded to the Commission has been approved by us;
- (d) We shall subscribe and take up the un-subscribed securities against the above-mentioned public issue within 15 (fifteen) days of calling up thereof by the issuer; and

(e) This underwriting commitment is unequivocal and irrevocable.

**For the Underwriter:**

Sd/-

**S. M. Shamsul Arefin**  
Managing Director & CEO  
**Uttara Finance and Investments Limited**

Date: March 1, 2017

**DUE DILIGENCE CERTIFICATE BY THE UNDERWRITER**  
**(CITIZEN SECURITIES & INVESTMENT LIMITED)**

[Rule 4 (1)(d)]

To  
The Bangladesh Securities and Exchange Commission

**Sub: Public offer of ordinary shares of Tk. 200,000,000.00 (Taka Twenty Crore) only of M.L. Dyeing Limited.**

Dear Sir,

We, the under-noted Underwriter(s) to the above-mentioned forthcoming issue, state individually and collectively as follows:

1. We, while underwriting the above mentioned issue on a firm commitment basis, have examined the draft prospectus, other documents and materials as relevant to our underwriting decision; and
2. On the basis of such examination and the discussions with the issuer company, its directors and officers, and other agencies, independent verification of the statements concerning objects of the issue and the contents of the documents and other materials furnished by the issuer company.

**WE CONFIRM THAT:**

- a. We are registered with the Bangladesh Securities and Exchange Commission as a merchant banker and eligible to carry out the underwriting activities. Our present paid-up capital stands at Tk. 250,275,000/- (Taka twenty five crore two lac and seventy five thousand only) and we have the capacity to underwrite a total amount of Tk. 1,251,375,000/- (Taka one hundred twenty five crore thirteen lac seventy five thousand) only as per relevant legal requirements. We have committed to underwrite for up to Tk. 10,000,000.00 (One Crore) only for the upcoming issue.
- b. At present, the following underwriting obligations are pending for us:

Sl. No.	Name of the Company	Amount Underwritten (in Tk.)
1	Hemple Rhee Mfg Co. (BD) LIMITED	70,000,000.00
2	VFS Thread Dyeing Limited	17,000,000.00
3	SILCO Pharmaceuticals Ltd.	26,250,000.00
4	Bashundhara Paper Mills Limited	50,000,000.00
5	AB Bank Ltd.	100,000,000.00
6	Delta Hospital Limited	8,000,000.00
7	KATTALI Textile Limited	14,000,000.00
<b>Total</b>		<b>285,250,000.00</b>

- c. All information as are relevant to our underwriting decision have been received by us and the draft prospectus forwarded to the Commission has been approved by us;

- d. We shall subscribe and take up the un-subscribed securities against the above-mentioned public issue within 15 (fifteen) days of calling up thereof by the issuer; and
- e. This underwriting commitment is unequivocal and irrevocable.

For the Underwriter:

Sd/-

**Tahid Ahmed Chowdhury, FCCA**

Managing Director & CEO


**Citizen Securities & Investment Limited**

Date: March 01, 2017

## CHAPTER (IV): ABOUT THE ISSUER

- (a) Name of the issuer, dates of incorporation and commencement of its commercial operations, its logo, addresses of its registered office, other offices and plants, telephone number, fax number, contact person, website address and e-mail address;

### Particulars of the Company:

Particulars		Description
Name of the Issuer	:	M.L. Dyeing Limited (MLDL)
Dates of Incorporation	:	March 21, 2001 & Reg. no. C- 42701(2060)/2001
Commencement of its Commercial Operations	:	1-Jul-02
Logo	:	
Corporate Office	:	House # 11, (Floor- 6A), Road # 12, Niketon, Gulshan-1, Dhaka-1212.
	:	Tel: +88-02-48810050
	:	Fax: +88-02-48810055
Registered office & Factory	:	Vill: Zamirdia, 10 Hobirbari, Bhaluka, Mymensingh, Bangladesh.
	:	Cell: +8801979384473
	:	Email: ml.factory@fargroupbd.com
Contact Person	:	A.K.M. Atiqur Rahman Company Secretary
Website Address	:	Web: www.mldyeing.com
E-mail Address	:	Email: mldyeing@fargroupbd.com

- (b) The names of the sponsors and directors of the issuer:

### Name of the Sponsors and Directors:

#### Sponsors:

Sl. No	Sponsors
1	Alhaj Abdul Kader Faruk
2	Alhaj Mustafizur Rahman
3	Mrs. Shirin Faruk

#### Directors:

Sl. No.	Name	Position
1	Faiaz Kader	Chairman
2	Golam Azam Chowdhury (Representative Director from Rajon Textile Mills Ltd.)	Managing Director & Director
3	Rezaur Rahman Rajon	Director
4	Abul Khair Manik (Representative Director of Total Spinning Mills Ltd.)	Director
5	Syed Md. Tajon Islam	Independent Director

- (c) The name, logo and address of the auditors and registrar to the issue along with their telephone numbers, fax numbers, contact persons, website and e-mail addresses:

**Particulars of Auditor and Registrar to the Issue:**

**Auditor:**

Particulars		Description
Name	:	<b>Mahfel Huq &amp; Co.</b> Chartered Accountants
Logo	:	 Mahfel Huq & Co. Chartered Accountants Estd. 1974
Address	:	34, Topkhana Road, BGIC Tower (4th Floor), Dhaka-1000.
Telephone Number	:	+88-02-9553143
Fax Number	:	+88-02-9571005
Contact Person	:	<b>Nur Mohammad (Masud)</b> Manager, Audit & Assurance
Website Address	:	www.mahfelhuq.com
E-mail Address	:	mahfelcofca@yahoo.com

**Registrar to the Issue:**

Registrar to the Issue is not applicable for MLDL.

- (d) The name(s) of the stock exchanges where the specified securities are proposed to be listed.

**Name of the Stock Exchanges where the Securities to be listed:**

Stock Exchanges	<b>Dhaka Stock Exchange Limited</b> 9/F Motijheel C/A, Dhaka 1000.		Tel: +88-02-9564601, 9576210-18 Fax: +88-02-9564727, +88-02-9569755
	<b>Chittagong Stock Exchange Ltd.</b> CSE Building, 1080, Sheikh Mujib Road Chittagong 4100.		Tel: +880-2-9513911-15 Fax: +880-2-9513906

## CHAPTER (V): CORPORATE DIRECTORY OF THE ISSUER

Name of the Company	:	M.L. Dyeing Limited (MLDL)
Logo	:	
Legal Position	:	MLDL was incorporated in Bangladesh as a Private Limited Company with the issuance of Certificate of incorporation bearing no. C-42701(2060)/2001 dated on 21-Mar-2001 by the Registrar of Joint Stock Companies & Firms, Dhaka, Bangladesh. The Company Converted into public Limited company on 02-Jun-2010.
Date of Incorporation	:	March 21, 2001 & Reg. no. C- 42701(2060)/2001
Commencement of its Commercial Operations	:	1-Jul-02
Authorized Capital	:	Tk. 2,100,000,000 divided into 210,000,000 Ordinary Share of Tk. 10.00 each
Paid up Capital	:	Tk. 1,404,100,000 divided into 140,410,000 Ordinary Share of Tk. 10.00 each
Registered Office	:	House # 11, (Floor- 6A), Road # 12, Niketon, Gulshan-1, Dhaka-1212. Tel: +88-02-48810050 Fax: +88-02-48810055 Email: mldyeing@fargroupbd.com Web: www.mldyeing.com
Registered office & Factory	:	Vill: Zamirdia, 10 Hobirbari, Bhaluka, Mymensingh, Bangladesh. Cell: +8801979384473
Board of Directors	:	5 Directors.
Auditors	:	Mahfel Huq & Co. Chartered Accountants 34, Topkhana Road, BGIC Tower (4th Floor), Dhaka-1000. Tel: +88-02-9553143 Fax: +88-02-9571005 E-mail: mahfelcofca@yahoo.com web: www.mahfelhuq.com
Tax Consultants & Legal Advisors	:	Barrister Md. Arife Billah The Lawyers Alliance M.L. Hotel Tower Ltd. 10th Floor, 208 Shahid Sayed Nazrul Islam Sarani, Bijoy Nagar, Dhaka-1000. Tel: +88-02-9511379 E-mail: thelawyeralliance@gmail.com
Banker for IPO	:	Social Islami Bank Limited, Principle Branch
Banker of the Company	:	Islami Bank Bangladesh Limited
Compliance Officer	:	A.K.M. Atiqur Rahman Company Secretary

## CHAPTER (VI): DESCRIPTION OF THE ISSUER

### (a) Summary:

- (i) **The summary of the industry and business environment of the issuer. The summary shall not be one-sided or biased to highlight the issuer or the issue;**

#### **Summary of 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 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 which is increasing day by day considering the development of the Textile & RMG sector.

[Source: BKMEA website]

#### **Business environment:**

The Issuer's business environment is conducive to the business as we have good supply of raw materials. We have skilled labors as well. The wage of labor is reasonable also. Government policy is favorable to the sector. Overall, it is a business friendly situation.

- (ii) **Summary of consolidated financial, operating and other information.**

This information is not applicable for M.L. Dyeing Limited since it has no subsidiary company.



**(b) General Information:**

- (i) Name and address, telephone and fax numbers of the registered office, corporate head office, other offices, factory, business premises and outlets of the issuer;

Particulars	Description
Name and Registered Office Address	M.L. Dyeing Limited (MLDL) House # 11, (Floor- 6A), Road # 12, Niketon, Gulshan-1, Dhaka-1212. : Tel: +88-02-48810050 Fax: +88-02-48810055 Email: mldyeing@fargroupbd.com Web: www.mldyeing.com
Registered office & Factory	Vill: Zamirdia, 10 Hobirbari, Bhaluka, : Mymensingh, Bangladesh. Cell: +8801979384473
Outlets of the issuer	: The issuer company has no outlets.

- (ii) The board of directors of the issuer;

Sl. No.	Board of Director	Designation
1	Faiaz Kader	Chairman
2	Golam Azam Chowdhury (Representative Director from Rajon Textile Mills Ltd.)	Managing Director & Director
3	Rezaur Rahman Rajon	Director
4	Abul Khair Manik (Representative Director of Total Spinning Mills Ltd.)	Director
5	Syed Md. Tajon Islam	Independent Director

(iii) Names, addresses, telephone numbers, fax numbers and e-mail addresses of the chairman, managing director, whole time directors, etc. of the issuer;

Sl.	Name & Address	Telephone and Fax No. & E-mail Address
1	Name: <b>Faiaz Kader</b> Position: Chairman Address: House # 11, (Floor- 6A), Road # 12, Niketon, Gulshan-1, Dhaka-1212.	Tel: +88-02-48810050 Fax: +88-02-48810055 E-mail: sadmanmld@fargroupbd.com
2	Name: <b>Golam Azam Chowdhury</b> <b>(Representative Director from Rajon Textile Mills Ltd.)</b> Position: Managing Director & Director Address: House # 11, (Floor- 6A), Road # 12, Niketon, Gulshan-1, Dhaka-1212.	Tel: +88-02-48810050 Fax: +88-02-48810055 E-mail: mldyeing@fargroupbd.com
3	Name: <b>Rezaur Rahman Rajon</b> Position: Director Address: House # 11, (Floor- 6A), Road # 12, Niketon, Gulshan-1, Dhaka-1212.	Tel: +88-02-48810050 Fax: +88-02-48810055 E-mail: rajon@fargroupbd.com
4	Name: <b>Abul Khair Manik</b> <b>(Representative Director of Total Spinning Mills Ltd.)</b> Position: Director Address: House # 11, (Floor- 6A), Road # 12, Niketon, Gulshan-1, Dhaka-1212.	Tel: +88-02-48810050 Fax: +88-02-48810055 E-mail: mldyeing@fargroupbd.com
5	Name: <b>Syed Md. Tajon Islam</b> Position: Independent Director Address: House # 11, (Floor- 6A), Road # 12, Niketon, Gulshan-1, Dhaka-1212.	Tel: +88-02-48810050 Fax: +88-02-48810055 E-mail: tajon1989@gmail.com

- (iv) Names, addresses, telephone numbers, fax numbers and e-mail addresses of the CFO, company secretary, legal advisor, auditors and compliance officer;

Sl.	Name & Address	Telephone and Fax No. & E-mail Address
1	<b>Topon Kumar Paul</b> Chief Financial Officer House # 11, (Floor- 6A), Road # 12, Niketon, Gulshan-1, Dhaka-1212.	Tel: +88-02-48810050 Fax: +88-02-48810055 E-mail: accounts@fargroupbd.com
2	<b>A.K.M. Atiqur Rahman</b> Company Secretary House # 11, (Floor- 6A), Road # 12, Niketon, Gulshan-1, Dhaka-1212.	Tel: +88-02-48810050 Fax: +88-02-48810055 E-mail: accounts@fargroupbd.com
3	<b>Barrister Mohammad Arife Billah</b> <b>The Lawyers Alliance</b> Legal Advisor M.L. Hotel Tower Ltd. 10th Floor, 208 Shahid Sayed Nazrul Islam Sarani, Bijoy Nagar, Dhaka-1000.	Tel: +88-02-9511379 Fax: No Fax Number E-mail: thelawyeralliance@gmail.com
4	<b>Mahfel Huq &amp; Co.</b> Chartered Accountants 34, Topkhana Road, BGIC Tower (4th Floor), Dhaka-1000.	Tel: +88-02-9553143 Fax: +88-02-9571005 E-mail: mahfelcofca@yahoo.com
5	<b>A.K.M. Atiqur Rahman</b> Compliance Officer House # 11, (Floor- 6A), Road # 12, Niketon, Gulshan-1, Dhaka-1212.	Tel: +8801847100131 Fax: +88-02-48810055 E-mail: accounts@fargroupbd.com

- v) Names, addresses, telephone numbers, fax numbers, contact person, website addresses and e-mail addresses of the issue manager(s);

Name & Address	Telephone & Fax Number, E-mail, Web Address	Contact Person
<b>NBL Capital &amp; Equity Management Limited</b> Printers Building (8th Floor) 5 Rajuk Avenue, Dhaka-1000.	Tel: +88-02-47118816, +88-02-47118807 Fax: +88-02-47118805 E-mail: cemd@nblbd.com Web: www.nblceml.com	<b>Kamrun Naher</b> Chief Executive Officer
<b>Rupali Investment Limited</b> Shadharan Bima Tower 37-A Dilkusha C/A (7th Floor), Dhaka-1000.	Tel: +88-02-47112923 Fax: +88-02-47118073 E-mail: rilbd.info@gmail.com Web: www.riltd.org	<b>Md. Mamunur Rashid</b> Chief Executive Officer

- (vi) The following details of credit rating, where applicable:

- The names of all the credit rating agencies from which credit rating has been obtained;
- The details of all the credit ratings obtained for the issue and the issuer;
- The rationale or description of the ratings (s) so obtained, as furnished by the credit rating agency(s);
- Observations and risk factors as stated in the credit rating report.

As per Section 3 of Credit Ratings Companies Rules, 1996, no credit rating report is required by the Company.

(vii) Following details of underwriting:

- a) The names, addresses, telephone numbers, fax numbers, contact persons and e-mail addresses of the underwriters and the amount underwritten by them;

Name & Address	Telephone & Fax Number, E-mail, Web Address	Contact Person	Amount Underwritten
<b>NBL Capital &amp; Equity Management Limited</b> Printers Building (8th Floor) 5 Rajuk Avenue, Dhaka-1000.	Tel: +88-02-47118816, +88-02-47118807 Fax: +88-02-47118805 E-mail: cemd@nblbd.com Web: www.nblceml.com	<b>Kamrun Naher</b> Chief Executive Officer	20,000,000
<b>Rupali Investment Limited</b> Shadharan Bima Tower 37-A Dilkusha C/A (7th Floor), Dhaka-1000.	Tel: +88-02-47112923 Fax: +88-02-47118073 E-mail: rilbd.info@gmail.com Web: www.riltd.org	<b>Md. Mamunur Rashid</b> Chief Executive Officer	20,000,000
<b>BMSL Investment Limited</b> Shareef Mansion (4th Floor) 56-57 Motijheel C/A Dhaka-1000.	Tel: +88-02-9577651, +88-02-9570624, +88-02-9565183 Fax: +88-02-47117218 E-mail: info@bmslinvestment.com Web: www.capmadvisorybd.com	<b>Md. Riyad Matin</b> Managing Director	10,000,000
<b>Uttara Finance and Investments Limited</b> JBC Tower (6th Floor), 10 Dilkusha C/A, Dhaka-1000.	Tel: +88-02-9568207 Fax: +88-02-9552461 Email: rahman_519@yahoo.com Web: uttarafinance.biz	<b>Mohammad Shahinur Rahman</b> Senior Assistant Vice President	10,000,000
<b>Citizen Securities &amp; Investment Limited</b> Al-Razi Complex (Suite # G-802) 8th Floor, 166-167, Saheed Syed Nazrul Islam Sarani, Purana Paltan, Dhaka-1000.	Tel: +88-02-9514542, +88-02-9515439 Fax: +88-02-9570546 Email: ceo@citizenscurities.com Web: www.citizenscurities.com	<b>Tahid Ahmed Chowdhury</b> Managing Director & CEO	10,000,000
<b>Total</b>			<b>70,000,000</b>

b) **Declaration by the underwriters that they have sufficient resources as per the regulatory requirements to discharge their respective obligations;**

All the underwriters have sufficient resources as per the regulatory requirements to discharge their respective obligations which are disclosed in CHAPTER (III) under Due Diligence Certificate by the Underwriter(s) page number 20-28.

c) **Major terms and conditions of the underwriting agreements.**

- (i) The IPO shall stand cancelled if at least 65% in any category of the IPO is not subscribed.
- (ii) In case of under subscription in any category by up to 35% of the IPO the under-subscribed securities shall be taken up by the underwriters.
- (iii) Notwithstanding anything contained in the agreement in case of inconsistency between the provision of the agreement and the Bangladesh Securities and Exchange Commission (Public Issue) Rules, 2015, the Public Issue Rules shall prevail.
- (iv) Prior to publication of the prospectus, the Company shall have obtained consent from the Bangladesh Securities and Exchange Commission permitting the issue as described in Article 2.01 and providing for payment of underwriting commission 0.50% (zero point five zero percent) on the amount underwritten.
- (v) The Issuer shall **within 10 (Ten) days** of the closure of subscription call upon the underwriter in writing with a copy of said writing to the Bangladesh Securities and Exchange Commission, to subscribe for the shares not subscribed by the closing date and to pay for in cash in full for such unsubscribed shares **within 15 (Fifteen) days** of the date of said notice and the said amount shall have to be credited into shares subscription account within the said period.
- (vi) In any case **within 7 (seven) days** after the expiry of the aforesaid **15 (fifteen) days**, the Company shall send proof of subscription and payment by the Underwriters to the Commission.

In the case of failure by the underwriter to pay for the shares within the stipulated time, the Company/Issuer will be under no obligation to pay any underwriting commission under this Agreement.

(c) Capital Structure:

- (i) Authorized, issued, subscribed and paid up capital (number and class of securities, allotment dates, nominal price, issue price and form of consideration);

Particulars	No. of Securities	Class of Securities	Allotment		Nominal & Issue Price (Tk.)	Form of Consideration	Amount in Taka
			Dates	Amount			
Authorized Capital	210,000,000	Ordinary Share	-	-	10.00	-	2,100,000,000
Before IPO:							
Issued, Subscribed and paid up capital	140,410,000	Ordinary Share	21-Mar-01	100,000	100.00	Cash	1,404,100,000
			14-Jan-10	99,800,000	100.00	Cash	
			2-May-10	602,150,000	10.00	Cash+Other Than Cash	
			27-Aug-13	702,050,000	10.00	Bonus	
After IPO:							
To be issued as IPO	20,000,000	Ordinary Share	-	-	10.00	Cash	200,000,000
Paid up capital (Post IPO)	160,410,000	Ordinary Share	-	-	10.00	Cash	1,604,100,000

Notes: The Company has changed the face value of its ordinary share from Tk. 100.00 to Tk. 10.00 by passing a special resolution in its extraordinary general meeting held on 7th March, 2010 and necessary amendments in capital clause of the Memorandum and Articles of Association were made accordingly.

- (ii) Size of the present issue, with break-up (number of securities, description, nominal value and issue amount);

Particulars			Percentage	No. of Ordinary Shares	Nominal Value	Issue price	Issue Amount (Taka)
Initial Public Offering through Fixed Price Method	Eligible investors (EIs)	Mutual Funds	10%	2,000,000	10.00	10.00	20,000,000
		Other EIs	40%	8,000,000			80,000,000
	General public	NRB	10%	2,000,000			20,000,000
		Others*	40%	8,000,000			80,000,000
	<b>Total</b>		<b>100%</b>	<b>20,000,000</b>			<b>200,000,000</b>

**Other\*:** 80,000,000 Ordinary shares will be reserved for General Public and Small Affected Investors.

- (iii) **Paid up capital before and after the present issue, after conversion of convertible instruments (if any) and share premium account (before and after the issue);**

The Company has no convertible instruments and share premium account.

Particulars	Amount in BDT
Paid up capital before the present issue	1,404,100,000
Paid up capital after the present issue	1,604,100,000
Paid up capital after conversion of convertible instruments (if any)	N/A
Share premium account before the present issue	N/A
Share premium account after the present issue	N/A

- (iv) **Category wise shareholding structure with percentage before and after the present issue and after conversion of convertible instruments (if any);**

The paid-up capital of the Company is Tk. 1,404,100,000.00. The Company intends to issue 20,000,000 ordinary shares of Tk. 10.00 each at an issue price of Tk. 10.00 through Initial public offering (IPO) totaling to Tk. 200,000,000.00 under Fixed Price Method subject to regulatory approvals. The Company has no convertible instrument.

**Category wise shareholding structure with percentage before and after the present issue is as follows:**

Sl. No.	Category of Shareholders	No. of Ordinary Shares Hold		Percentage of Holding	
		Pre-IPO	Post-IPO	Pre-IPO	Post-IPO
1	Director & Sponsor	54,771,000	54,771,000	39.01%	34.14%
2	Institutional	-	8,000,000	0.00%	4.99%
3	Mutual fund	-	2,000,000	0.00%	1.25%
4	Individual	85,639,000	93,639,000	60.99%	58.37%
5	Non Resident Bangladeshis (NRBs)	-	2,000,000	0.00%	1.25%
<b>Total</b>		<b>140,410,000</b>	<b>160,410,000</b>	<b>100.00%</b>	<b>100.00%</b>



- (v) **Where shares have been issued for consideration in other than cash at any point of time, details in a separate table, indicating the date of issue, persons to whom those are issued, relationship with the issuer, issue price, consideration and valuation thereof, reasons for the issue and whether any benefits have been accrued to the issuer out of the issue;**

The Company did not issue any of its ordinary shares for consideration in other than cash at any point of time.

- (vi) **Where shares have been allotted in terms of any merger, amalgamation or acquisition scheme, details of such scheme and shares allotted;**

The Company has not allotted any shares in terms of any merger, amalgamation or acquisition scheme.

- (vii) **Where the issuer has issued equity shares under one or more employee stock option schemes, date-wise details of equity shares issued under the schemes, including the price at which such equity shares were issued;**

The issuer has not issued equity shares under one or more employee stock option schemes.

- (viii) **If the issuer has made any issue of specified securities at a price lower than the issue price during the preceding two years, specific details of the names of the persons to whom such specified securities have been issued, relation with the issuer, reasons for such issue and the price thereof;**

The issuer has not made any issue of specified securities at a price lower than the issue price during the preceding two years.

- (ix) **The decision or intention, negotiation and consideration of the issuer to alter the capital structure by way of issue of specified securities in any manner within a period of one year from the date of listing of the present issue;**

The Company has no decision or intention, negotiation and consideration to alter the capital structure by way of issue of specified securities in any manner within a period of one year from the date of listing of the present issue.

- (x) The total shareholding of the sponsors and directors in a tabular form, clearly stating the names, nature of issue, date of allotment, number of shares, face value, issue price, consideration, date when the shares were made fully paid up, percentage of the total pre and post issue capital, the lock in period and the number and percentage of pledged shares, if any, held by each of them;

Name & Position	Nature of Issue	Date of Allotment and Acquisition & date of shares fully paid-up	No. of shares	Face Value & Issue Price	Consideration	Pre IPO %	Post IPO %	Lock in Period*	Number & % of pledge of shares
<b>Name:</b> Faiaz Kader <b>Position:</b> Chairman	Ordinary	20-Dec-11	3,510,250	10.00	Cash	10.38%	9.09%	3 Yrs	No Pledge
		5-Jul-13	3,780,000		Cash				
		27-Aug-13	7,290,250		Bonus				
		<b>Total</b>	<b>14,580,500</b>						
<b>Name:</b> Golam Azam Chowdhury (Representative Director from Rajon Textile Mills Ltd.) <b>Position:</b> Managing Director & Director	Ordinary	8-Jun-14	6,450,000	10.00	Cash	4.59%	4.02%	3 Yrs	No Pledge
		<b>Total</b>	<b>6,450,000</b>						
<b>Name:</b> Rezaur Rahman Rajon <b>Position:</b> Director	Ordinary	20-Dec-11	2,106,150	10.00	Cash	7.27%	6.37%	3 Yrs	No Pledge
		5-Jul-13	3,000,000		Cash				
		27-Aug-13	5,106,150		Bonus				
		<b>Total</b>	<b>10,212,300</b>						
<b>Name:</b> Abul Khair Manik (Representative Director of Total Spinning Mills Ltd.) <b>Position:</b> Director	Ordinary	8-Jun-14	6,820,000	10.00	Cash	4.86%	4.25%	3 Yrs	No Pledge
		<b>Total</b>	<b>6,820,000</b>						
<b>Name:</b> Syed Md. Tajon Islam <b>Position:</b> Independent Director	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
<b>Name:</b> Alhaj Abdul Kader Faruk  <b>Position:</b> Sponsor Shareholder	Ordinary	21-Mar-01	9,500	100.00	Cash	4.95%	4.33%	3 Yrs	No Pledge
		1-Feb-09	(8,300)	100.00	Cash				
		3-Nov-09	(700)	100.00	Cash				
		2-May-10	200,000	10.00	Cash				
		4-Apr-11	(1,000)	10.00	Cash				
		20-Dec-11	18,524,174	10.00	Cash				
		27-Aug-13	18,723,674	10.00	Bonus				
		9-Mar-14	(2,700,000)	10.00	Cash				
		25-May-14	(500,000)	10.00	Cash				
		8-Jun-14	(27,297,348)	10.00	Cash				
		<b>Total</b>	<b>6,950,000</b>						

<b>Name:</b> Alhaj Mustafizur Rahman  <b>Position:</b> Sponsor Shareholder	Ordinary	21-Mar-01	300	100.00	Cash	2.00%	1.75%	3 Yrs	No Pledge
		1-Feb-09	400	100.00	Cash				
		3-Nov-09	(400)	100.00	Cash				
		20-Dec-11	1,403,800	10.00	Cash				
		27-Aug-13	1,404,100	10.00	Bonus				
		<b>Total</b>	<b>2,808,200</b>						
<b>Name:</b> Mrs. Shirin Faruk  <b>Position:</b> Sponsor Shareholder	Ordinary	21-Mar-01	200	100.00	Cash	4.95%	4.33%	3 Yrs	No Pledge
		1-Feb-09	7,900	100.00	Cash				
		3-Nov-09	(7,900)	100.00	Cash				
		20-Dec-11	7,020,300	10.00	Cash				
		8-Jun-12	(17,091,000)	10.00	Cash				
		5-Jul-13	5,000,000	10.00	Cash				
		27-Aug-13	12,020,500	10.00	Bonus				
		<b>Total</b>	<b>6,950,000</b>						

*The Company split its share from Tk. 100.00 to Tk. 10.00 on 07.03.2010.*

*[\*From the issue date of Prospectus]*

- (xi) The details of the aggregate shareholding of the sponsors and directors, the aggregate number of specified securities purchased or sold or otherwise transferred by the sponsor and/or by the directors of the issuer and their related parties within six months immediate preceding the date of filing the prospectus;

**Aggregate shareholding of the Sponsors and Directors:**

Sl.	Name of Sponsor & Director	Position	Number of Ordinary Shares Held	Percentage	
				Pre-IPO	Post-IPO
1	Faiaz Kader	Chairman	14,580,500	10.38%	9.09%
2	Golam Azam Chowdhury (Representative Director from Rajon Textile Mills Ltd.)	Managing Director & Director	6,450,000	4.59%	4.02%
3	Rezaur Rahman Rajon	Director	10,212,300	7.27%	6.37%
4	Abul Khair Manik (Representative Director of Total Spinning Mills Ltd.)	Director	6,820,000	4.86%	4.25%
5	Syed Md. Tajon Islam	Independent Director	-	0.00%	0.00%
6	Alhaj Abdul Kader Faruk	Sponsor Shareholder	6,950,000	4.95%	4.33%
7	Alhaj Mustafizur Rahman	Sponsor Shareholder	2,808,200	2.00%	1.75%
8	Mrs. Shirin Faruk	Sponsor Shareholder	6,950,000	4.95%	4.33%
<b>Total</b>			<b>54,771,000</b>	<b>39.01%</b>	<b>34.14%</b>

**Transferred by the sponsor and/or by the directors of the issuer:**

No share is purchased or sold or otherwise transferred by the sponsor and/or by the directors of the M.L. Dyeing Limited and their related parties within six months immediate preceding the date of filing the prospectus

- (xii) The name and address of any person who owns, beneficially or of record, 5% or more of the securities of the issuer, indicating the amount of securities owned, whether they are owned beneficially or of record, and the percentage of the securities represented by such ownership including number of equity shares which they would be entitled to upon exercise of warrant, option or right to convert any convertible instrument;

Sl.	Name of the Shareholders	Address	Number of Shares Held	Pre IPO %
1	Lee Jung Kook	House-288 (3rd Floor), Road No: 4, DOSH, Baridhara, Dhaka	35,108,352	25.00%
2	Rezaur Rahman Rajon	22/A Chamillybag, Shantinagar, Dhaka-1217	10,212,300	7.27%
3	Faiaz Kader	22/A Chamillybag, Shantinagar, Dhaka-1217	14,580,500	10.38%
4	S.F Textile Industries Ltd.	Vill-Kornogok, P.O-Rupshi, P.S-Rupgonj, District-Narayangonj	9,330,648	6.65%

There is no event or intent of exercising warrant, option or right to convert any convertible instrument.

- (xiii) **The number of securities of the issuer owned by each of the top ten salaried officers, and all other officers or employees as group, indicating the percentage of outstanding shares represented by the securities owned.**

There is no employee in M.L. Dyeing Limited who holds any shares of the Company except the following:

Sl.	Name of the Shareholders	Address	Designation	No. of Ordinary Share	Pre-IPO
1	Golam Azam Chowdhury (Representative Director from Rajon Textile Mills Ltd.)	House # 11, (Floor-6A), Road # 12, Niketon, Gulshan-1, Dhaka-1212.	Managing Director	6,450,000	4.59%

**(d) Description of Business:**

- (i) **The date on which the issuer company was incorporated and the date on which it commenced operations and the nature of the business which the company and its subsidiaries are engaged in or propose to engage in;**

M.L. Dyeing Limited (MLDL) is a Dyeing company in Bangladesh. The company produces dyeing acrylic & Cotton yarn for 100% export oriented Sweater industries. On receiving the orders from its customers, MLDL manufactures the products and supplies them to customers' destination as per their requirements. As a deemed exporter, the company supplies those products to the main exporter companies' factory site.

MLDL was incorporated as a Private Limited company on 21<sup>st</sup> March, 2001 and subsequently converted into a public limited company on 2<sup>nd</sup> June, 2010 under Companies Act 1994 with the Registrar of Joint Stock Companies and Firms, Dhaka, Bangladesh under the Companies Act, 1994. The Certificate of Incorporation number is C- 42701(2060)/2001.

The Company started its commercial operation on July 01, 2002.

There is no subsidiary company of MLDL.

- (ii) **Location of the project;**

MLDL's registered office is situated at Vill: Zamirdia, 10 Habirbari, Bhaluka, Mymensingh, corporate office is situated at House # 11 (Floor - 6A), Road# 12, Block # F, Niketon, Gulshan - 1, Dhaka-1212. Bangladesh.

- (iii) **Plant, machinery, technology, process, etc.**

M.L. Dyeing Limited has been using modern machineries and technologies (Cabinet and Spray Hang Yarn Dyeing Machine for dyeing) in order to produce high quality of dyed yarn.

- (iv) Details of the major events in the history of the issuer, including details of capacity/facility creation, launching of plant, products, marketing, change in ownership and/or key management personnel etc.;

History of the issuer	On 21 March, 2001 incorporated as a Private Limited Company.
	Converted into a Public Limited Company on 02 June, 2010.
Launching of plant	On July 01, 2002.
Capacity	Yarn Dyeing: 19,840,000 lbs/Year
Capital raise (Last)	Tk. 702,050,000.00 (Through Bonus) on 27.08.2013.
Products	Yarn Dyeing.
Market for the product	100% export oriented garments industries in Bangladesh (as deemed exporter), USA, Germany, Sweden, Italy, Canada from inception.
Change in ownership/key management personnel	On December 08, 2016 1. Mr. Golam Azam Chowdhury appointed as Managing Director for the period of 5 (Five) years; 2. Mr. Abul Khair Manik appointed as Representative Director of Total Spinning Mills Ltd; 3. Mr. Syed Md. Tajon Islam appointed as Independent Director for the period of 3 (Three) years.

- (v) Principal products or services of the issuer and markets for such products or services. Past trends and future prospects regarding exports (if applicable) and local market, demand and supply forecasts for the sector in which the product is included with source of data;

**Principal products or services:**

The Company has been set up to produce international standard 100% synthetic/acrylic and cotton dyed yarn from raw yarn.

**Market for such Products:**

The Company produces 100% acrylic & Cotton Dyed yarn for 100% export oriented Sweater & Knit garment industries and export thereof. On receiving the orders from its customers, M.L. Dyeing Limited (MLDL) manufactures the products and supplies them to the customers' destination as per their requirements. As a deemed exporter, the Company supplies those products to the main exporter companies' factory site.

**Past trends:**

Last 5 years' sales of M.L. Dyeing Limited:

(Amount in BDT)

Sl. No.	Particulars	31-Dec-16	30-Jun-16	30-Jun-15	30-Jun-14	30-Jun-13	30-Jun-12
		6 Months	For the year				
1	Sales	1,179,054,128	1,923,548,793	1,712,845,768	2,379,356,874	2,538,284,589	1,561,896,278

*\*All revenue is export sells. There is no domestic sells.*

### **Future prospects:**

Bangladesh Export sector is heavily inclined to RMG. RMG and textile sector contributes maximum of national export of Bangladesh. This sector has remarkable growth and huge contribution to the overall export of the country. As a backward linkage of RMG sector MLDL also has the opportunity to increase its export.

- (vi) If the issuer has more than one product or service, the relative contribution to sales and income of each product or service that accounts for more than 10% of the company's total revenues;

Since, the company is engaged in the business of yarn dyeing. Hence, dyed yarn is the only product contributes 100% on the total revenue.

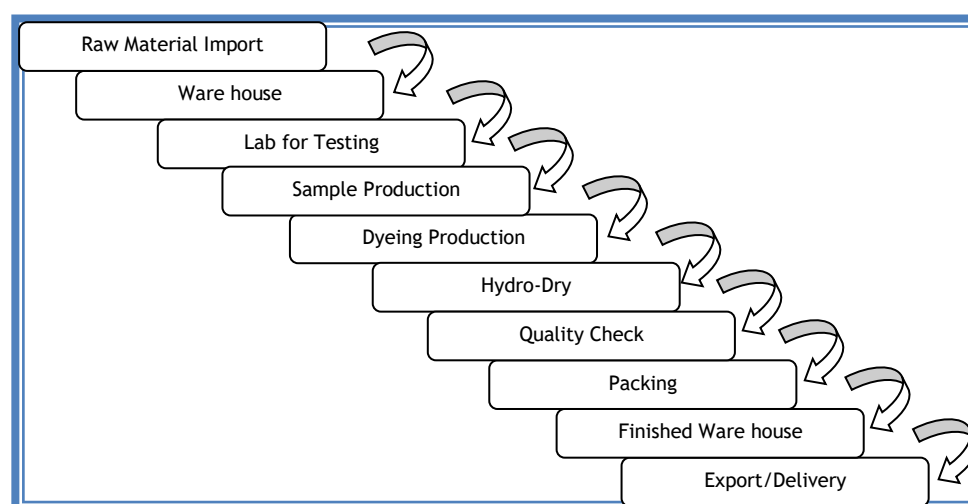
- (vii) Description of associates, subsidiary and holding company of the issuer and core areas of business thereof;

M.L. Dyeing Limited has no associates and related Company.

- (viii) How the products or services are distributed with details of the distribution channel. Export possibilities and export obligations;

On receiving the orders from its customers, MLDL manufactures the products and supply them to the customers' destination as per their requirements. The Company imports yarn from foreign and local suppliers and apply dyeing processes on the yarn to meet the specific demand of its customers. To make sure that the dyeing plant keeps running around the clock throughout the year. Being the export of the Company deemed export, it supplies the products to the local destinations.

### **Yarn Dyeing Process:**



### **Export possibilities and export obligations:**

We don't have any export obligation rather there is good potential of expansion for export.

(ix) **Competitive conditions in business with names, percentage and volume of market shares of major competitors;**

There are many Companies engaged in Sweater and Dyeing industries in Bangladesh. Major competitors are:

Sl.	Name	Country of Origin
1	Ring Shine Limited	Bangladesh
2	Dongbeng Limited	Bangladesh
3	Belly Yarn Dyeing Limited	Bangladesh
4	F M Yarn Dyeing Limited	Bangladesh
5	Queen South Textiles (BD) Limited	Bangladesh
6	Anlima Yarn Dyeing Limited	Bangladesh
7	Shepherd Industried Limited	Bangladesh
8	Tung Hai Knitting & Dyeing Ltd.	Bangladesh
9	Nurani Dyeing & Sweater Limited	Bangladesh
10	Dragon Sweater & Spinning Limited	Bangladesh

Apart from this, as per annual report of the listed companies and audited financial statements of M.L. Dyeing Limited, the sales amounts are presented below:

*Amount in BDT (Million)*

Sl. No.	Name of the Company	Year End	Period	2015/2016
1	M.L. Dyeing Limited	30 June	Jul, 16 to Dec, '16	1,179.05
2	Dragon Sweater & Spinning Limited	30 June		730.80
3	Tung Hai Knitting & Dyeing Ltd.	30 June		519.50
4	Anlima Yarn Dyeing Limited	30 June		95.60

*There is no data available regarding market shares of the respective listed company in their annual report.*

(x) **Sources and availability of raw materials, names and addresses of the principal suppliers and contingency plan in case of any disruption;**

Main raw materials of the MLDL are yarn and chemicals, which the Company procures from both domestic and foreign sources. The Company has some trusted suppliers of its materials and chemicals. Below are examples:

Sl. No.	Name of Suppliers	Address	Name of Raw Materials.	Country of Origin
1	R. N. Spinning Mills Ltd.	Comilla EPZ, Comilla, Bangladesh.	Yarn	Bangladesh
2	Jiangsu Guo Tai Int'l Group Guomao Co. Ltd.	15-24F, Guotai Times Plaza, 65, Ren Min Road, ZhangJiaGang, Jiang Su, China	Yarn	China
3	Fujian Siyu Trade Co. Ltd.	20th floor, B1 building, Wanda Plaza, Finance Street, Taijiang District, Fuzhou City.	Yarn	China
4	Fenatex Co. Ltd.	18/8 Fico Place Building, 9 <sup>th</sup> Floor, Sukhumvit 21 (Asoke) Rd., Klongtoey Nua, Wattana, Bangkok 10110 Thailand	Yarn	Thailand



5	Sunflag (Thailand) Ltd.	12 <sup>th</sup> Floor, B.B. Building, 54 Sukhumvit 21 Road, Klongton Nua, Wattana, 10110 Bangkok Thailand	Yarn	Thailand
6	T and T Industries Corporation	6F., No.124, Sec. 2, Nanjing E. Rd., Zhongshan Dist., Taipei City 104, Taiwan (R.O.C.)	Chemicals	Taiwan
7	Huntsman (Singapore) Pte. Ltd.	150 Beach Road, 37-00 Gateway West Singapore 189720, Singapore	Chemicals	Singapore
8	FAR Chemicals Ltd.	Comilla EPZ, Comilla, Bangladesh.	Chemicals	<i>Bangladesh</i>
9	Rupsha Chemicals	15, Armanian Street, Armanitola, Dhaka-1100.	Chemicals	<i>Bangladesh</i>

**Contingency Plan in case of any disruption:**

As number of suppliers of raw materials are plenty in the market, if one supplier fails to provide raw material there are always other suppliers available. Therefore, there is no possibility of disruption.

**(xi) Sources of, and requirement for, power, gas and water; or any other utilities and contingency plan in case of any disruption;**

**Power:**

Total Power requirement For the project is about 1.95 MW, which is met up from captive power generation. There are 3 generators out of them 2 are from USA origin and the brand name is Perkins and both of them have capacity of 500 KW and the another one is also from USA, by the brand name of Caterpillar, which has a capacity of 950 KW. Yet for smooth operation of the project has a power connection from Rural Electrification Board of 200 KW.

**Water:**

The project is required 3608m<sup>3</sup> (Cubic Meter) of water per day which is met up from the water supply system of own sources.

**Gas:**

Titas Gas Supply and Distribution Limited supplies (700,000m<sup>3</sup>) required gas for the project. Approximately 600,000m<sup>3</sup> of gas require for smooth operation.

**Contingency Plan in case of any disruption:**

To tackle the disruption of utilities, Company has installed generators as mentioned in above.

**(xii) Names, address(s), telephone number, web address, e-mail and fax number of the customers who account for 10% or more of the company's products/services with amount and percentage thereof;**

M.L. Dyeing Limited has no customers who are purchasing 10% or more of the company's products during the year ended June 30, 2016.

(xiii) Names, address(s), telephone number, web address, e-mail and fax number of the suppliers from whom the issuer purchases 10% or more of its raw material/finished goods with amount and percentage thereof;

Sl.	Name & Address	Type of Raw Material (Yarn/Chemical)	Telephone, WebAddress, E-mail & FaxNumber	Total Purchases amount	% of total Purchase
1	<b>R. N. Spinning Mills Ltd.</b> Plot # 100-107 & 127-134 Comilla Export Processing Zone, Comilla	Yarn	Tel: +88-02-8-02- 48810053  Web: www.rnspinningmills.com  E-mail: rnspinning@fargroupbd.com  Fax: +88-02- 48810054	709,541,231	42.92%
2	<b>FAR Chemical Industries Ltd.</b> Plot # 135-136 Comilla Export Processing Zone, Comilla	Chemical	Tel: +88-02-9858734  Web: www.farchemicalbd.com  E-mail: info@farchemicalbd.com  Fax: +88-02-9858735	72,415,691	62.74%

- (xiv) Description of any contract which the issuer has with its principal suppliers or customers showing the total amount and quantity of transaction for which the contract is made and the duration of the contract. If there is not any of such contract, a declaration is to be disclosed duly signed by CEO/MD, CFO and Chairman on behalf of Board of Directors;

The Company has no such contract with principal suppliers or Customers.

**Declaration regarding Contract with Principal suppliers or customers**

We, on behalf of the Board of Directors certify that M.L. Dyeing Limited did not enter into any contract with its principal suppliers or customers.

Sd/-  
**Golam Azam Chowdhury**  
Managing Director

Sd/-  
**Topon Kumar Paul FCMA**  
Chief Financial Officer

Sd/-  
**Faiaz Kader**  
Chairman

on behalf of Board of Directors

Dated: February 28, 2017  
Dhaka

(xv) Description of licenses, registrations, NOC and permissions obtained by the issuer with issue, renewal and expiry dates;

The Company neither obtained any Patent Right/Trademarks nor signed any royalty agreement with any party. However, MLDL has several regulatory licenses and certificates in order to continue its operations. The table shows list of licenses:

Sl.	Name of Certificate/license/Registration	License Issuer/Issuing Authority	Certificate / License No.	Validity/Current Status
1	Trade License	10 Habirbari Union Parishad, Bhaluka	502	30.06.2017
2	TIN Certificate	National Board of Revenue	847475218132	N/A
3	VAT Reg. No.	Customs, Excise & VAT Commissionerate, Gazipur	18061001924	N/A
4	Export Registration Certificate	Controller of Import & Export, Government of Bangladesh	Ra 56986	30.06.2017
5	Import Registration Certificate		Ba 123829	30.06.2017
6	BDYEA	Bangladesh Dyed Yarn Exporters Association	Serial # 09	31.12.2017
7	Fire License	Bangladesh Fire Services and Civil Defense	Mymen/853/2002	30.06.2017
8	BOI License	Board of Investment Bangladesh	J-58011108008-H	N/A
9	Environment Clearance Certificate	Department of Environment, Dhaka Division	22.02.6100.142.72.021.15.38	23.11.2016 (Applied for renewal)
10	Factory License	Department of Factory, Dhaka Division	126/Mymensingh	30.06.2017
11	Boiler License	Department of Explosive	Ba: B: 2433	13.03.2017
			Ba: B: 2918	16.07.2017
12	Bonded Warehouse License	Customs Bond Commissionarate	165/Cas-SBW/2002	27.03.2017

**(xvi) Description of any material patents, trademarks, licenses or royalty agreements;**

The Company neither obtained any Patent Right/Trademarks nor signed any royalty agreement with any party. However, it has several regulatory licenses and certificate in order to continue its operation.

**(xvii) Number of total employees and number of full-time employees;**

Number of employees is as follows:

Employees	31 December, 2016
Number of employees	655
	<b>655</b>

The above-mentioned number of employee includes office staff & workers, which are full time employee.

**(xviii) A brief description of business strategy;**

MLDL's key strategic objectives are to:

1. Maintain the buyers demand, choice, and expectation to grab the overseas market.
2. Ensure better quality of products in competitive price.

(xix) A table containing the existing installed capacities for each product or service, capacity utilization for these products or services in the previous years, projected capacities for existing as well as proposed products or services and the assumptions for future capacity utilization for the next three years in respect of existing as well as proposed products or services. If the projected capacity utilization is higher than the actual average capacity utilization, rationale to achieve the projected levels.

With regard to above, a table is presented in the following page:

**Total actual capacity and its utilization:**

Product	Unit	Installed Capacity (Million)			Capacity utilization for this Products (Million)			Actual Capacity Utilization (%)		
		Jul'13 to Jun'14	Jul'14 to Jun'15	Jul'15 to Jun'16	Jul'13 to Jun'14	Jul'14 to Jun'15	Jul'15 to Jun'16	Jul'13 to Jun'14	Jul'14 to Jun'15	Jul'15 to Jun'16
Yarn Dyeing	Lbs	15.81	19.84	19.84	14.84	11.85	14.21	93.86%	59.70%	71.61%

**Projected capacity and its utilization:**

Product	Unit	Installed Capacity (Million)			Capacity utilization for this Products (Million)			Actual Capacity Utilization (%)		
		Jul'16 to Jun'17	Jul'17 to Jun'18	Jul'18 to Jun'19	Jul'16 to Jun'17	Jul'17 to Jun'18	Jul'18 to Jun'19	Jul'16 to Jun'17	Jul'17 to Jun'18	Jul'18 to Jun'19
Yarn Dyeing	Lbs	20.36	22.39	24.57	18.12	20.15	22.12	89.00%	90.00%	90.00%

The Company has projected that the capacity utilization will increase. As the total market is increased day by day and market share of the company is increasing. Hence, the management of the Company thinks that the projected capacity is attainable.

**(e) Description of Property:**

The written down value of Property, Plant & Equipment's owned by the company as per audited accounts as on 31 December, 2016 are stated below: -

Sl. No.	Particulars	Written Down Value as at 31-12-2016
1	Land & Land Development	20,149,436
2	Factory Building	423,418,959
3	Plant & Machinery	1,176,555,933
4	Power Generator Set	67,132,710
5	Electrical Installation	41,735,168
6	Boiler	31,455,813
7	Compressor	14,649,474
8	Fork lift	2,648,246
9	ETP Plant	34,813,967
10	Gas Installation	4,087,765
11	Air Condition Installation	3,754,631
12	Telephone Installation	646,396
13	Office Equipment	2,243,134
14	Furniture & Fixture	1,724,622
15	Motor Car	1,372,963
	<b>Total</b>	<b>1,826,389,217</b>

**(i) Location and area of the land, building, principal plants and other property of the company and the condition thereof;**

The entire above mentioned assets are located at rented Corporate Office: House # 11 (Floor 6A), Road# 12, Block # F, Niketon, Gulshan - 1, Dhaka-1212. and Factory: Vill: Zamirdia, 10 Habirbari, Valuka, Mymensingh, Bangladesh. All of the above-mentioned Property, Plant & Equipment's are in working condition.

Sl.	Particular	Location & Area	Condition of the Property
01	Land	Zamirdia, 10 Habirbari, Valuka, Mymensingh (Factory Area-217.50 decimals)	Position hold by the Company
02	Factory Building	Zamirdia, 10 Habirbari, Valuka, Mymensingh (Factory Area)	Good condition
03	Plant & Machinery	Zamirdia, 10 Habirbari, Valuka, Mymensingh (Factory Area)	Working in good condition
04	Office Equipment	At Factory and Corporate Office	Good condition
05	Furniture & Fixture		Good condition
06	Motor Car	At Factory	Running

**(ii) Whether the property is owned by the company or taken on lease;**

All the assets of the Company are in its own name. The Company's corporate office located at House # 11 (Floor 6A), Road# 12, Block # F, Niketon, Gulshan - 1, Dhaka-1212 is under operating lease.

- (iii) Dates of purchase, last payment date of current rent (খাজনা) and mutation date of lands, deed value and other costs including details of land development cost, if any and current use thereof;

Deed No.	Date of purchase	Mutation date	Last date of current rent (খাজনা)	C.S. Dag No.	Deed Value	Land development & Other Cost in Tk.	Area of land (Decimal)	Current use
1746	19.07.01	11.10.10	28.02.17	275	350,000	19,799,436	217.50	Factory Building & Administrative building

- (iv) The names of the persons from whom the lands has been acquired/proposed to be acquired along with the cost of acquisition and relation, if any, of such persons to the issuer or any sponsor or director thereof;

Name of the persons from whom the land have been acquired	Cost of acquisition	Relations
Md. Aziz Khan, Mrs. Anjuman Aziz Khan, Mrs. Adiba Aziz Khan, Aziza Aziz Khan	350,000	No Relation

- (v) Details of whether the issuer has received all the approvals pertaining to use of the land, if required;

Sl.	Location	Name of sellers	Cost of acquisition/Deed Value
01	Valuka, Mymensingh	Md. Aziz Khan, Mrs. Anjuman Aziz Khan, Mrs. Adiba Aziz Khan, Aziza Aziz Khan	350,000

The Company has all the approval related to factory premises from the 10 Habirbari Union Parishad, Bhaluka and for the Corporate Office from RAJUK.

- (vi) If the property is owned by the issuer, whether there is a mortgage or other type of charge on the property, with name of the mortgagee;

217.50 decimals of land along with Building of the Company are mortgaged to Islami Bank Bangladesh Limited, Local Office.

- (vii) If the property is taken on lease, the expiration dates of the lease with name of the lessor, principal terms and conditions of the lease agreements and details of payment;

No Property is taken by the Company under lease agreement.



(viii) Dates of purchase of plant and machineries along with sellers name, address, years of sale, condition when purchased, country of origin, useful economic life at purchase and remaining economic life, purchase price and written down value;

Name of Item	No. of Machinery (Pcs/Set)	Year of Purchase	Name of Supplier	Address of Supplier	Year of Sale	Condition	Country of Origin	Useful Economic Life	Estimated Remaining Life	Total Purchase price with other cost	Written down Value (Amount BDT)
Spary Hank Dyeing Mac.	2	2001-2002	Dapang	Dapang Industry Sungji BD, 1411 Dowhadong 538, Mapoku, Seoul, Korea	N/A	Brand New	Korea	20	9	10,776,610	2,602,306
Spary Hank Dyeing Mac.	2							20	9	7,802,806	1,884,200
Spary Hank Dyeing Mac.	5							20	9	2,929,306	707,361
Hydro Extractor	1	2001-2002	Dapang	Dapang Industry Sungji BD, 1411 Dowhadong 538, Mapoku, Seoul, Korea	N/A	Brand New	Korea	20	9	6,348,202	1,532,946
Lab Equipment	1							20	9	1,201,560	290,149
Auto Packer	1							20	9	399,000	96,349
Different types of auxiliary machinery & parts		2001-2002	Local Machinery	Different supplier located in Bangladesh	N/A	Brand New	Different countries	20	9	8,675,304	2,094,889
Biolar	1	2001-2002	Dapang	Dapang Industry Sungji BD, 1411 Dowhadong 538, Mapoku, Seoul, Korea	N/A	Brand New	Korea	20	9	3,340,291	806,604
Dryer	1							20	9	4,309,200	1,040,574
Different types of auxiliary machinery & parts		2001-2002	Local Machinery	Different supplier located in Bangladesh	N/A	Brand New	Different countries	20	9	4,899,187	1,183,042
Spary Hank Dyeing Mac.	1	2008-2009	Dapang	Dapang Industry Sungji BD, 1411 Dowhadong 538, Mapoku, Seoul, Korea	N/A	Brand New	Korea	20	12	7,502,252	3,238,444
Different types of auxiliary machinery & parts			Local Machinery	Different supplier located in Bangladesh	N/A	Brand New	Different countries	20	12	8,299,748	3,394,131
Spary Hank Dyeing Mac.	2	2009-2010	Bo Kwang Machinery Co.	Bo Kwang Machinery Co., 279-5, Thyeon-Dong, Seogu, Daegu-City, South Korea	N/A	Brand New	Korea	20	13	13,216,263	7,139,793
	2							20	13	24,634,421	7,819,978
	3							20	13	22,818,938	9,745,481
	3							20	13	26,178,116	12,356,628
	2							20	13	20,427,116	10,598,302
	3							20	13	36,156,906	18,142,710
	2							20	13	27,472,851	7,181,361
Joik Brand Soft Winder	4	2009-2010	Jeda Corporation	Jeda Corporation, 455-1, Bangbae-Dong, Seocho-Gu, Seoul, Korea	N/A	Brand New	Korea	20	13	78,747,571	36,570,280
Joik Brand Rewinder	2							20	13	24,097,912	10,358,909
Dongyang Brand Rewinder	1							20	13	9,979,504	3,587,361
Spary Hank Dyeing Mac.	5	2009-2010	Dapang Industry	Dapang Industry, Sungji BD, 1411 Dowhadong 538, Mapoku, Seoul, Korea	N/A	Brand New	Korea	20	13	22,028,268	9,366,255
Spary Hank Dyeing Mac.	5							20	13	18,369,226	7,611,285
Spary Hank Dyeing Mac.	5							20	13	16,750,174	6,834,747
Spary Hank Dyeing Mac.	4							20	13	10,148,554	3,668,442

Spary Hank Dyeing Mac.	1							20	13	1,562,606	749,466
Spary Hank Dyeing Mac.	1							20	13	1,015,688	487,150
Spary Hank Dyeing Mac.	2							20	13	1,220,985	585,616
Conveyer Stick Dyeing Machine	10							20	13	47,865,062	21,961,986
Hydro Extractor	10							20	13	23,411,896	9,432,687
Auto Packer	2							20	13	952,531	456,858
Hot Melting Tank	1							20	13	340,341	163,236
Lab Equipment	1							20	13	815,798	391,278
Air Compressor	1							20	13	136,605	65,519
Smoke Tube Biolar	2							20	13	7,391,186	3,545,001
Steam Header	4							20	13	777,921	373,111
Water Bath Shaker Machine	1							20	13	642,459	308,140
Hydro Extractor	1							20	13	508,156	243,725
Different types of auxiliary machinery & parts		2009-2010	Local Machinery	Different supplier located in Bangladesh	N/A	Brand New	Different countries	20	13	40,559,465	22,619,649
Dyeing Machine	5	2009-2010	Dayeung Industries Inc	Dayeung Industries Inc, Rm 401, Campus Town Bldg. 420-180, Korea	N/A	Brand New	Korea	20	13	46,512,406	31,109,472
Dyeing Machine	5							20	13	49,026,505	32,315,298
Dyeing Machine	5							20	13	59,463,432	27,321,115
Dyeing Machine	4							20	13	64,578,384	39,774,376
Dyeing Machine	4							20	13	100,452,605	46,980,567
Dyeing Machine	4							20	13	44,893,054	30,332,790
DROP Machine	5							20	13	34,302,441	25,253,262
Dryer Machine-750Kg	4							20	13	90,885,931	52,392,147
DCPM System	4							20	13	39,139,401	31,423,921
Plastic Bobin-12,000 Pcs	12,000							20	13	9,755,730	3,480,033
Hoist Crane	2							20	13	21,661,487	9,190,338
Different types of auxiliary machinery & parts		2010-2011	Local Machinery	Different supplier located in Bangladesh	N/A	Brand New	Different countries	20	14	14,782,280	6,200,942
Spary Hank Dyeing Mac.	1	2012-2013	Dapang Industry	Dapang Industry, Sungji BD, 1411 Dowhadong 538, Mapoku, Seoul, Korea	N/A	Brand New	Korea	20	16	8,761,732	6,300,424
	1							20	16	9,350,892	6,705,047
	1							20	16	10,215,407	7,298,778
	1							20	16	10,992,797	5,832,673
	1							20	16	12,999,524	9,210,850
	1							20	16	9,560,941	6,849,304
	1							20	16	10,553,733	7,531,133
	1							20	16	2,500,000	1,254,874
Drop Machine	1							20	16	4,063,036	1,073,460
DGPM System	1							20	16	4,501,347	3,127,396
Plastic Bobin	4000							20	16	3,161,602	454,374
Hoist Crane	1							20	16	10,564,738	5,821,744
Soft Winding Machine	4							20	16	20,601,442	14,431,685
Re-Winding Machine	4							20	16	20,601,442	14,431,685
Different types of auxiliary machinery & parts		2012-2013	Local Machinery	Different supplier located in Bangladesh	N/A	Brand New	Different countries	20	16	19,354,284	13,292,111
Spary Hank Dyeing Mac.	2	2012-2013	Bo Kwang	Bo Kwang Machinery	N/A	Brand New	Korea	20	16	28,065,414	17,557,783

	1		Machinery Co.	Co., 279-5, Thyeon-Dong, Seogu, Daegu-City, South Korea				20	16	15,357,512	10,285,159
	2							20	16	29,925,507	19,835,255
	2							20	16	33,591,777	21,353,172
	1							20	16	20,151,794	12,122,877
Different types of auxiliary machinery & parts		2013-2014	Local Machinery	Different supplier located in Bangladesh	N/A	Brand New	Different countries	20	16	7,210,532	4,952,040
Dyeing Machine	2	2014-2015	Bo Kwang Machinery Co.	Bo Kwang Machinery Co., 279-5, Thyeon-Dong, Seogu, Daegu-City, South Korea	N/A	Brand New	Korea	20	18	24,649,496	19,858,911
Dryer Machine	2	2014-2015	Dapang	Dapang Industry, Sungji BD, 1411 Dowhadong 538 Mapoku, Seoul, Korea	N/A	Brand New	Korea	20	18	77,050,891	65,475,424
Winding Machine	6	2014-2015	Jeda Corporation	Jeda Corporation, 455-1, Bangbae-Dong, Seocho-Gu, Seoul, Korea	N/A	Brand New	Korea	20	18	114,875,983	97,681,126
Winding Machine	4	2014-2015	Jeda Corporation	Jeda Corporation, 455-1, Bangbae-Dong, Seocho-Gu, Seoul, Korea	N/A	Brand New	Korea	20	18	46,902,904	39,806,298
Dyeing Machine	4	2014-2015	Bo Kwang Machinery Co.	Bo Kwang Machinery Co., 279-5, Thyeon-Dong, Seogu, Daegu-City, South Korea	N/A	Brand New	Korea	20	18	79,102,969	67,222,640
Dyeing Machine	2	2014-2015	Bo Kwang Machinery Co.	Bo Kwang Machinery Co., 279-5, Thyeon-Dong, Seogu, Daegu-City, South Korea	N/A	Brand New	Korea	20	18	44,877,011	38,081,376
Dryer Machine	2	2014-2015	Dapang	Dapang Industry Sungji BD, 1411 Dowhadong 538, Mapoku, Seoul, Korea	N/A	Brand New	Korea	20	18	49,986,214	42,431,543
Compressor	1	2014-2015		Dapang Industry Sungji BD, 1411 Dowhadong 538, Mapoku, Seoul, Korea	N/A	Brand New	Korea	20	18	10,401,072	8,727,269
Hoist Crane	1	2014-2015	Dapang	Dapang Industry Sungji BD, 1411 Dowhadong 538, Mapoku, Seoul, Korea	N/A	Brand New	Korea	20	18	8,470,054	5,083,128
Different types of auxiliary machinery & parts			Local Machinery	Different supplier located in Bangladesh	N/A	Brand New	Different countries			21,382,143	18,777,433
Dyeing Machine	1	2014-2015	Dapang	Dapang Industry Sungji BD, 1411 Dowhadong 538, Mapoku, Seoul, Korea	N/A	Brand New	Korea	20	19	12,498,593	10,686,297
Different types of auxiliary machinery & parts		2015-2016	Local Machinery	Different supplier located in Bangladesh	N/A	Brand New	Different countries	20	19	6,547,169	5,992,452

- (ix) Details of the machineries required to be bought by the issuer, cost of the machineries, name of the suppliers, date of placement of order and the date or expected date of supply, etc.

No machineries are required to be bought by the issuer except machineries to be bought from IPO proceeds, the details of which are below:

Sl. No	Description	Brand	Quantity	Unit Price. FC	Total Price FC	Total Price in BDT	Date of Placement of Order	Date or Expected Date of Supply
a)	<b>Generator-Duel Fuel</b>	Caterpillar	1	\$675,000	\$675,000	54,000,000	After receiving IPO Fund	Within 18 Months After receiving IPO Fund
	Caterpillar model G3512H Duel Fuel Generator Set 1500 eKW, 1875 KVA, 400 Volt with control panel, colling tower and standard accessories. Origin USA							
b)	<b>Dryer Machine</b>	Strayfield	1 Set	\$170,000	\$170,000	13,600,000		
	Radio frequency Dryer, Type: SO-200TS. Conveyor included with the equipment easily levelled with polypropylene modular band assembled upon its own support structure with an automatic band tracking system, automatic tensioning and electronic digital speed indicator coupled to a variable speed drive system. Environmental heating by steam, 410 Volt, 3-Phase, 50 Hz. Powder Coat Finish. Origin - India.							
c)	<b>Chees Dyeing Machine</b>	Sewoong	1 Set	\$140,000	\$140,000	11,200,000		
	W/Main Tank, Additional Tank, Service Tank, Automatic heating & cooling controlling with controller DTC 7000, Capacity -1000 Kg, Origin South Korea.							
d)	<b>Chees Dyeing Machine</b>	Sewoong	1 Set	\$150,000	\$150,000	12,000,000		
	W/Main Tank, Additional Tank, Service Tank, Automatic heating & cooling controlling with controller DTC 7000, Capacity -1200 Kg, Origin South Korea.							
e)	<b>Chees Dyeing Machine</b>	Sewoong	3 Set	\$23,000	\$69,000	5,520,000		
	W/Main Tank, Additional Tank, Service Tank, Automatic heating & cooling controlling with controller DTC 7000, Capacity 1-10 Kg, Origin South Korea.							
f)	<b>Lab Equipment</b>							
	<b>i) Automatic Dispensing System/Auto Pipetting System</b>	Daelim	1 Set	\$66,000	\$66,000	5,280,000		
	Color Focus 3, Model: DLF-120, Two Robot control, Stock table, Dye staff bottle: 1000 cc 120 pcs, 2000cc size 5 pcs, Dyeing pot holder: 24 Pcs (Dispensing at a time) with DLF-071 two balance type & DLF-0171 MS complete set with standard spares and accessories. Origin - Korea							
	<b>ii) Spector Photo Meter</b>	Daelim	1 Set	\$37,000	\$37,000	2,960,000		

g)	<b>Auto Winding Machine</b>	Savio	1 Set	€ 210,000	€ 210,000	18,480,000		
	Automatic savio winders, Take up tubes: conicity 5°57', d. base 68 mm, d. nose 28 mm, length 170 mm, weaving /knitting end use, waxing device with wax consumption probe, Winding drums with 2,5 turns, 152 mm traverse, 94 mm diameter, asymmetric, yarn suction pipe with combs, Jointer 690 Z, empty cone shelf, Hot air discharge, main voltage 400v (50hz).							
h)	<b>Auto Winding Machine</b>	Savio	1 Set	€ 210,000	€ 210,000	18,480,000		
	Automatic savio winders, Take up tubes: conicity 5°57', d. base 68 mm, d. nose 28 mm, length 170 mm, weaving /knitting end use, waxing device with wax consumption probe, Winding drums with 2,5 turns, 152 mm traverse, 94 mm diameter, asymmetric, yarn suction pipe with combs, Jointer 690 Z, empty cone shelf, Hot air discharge, main voltage 400v (50hz).							
i)	<b>Hydro Extractor</b>	Dettin	2 Set	€ 68,181	€ 136,362	11,999,856		
	T/E BERTA 36 centrifuge machine (electrical type) with semiautomatic loading. Construction materials: All the parts in touch with the yarn are made of stainless steel and anti-acid materials, at the base structure and the loading set are made carbon steel Fe 42. Rotation occur through electrical motor 7.5 kw and volt to be specified all controls under low tension 24 volt. Loading capacity for each operation max ext. 220 mm H 170 mm with 36 no. Overall dimension of each machine at the base mm 2580 X 2320. Origin: Spain							
j)	<b>Fork Lift</b>	Toyota	2 Set	\$45,000	\$90,000	7,200,000		
	Toyota Brand New Diesel Forklift Truck, Model:8FD50N, Capacity: 5000 kg, Mast Height: V 3000 mm (STD Mast), Transmission: Automatic, Front & Rear combination lights, Back up Buzzer rear view mirrors and all other standard items of Toyota.							
k)	Duties, Insurance, L/C Commission, Inland Carrying, C& F, Erection and installation					17,580,144		
			Total			178,300,000		

- (x) In case the machineries are yet to be delivered, the date of quotations relied upon for the cost estimates given shall also be mentioned;

There are no machineries which are yet to be delivered.

- (xi) If plant is purchased in brand new condition then it should be mentioned;

All plants and machineries of the Company were purchased in brand new condition.

**AUDITOR'S CERTIFICATE REGARDING PURCHASED IN BRAND NEW CONDITION OF MACHINERIES**

Based on our verification of the related documents as produced to us by the management of M.L. Dyeing Limited, we observed that, no re-conditioned or second-hand plant & machinery is used by M.L. Dyeing Limited.

Place: Dhaka;  
Dated: February 28, 2017

Sd/-  
**Mahfel Huq & Co.**  
Chartered Accountants

- (xii) Details of the second hand or reconditioned machineries bought or proposed to be bought, if any, including the age of the machineries, balance estimated useful life, etc. as per PSI certificates of the said machineries as submitted to the Commission;

The Company neither purchased any second hand or reconditioned machineries nor any plan to purchase in future.

- (xiii) A physical verification report by the issue manager(s) regarding the properties as submitted to the Commission;

**PHYSICAL VERIFICATION REPORT**

Of

**M.L. DYEING LIMITED**

This is to certify that we have visited the factory of M.L. Dyeing Limited on February 27, 2017 and we have found the factory as details below:

**Visited and Accompanied by:**

Particulars		Name & Designation	Company
Visited by (NBL Capital & Equity Management Limited)	:	<b>Kamrun Naher</b> <i>Chief Executive Officer</i>	NBL Capital & Equity Management Limited
	:	<b>Md. Tymur Jahan Chowdhury</b> <i>Executive Officer</i>	
Visited by (Rupali Investment Limited)	:	<b>Md. Mamunur Rashid</b> <i>Chief Executive Officer</i>	Rupali Investment Limited
	:	<b>Md. Junaed Miah</b> <i>Principal Officer</i>	
Accompanied by	:	<b>A.K.M. Atiqur Rahman</b> <i>Company Secretary</i>	M.L. Dyeing Limited
	:	<b>Md. Nur Quashem</b> <i>General Manager- Factory</i>	

## **Company Overview**

M. L. Dyeing Limited (MLDL) is a 100% export oriented Yarn Dyeing Industry in Bangladesh. MLDL was incorporated as a Private Limited company on 21<sup>st</sup> March, 2001 and subsequently converted into a public limited company on 2<sup>nd</sup> June, 2010. The Certificate of Incorporation number is C- 42701(2060)/2001 of 2001. The Company started its commercial operation on July 01, 2002.

The authorized and paid-up capital of the company is as follows:

Authorized Capital : Tk. 2,100,000,000.00  
Paid up Capital : Tk. 1,404,100,000.00  
Proposed IPO Size : Tk. 200,000,000.00 (2.00 Crore Shares @ Tk. 10.00 each)  
IPO Size (in share) : 20,000,000 Shares

## **Registered Office**

MLDL's registered office is situated at Vill: Zamirdia, 10 Habirbari, Bhaluka, Mymensingh and corporate office is situated at House # 11 (Floor 6A), Road# 12, Block # F, Niketon, Gulshan-1, Dhaka-1212

## **Nature of Business**

The principal activities of the Company are to carry on the business of Dyeing and Finishing yarn for 100% export oriented sweater and garments industries in Bangladesh.

## **Products**

The Company has been set up to produce international standard 100% synthetic/acrylic and cotton dyed yarn from raw yarn.

## **Location of the Factory**

The factory is situated at Zamirdia, 10 Habirbari, Bhaluka, Mymensingh, Bangladesh.

## **Description of property**

We have identified that the factory of M. L. Dyeing Limited is located at Zamirdia, 10 Habirbari, Valuka, Mymensingh, Bangladesh. We have found properties at the factory like:

- 1) **Land:** We have found 217.50 decimals of land surrounded by boundary wall.

2) **Factory Building:** The factory has total twelve buildings. Details of the buildings status are discussed below:

Sl.	Particulars	Building Type	Length (Feet)	Width (Feet)	Area per Floor -Sft	No. of Floor	Total Area (Sft)
1	Building No.-1	R.C.C building, Office buildings, Executive dormitory, Canteen & Child Care-RCC-Grade Beam, RCC-Floor Slab, RCC-Pillar, RCC-Slab with Beam, RCC-Stair, RCC-Lintel, Brick Wall, Plaster, Wall Paint, Inside wall- Plastic Paint, Outside Wall- Weather Coat Thai Aluminum & 5mm Glass in window, Door, M.S Grill in Window.	52.5	50	2,625	6	15,750
2	Building No.-2	R.C.C building, Dyes & Chemical godown, RCC-Grade Beam, RCC-Floor Slab, RCC-Pillar, RCC-Slab with Beam, RCC-Stair, RCC-Lintel, Brick Wall, Plaster, Wall Paint, Inside wall- Plastic Paint, Outside Wall- Weather Coat Thai Aluminum & 5mm Glass in window, Door, M.S Grill in Window.	53.3	25.8	1,375	6	8,251
3	Building No.-3	R.C.C building, Winding Machine and Dyes & Chemical godown, RCC-Grade Beam, RCC-Floor Slab, RCC-Pillar, RCC-Slab with Beam, RCC-Stair, RCC-Lintel, Brick Wall, Plaster, Wall Paint, Inside wall- Plastic Paint, Outside Wall- Weather Coat Thai Aluminum & 5mm Glass in window, Door, M.S Grill in Window.	63	48.11	3,031	6	18,186
4	Building No.-4	R.C.C building, Winding Machine, RCC-Grade Beam, RCC-Floor Slab, RCC-Pillar, RCC-Slab with Beam, RCC-Stair, RCC-Lintel, Brick Wall, Plaster, Wall Paint, Inside wall- Plastic Paint, Outside Wall- Weather Coat Thai Aluminum & 5mm Glass in window, Door, M.S Grill in Window.	116	39	4,524	6	27,144
5	Building No.-5	R.C.C building, Dyes & Chemical godown, RCC-Grade Beam, RCC-Floor Slab, RCC-Pillar, RCC-Slab with Beam, RCC-Stair, RCC-Lintel, Brick Wall, Plaster, Wall Paint, Inside wall- Plastic Paint, Outside Wall- Weather Coat Thai Aluminum & 5mm Glass in window, Door, M.S Grill in Window.	70	26	1,820	6	10,920
6	Pre-Fabricated Building No.-6	Machine floor Pre-fabricated steel structured building for manufacturing	232.5	30.2	7,022	2	14,043



7	Pre-Fabricated Building No.-7	Machine floor, Pre-fabricated steel structured building for manufacturing	210	120	25,200	1	25,200
8	Trust Building No.-8	Machine floor, Brick Pillar & Teen Shed Roof with M.S angle Brick Pillar & Teen Shed Roof with M.S angle	40.6	38.7	1,571	1	1,571
9	Pre-Fabricated Building No.-9	Warehouse, Pre-fabricated steel structured building	191	119	22,729	1	22,729
10	Sheed No.-10	Machine floor, Brick Pillar & Teen Shed Roof with M.S angle Brick Pillar & Teen Shed Roof with M.S angle	71.9	31.2	2,243	1	2,243
11	Sheed No.-11	Machine floor, Brick Pillar & Teen Shed Roof with M.S angle Brick Pillar & Teen Shed Roof with M.S angle	41.7	38.7	1,614	1	1,614
12	Building No.-12	Pum and Reserve Tank, Brick Pillar & Teen Shed Roof with M.S angle Brick Pillar & Teen Shed Roof with M.S angle	55.6	40.6	2,257	1	2,257

- 3) **Machinery:** Total number of Machineries is 178.
- 4) **Generator:** MLDL has procured and implemented Three Unit Gas Generator having capacity of 1.95 MW.
- 5) **ETP:** MLDL has an ETP plant to purify the waste water produced from the manufacturing process. The company follows the rules and guidelines of the environment directorate's policies and directives.

Besides these assets, we have also found other assets like Electrical Installation, Boiler, Compressor, Fork lift, Gas Installation, Air Condition Installation, Telephone Installation, Office Equipment, Furniture & Fixture and Motor Car.

**Signboard:**

The signboard of the Company is well displayed at the factory premises.

Sd/-  
**Kamrun Naher**  
 Chief Executive Officer  
 NBL Capital & Equity Management Limited

Sd/-  
**Md. Mamunur Rashid**  
 Chief Executive Officer  
 Rupali Investment Limited

- (xiv) If the issuer is entitled to any intellectual property right or intangible asset, full description of the property, whether the same are legally held by the issuer and whether all formalities in this regard have been complied with;

The Company has no intellectual property right or intangible asset.

- (xv) Full description of other properties of the issuer;

Sl. No.	Particulars	Written Down Value as at 31-12-2016
1	Electrical Installation	41,735,168
2	Boiler	31,455,813
3	Compressor	14,649,474
4	Fork lift	2,648,246
5	Gas Installation	4,087,765
6	Air Condition Installation	3,754,631
7	Telephone Installation	646,396
8	Office Equipment	2,243,134
9	Furniture & Fixture	1,724,622
10	Motor Car	1,372,963

**(f) Plan of Operation and Discussion of Financial Condition:**

The issuer's revenue and results from operation, financial position and changes in financial position and cash flows for the last five years:

**REVENUE AND RESULTS FROM OPERATION:**

Particulars	6 Months	For the year				
	31-Dec-16	30-Jun-16	30-Jun-15	30-Jun-14	30-Jun-13	30-Jun-12
Sales	1,179,054,128	1,923,548,793	1,712,845,768	2,379,356,874	2,538,284,589	1,561,896,278
Cost of Sales	1,038,876,434	1,652,902,763	1,454,826,153	1,726,328,867	1,691,808,367	1,270,754,093
<b>Gross Profit</b>	<b>140,177,694</b>	<b>270,646,030</b>	<b>258,019,615</b>	<b>653,028,007</b>	<b>846,476,222</b>	<b>291,142,185</b>
Operating Expenses	13,974,368	27,364,700	25,204,056	25,003,939	24,180,007	25,508,903
<b>Operating Profit</b>	<b>126,203,326</b>	<b>243,281,330</b>	<b>232,815,559</b>	<b>628,024,068</b>	<b>822,296,215</b>	<b>265,633,282</b>
<b>Non-Operating Expenses</b>	<b>4,197,060</b>	<b>16,388,875</b>	<b>27,283,948</b>	<b>46,991,366</b>	<b>94,900,178</b>	<b>64,530,964</b>
Financial Expenses	4,197,060	16,388,875	27,283,948	46,991,366	94,900,178	64,530,964
<b>Non-Operating Income</b>	<b>319,308</b>	<b>712,980</b>	<b>878,754</b>	<b>1,216,305</b>	<b>1,146,604</b>	<b>457,417,500</b>
Other Income	319,308	712,980	878,754	1,216,305	1,146,604	457,417,500
<b>Net Profit before Tax</b>	<b>122,325,574</b>	<b>227,605,435</b>	<b>206,410,365</b>	<b>582,249,007</b>	<b>728,542,641</b>	<b>658,519,818</b>
<b>Income tax expenses</b>	<b>18,412,698</b>	<b>34,283,410</b>	<b>31,137,306</b>	<b>93,248,813</b>	<b>109,539,383</b>	<b>54,897,410</b>
Current Tax	14,695,645	21,320,634	5,077,589	87,611,020	109,539,383	54,897,410
Deferred Tax	3,717,053	12,962,776	26,059,717	5,637,793	-	-
<b>Net Profit after Tax</b>	<b>103,912,876</b>	<b>193,322,025</b>	<b>175,273,059</b>	<b>489,000,194</b>	<b>619,003,258</b>	<b>603,622,408</b>
Earnings Per Share (EPS)	0.74	1.38	1.25	3.48	8.82	8.60

# FINANCIAL POSITION:

Particulars	6 Months	For the year				
	31-Dec-16	30-Jun-16	30-Jun-15	30-Jun-14	30-Jun-13	30-Jun-12
<b>Assets:</b>						
<b>Non-Current Assets</b>	<b>2,030,589,217</b>	<b>2,096,501,988</b>	<b>2,183,357,581</b>	<b>1,655,996,105</b>	<b>1,761,826,072</b>	<b>1,500,649,022</b>
Property, Plant & Equipment	1,826,389,217	1,892,301,988	1,966,402,617	1,451,796,105	1,557,626,072	1,296,449,022
Investment in Associate company	204,200,000	204,200,000	204,200,000	204,200,000	204,200,000	204,200,000
Capital work-in-progress	-	-	12,754,964	-	-	-
<b>Current Assets</b>	<b>1,393,566,029</b>	<b>1,206,325,160</b>	<b>1,376,391,080</b>	<b>1,795,497,640</b>	<b>1,443,866,594</b>	<b>1,530,117,925</b>
Inventories	556,755,419	463,206,216	575,615,098	824,925,150	520,872,205	348,425,823
Trade and Other Receivable	795,429,761	694,126,688	743,497,940	936,497,235	893,347,535	594,704,902
Advance, Deposit & Prepayments	34,320,713	34,898,190	14,099,829	11,885,295	13,250,071	33,590,128
Advances to other Company	-	-	-	-	-	530,920,000
Cash & Bank Balances	7,060,136	14,094,066	43,178,213	22,189,960	16,396,783	22,477,072
<b>Total Assets</b>	<b>3,424,155,246</b>	<b>3,302,827,148</b>	<b>3,559,748,661</b>	<b>3,451,493,745</b>	<b>3,205,692,666</b>	<b>3,030,766,947</b>
<b>Shareholders' Equity &amp; Liabilities</b>						
<b>Shareholders' Equity</b>	<b>3,083,694,905</b>	<b>2,979,782,029</b>	<b>3,137,485,004</b>	<b>2,962,211,945</b>	<b>2,473,211,751</b>	<b>1,854,208,493</b>
Share Capital	1,404,100,000	1,404,100,000	1,404,100,000	1,404,100,000	702,050,000	702,050,000
Retained Earnings	1,679,594,905	1,575,682,029	1,733,385,004	1,558,111,945	1,771,161,751	1,152,158,493
<b>Non-Current liabilities</b>	<b>114,342,485</b>	<b>110,625,432</b>	<b>97,662,656</b>	<b>118,180,669</b>	<b>207,487,623</b>	<b>335,625,478</b>
Long Term Loan from Bank	-	-	-	112,542,876	207,487,623	335,625,478
Deferred Tax Liabilities	114,342,485	110,625,432	97,662,656	5,637,793	-	-
<b>Current Liabilities</b>	<b>226,117,856</b>	<b>212,419,687</b>	<b>324,601,002</b>	<b>371,101,131</b>	<b>524,993,292</b>	<b>840,932,976</b>
Trade and Other Payable	136,378,239	140,310,624	103,764,359	76,515,740	204,285,540	253,047,352
Current portion of Long Term Loan	-	-	101,619,025	108,000,000	108,000,000	108,000,000
Short term Loan from Bank	37,064,235	31,585,225	78,814,022	81,217,604	55,940,957	343,232,555
Creditors & Accrues	7,541,779	6,585,880	12,086,271	11,162,906	9,624,171	7,758,301
Provision for Income tax	45,133,603	33,937,958	28,317,324	94,204,881	147,142,624	128,894,768
<b>Total Liabilities</b>	<b>340,460,341</b>	<b>323,045,119</b>	<b>422,263,658</b>	<b>489,281,800</b>	<b>732,480,915</b>	<b>1,176,558,454</b>
<b>Total Shareholders' Equity &amp; Liabilities</b>	<b>3,424,155,246</b>	<b>3,302,827,148</b>	<b>3,559,748,661</b>	<b>3,451,493,745</b>	<b>3,205,692,666</b>	<b>3,030,766,947</b>
<b>Net Assets Value per share (NAVPS)</b>	<b>21.96</b>	<b>21.22</b>	<b>22.35</b>	<b>21.10</b>	<b>35.23</b>	<b>26.41</b>

## CHANGES IN FINANCIAL POSITION:

Particulars	Ordinary Share Capital	Retained Earnings	Share Money Deposit	Total
Balance as on June 30, 2012	702,050,000	1,152,158,493	-	1,854,208,493
Balance as on June 30, 2013	702,050,000	1,771,161,751	-	2,473,211,751
Balance as on June 30, 2014	1,404,100,000	1,558,111,945	-	2,962,211,945
Balance as on June 30, 2015	1,404,100,000	1,733,385,004	-	3,137,485,004
Balance as on June 30, 2016	1,404,100,000	1,575,682,029	-	2,979,782,029
Balance as on December 31, 2016	1,404,100,000	1,679,594,905	-	3,083,694,905

## CASH FLOWS:

	31-Dec-16	30-Jun-16	30-Jun-15	30-Jun-14	30-Jun-13	30-Jun-12
<b>Cash Flow from Operating Activities:</b>						
Collection from Turnover	1,077,751,055	1,972,920,045	1,905,845,063	2,336,207,174	2,239,641,956	1,262,938,351
Collection from other non-operating income	319,308	712,980	878,754	1,216,305	1,146,604	457,417,500
Payment for cost of Expenses	(1,051,659,270)	(1,350,320,378)	(1,055,413,015)	(2,032,033,083)	(1,876,270,071)	(1,293,184,275)
Paid for operating Expenses	(12,083,140)	(30,890,216)	(22,888,742)	(21,949,976)	(21,006,065)	(25,705,433)
Income Tax Paid	(10,612,518)	(27,527,541)	(15,465,219)	(140,548,763)	-	-
<b>Net cash flow from Operating activities</b>	<b>3,715,435</b>	<b>564,894,890</b>	<b>812,956,841</b>	<b>142,891,657</b>	<b>343,512,424</b>	<b>401,466,143</b>
<b>Cash Flow from Investing Activities:</b>						
Purchase of Fixed Assets	(12,031,315)	(77,717,340)	(643,357,207)	(20,439,014)	(370,183,082)	(2,282,280)
Dividend paid	-	(351,025,000)	-	-	-	-
Increase/Decrease to other Company	-	-	-	-	530,920,000	(530,920,000)
<b>Net cash used in investing activities</b>	<b>(12,031,315)</b>	<b>(428,742,340)</b>	<b>(643,357,207)</b>	<b>(20,439,014)</b>	<b>160,736,918</b>	<b>(533,202,280)</b>
<b>Cash Flow from Financing Activities:</b>						
Receipt/Paid short term loan	5,479,010	(47,228,797)	(2,403,582)	25,276,647	(287,291,598)	269,232,175
Payment for financial Expenses	(4,197,060)	(16,388,875)	(27,283,948)	(46,991,366)	(94,900,178)	(64,530,964)
Receipt/Paid long term loan	-	(101,619,025)	(118,923,851)	(94,944,747)	(128,137,855)	(57,468,569)
<b>Net Cash Flow from Financing Activities</b>	<b>1,281,950</b>	<b>(165,236,697)</b>	<b>(148,611,381)</b>	<b>(116,659,466)</b>	<b>(510,329,631)</b>	<b>147,232,642</b>
<b>Increase/ (Decrease) in cash and cash equivalents</b>	<b>(7,033,930)</b>	<b>(29,084,147)</b>	<b>20,988,253</b>	<b>5,793,177</b>	<b>(6,080,289)</b>	<b>15,496,505</b>
<b>Opening Cash and Cash Equivalents</b>	<b>14,094,066</b>	<b>43,178,213</b>	<b>22,189,960</b>	<b>16,396,783</b>	<b>22,477,072</b>	<b>6,980,567</b>
<b>Closing Cash and Cash Equivalents</b>	<b>7,060,136</b>	<b>14,094,066</b>	<b>43,178,213</b>	<b>22,189,960</b>	<b>16,396,783</b>	<b>22,477,072</b>

(a) Internal and external sources of cash;

Particulars	31-Dec-16	30-Jun-16	30-Jun-15	30-Jun-14	30-Jun-13	30-Jun-12
	6 Months	For the year				
<b>Internal Sources of Cash</b>						
Share Capital	1,404,100,000	1,404,100,000	1,404,100,000	1,404,100,000	702,050,000	702,050,000
Retained Earnings	1,679,594,905	1,575,682,029	1,733,385,004	1,558,111,945	1,771,161,751	1,152,158,493
<b>Sub-Total</b>	<b>3,083,694,905</b>	<b>2,979,782,029</b>	<b>3,137,485,004</b>	<b>2,962,211,945</b>	<b>2,473,211,751</b>	<b>1,854,208,493</b>
<b>External Sources of Cash</b>						
Long Term Loan from Bank	-	-	-	112,542,876	207,487,623	335,625,478
Current portion of Long Term Loan	-	-	101,619,025	108,000,000	108,000,000	108,000,000
Short term Loan from Bank	37,064,235	31,585,225	78,814,022	81,217,604	55,940,957	343,232,555
<b>Sub-Total</b>	<b>37,064,235</b>	<b>31,585,225</b>	<b>180,433,047</b>	<b>301,760,480</b>	<b>371,428,580</b>	<b>786,858,033</b>
<b>Grand Total</b>	<b>3,120,759,140</b>	<b>3,011,367,254</b>	<b>3,317,918,051</b>	<b>3,263,972,425</b>	<b>2,844,640,331</b>	<b>2,641,066,526</b>

(b) Any material commitments for capital expenditure and expected sources of funds for such expenditure;

The Company has not yet made any material commitment for capital expenditure except for those that are mentioned under the head 'Use of Proceeds' from IPO fund.

(c) Causes for any material changes from period to period in revenues, cost of goods sold, other operating expenses and net income;

The company's revenue and other income as well as operating expenses and net income for last 5 years are as stated below:

Particular	31-Dec-16	30-Jun-16	30-Jun-15	30-Jun-14	30-Jun-13	30-Jun-12
	6 Months	For the year				
Sales	1,179,054,128	1,923,548,793	1,712,845,768	2,379,356,874	2,538,284,589	1,561,896,278
Cost of Sales	1,038,876,434	1,652,902,763	1,454,826,153	1,726,328,867	1,691,808,367	1,270,754,093
Operating Expenses	13,974,368	27,364,700	25,204,056	25,003,939	24,180,007	25,508,903
Net Profit after Tax	103,912,876	193,322,025	175,273,059	489,000,194	619,003,258	603,622,408

**Causes for changes:**

**Revenues:**

Period to period revenues have been changed to available demand of customers, price and according production.

**Cost of goods sold:**

Change of cost of goods sold in period to period is in the line with sales volume.

**Other operating expenses:**

Change of operating expenses in period to period is in the line with production and sale volume.

**Net income:**

Net income change in period to period is in line with sales volume.

**(d) Any seasonal aspects of the issuer's business;**

MLDL supplies its products to its regular buyers, who provide sufficient purchase orders to work throughout the year. As a result, no seasonal aspects adversely affect the business of MLDL.

**(e) Any known trends, events or uncertainties that may have material effect on the issuer's future business;**

At present, there are no known trends, events and/or uncertainties that shall have a material impact on the company's future business except for those which are naturally beyond control of human being.

The business operation of the Company may be affected by the following events:

- I. Political unrest
- II. Natural disaster.

**(f) Any assets of the company used to pay off any liabilities;**

None of the assets of the company has been used to pay off any liabilities of the company.

**(g) Any loan taken from or given to any related party or connected person of the issuer with details of the same;**

No loan taken or given to any related party or connected person of the issuer.

**(h) Any future contractual liabilities the issuer may enter into within next one year, and the impact, if any, on the financial fundamentals of the issuer;**

The Company has no plan to enter into any contract creating future liabilities for the company except for those which are created in the normal course of business activities.

**(i) The estimated amount, where applicable, of future capital expenditure;**

The Company has no plan for capital expenditure except for those mentioned in the 'Use of Proceeds' from IPO fund.

- (j) Any VAT, income tax, customs duty or other taxliability which is yet to be paid, including any contingentliabilities stating why the same was not paid prior to theissuance of the prospectus. Updated income tax statusfor the last 5 years or from commercial operation, whichis shorter;

**VAT:** MLDL is a 100% export oriented company. As result, enjoying VAT exempted from NBR. There is no VAT liability of the Company as on 31 December, 2016.

**Customs Duty or other tax liabilities:** There is no customs duty Liability of the Company as on 31 December, 2016.

**Income Tax:** The Company is a regular tax payer. The TIN number of the company is 847475218132/Circle-052 (Company), Taxes Zone-03, Dhaka. Following are the details of income tax related information of the Company:

Income Year	Assessment Year	Status
2015-2016	2016-2017	Income Tax Return has been submitted and assessment is under process.
2014-2015	2015-2016	
2013-2014	2014-2015	As per certificate given by DCT of Tax Circle-052 (Companies), Taxes Zone-03, Dhaka, the Company's income tax assessment has been completed for the assessment year 2014-2015.
2012-2013	2013-2014	As per certificate given by DCT of Tax Circle-052 (Companies), Taxes Zone-03, Dhaka, the Company's income tax assessment has been completed for the assessment year 2013-2014.
2011-2012	2012-2013	As per certificate given by DCT of Tax Circle-052 (Companies), Taxes Zone-03, Dhaka, the Company's income tax assessment has been completed for the assessment year 2012-2013.



- (k) Any financial commitment, including lease commitment, the company had entered into during the past five years or from commercial operation, which is shorter, giving details as to how the liquidation was or is to be effected;

The Company has no operating lease obligation with anyone. However, the corporate office of the Company is established in a rented space under the following condition:

Address	Area (Sft)	Rent/Sft.	Period	Rent p/m (Tk.)
House # 11, (Floor- 6A), Road # 12, Niketon, Gulshan-1, Dhaka-1212	750	@ Tk. 16/-	Feb 16, 2017 to Feb 15 2022	12,000/-

**Loans:**

Sl	Name of Bank	Sanction Amount	Purpose of Loan	Sanction Date	Expiry Date	Installment-Qtr.	Outstanding at 31 Dec, 2016	Mortgage /Lien
1	Islami Bank Bangladesh Limited	65.00 Cr.	Murabaha TR & MPI	23.10.2016	22.10.2017	-	37,064,235.00	217.50 decimals land along with building of MLDL

NB: Apart from the above loans, the Company does not or did not have, during the period since its commencement of commercial operation any finance lease or such type of other commitment.

- (l) Details of all personnel related schemes for which the company has to make provision for in future years;

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

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.

(m) Break down of all expenses related to the public issue;

The following amount to be paid to the Issue Managers, Underwriters and other costs are as follows:

Sl. No.	Particulars	Basis	Amount in BDT (approx.)	
<b>A.</b>	<b>MANAGERS TO THE ISSUE FEES</b>			<b>2,300,000</b>
1	Managers to the Issue fee	1.00% on the public offer amount or Tk. 03.00 million whichever is lower.	2,000,000	
2	VAT against Issue Management Fees	15% of issue management fees	300,000	
<b>B.</b>	<b>FEES RELATED TO LISTING WITH THE STOCK EXCHANGES</b>			<b>6,712,300</b>
3	Prospectus Submission Fees to DSE & CSE	Fixed	100,000	
4	DSE and CSE Annual Fee	@ 0.05% on Tk. 10 Crore of paid-up capital and 0.02% on the rest amount of paid-up capital; (minimum Tk. 50 thousand and Maximum Tk. 6 lacs for each exchange	1,200,000	
5	Fees related to Listing with the stock exchanges	@ 0.25% on Tk. 10 Crore and 0.15% on the rest amount of paid up capital range; (minimum 50 thousand and maximum Tk. 1 crore for each exchanges)	5,012,300	
6	Data Transmission Fee for DSE & CSE	Fixed	400,000	
<b>C.</b>	<b>BSEC FEES</b>			<b>850,000</b>
7	Application fee	Fixed	50,000	
8	Consent fee	fee @ 0.40% on entire offer	800,000	
<b>D.</b>	<b>IPO RELATED FEES</b>			<b>550,000</b>
9	Underwriting commission (0.50%)	Commission @ 0.50% on Underwritten Amount	350,000	
10	Auditors Certification fees	At Actual	200,000	
<b>E.</b>	<b>CDBL FEES AND EXPENSES</b>			<b>849,115</b>
11	Security Deposit	At Actual	500,000	
12	Documentation fee	At Actual	2,500	
13	Annual fee	At Actual	100,000	
14	Connection Fee (TK. 500 per month* 12)	At Actual	6,000	
15	Initial Public Offering fee	@.015% of issue size+.015% of Pre-IPO paid up capital	240,615	

<b>F.</b>	<b>PRINTING AND POST PUBLIC OFFER EXPENSES</b>			<b>10,438,585</b>
16	Publication of prospectus	Estimated (to be paid at actual)	650,000	
17	Abridge Version of Prospectus and Notice in 4 daily news paper	Estimated (to be paid at actual)	600,000	
18	Notice for prospectus, Lottery, Refund etc. in 4 daily news paper	Estimated (to be paid at actual)	250,000	
19	Lottery related expenses including BUET fee	Estimated (to be paid at actual)	800000	
20	Data Processing and Share Software Charge	Estimated (to be paid at actual)	7,753,100	
21	Courier Expenses	Estimated (to be paid at actual)	200,000	
22	Administrative & Stationary Expense	Estimated (to be paid at actual)	185,485	
<b>Grand Total</b>				<b>21,700,000</b>

N.B.: Actual costs will vary if above mentioned estimates differ and will be adjusted accordingly.

- (n) If the issuer has revalued any of its assets, the name, qualification and experiences of the valuer and the reason for the revaluation, showing the value of the assets prior to the revaluation separately for each asset revalued in a manner which shall facilitate comparison between the historical value and the amount after revaluation and giving a summary of the valuation report along with basis of pricing and certificates required under the revaluation guideline of the Commission;

M.L. Dyeing Limited has not made any revaluation of its asset.

- (o) Where the issuer is a holding/subsidiary company, full disclosure about the transactions, including its nature and amount, between the issuer and its subsidiary/holding company, including transactions which had taken place within the last five years of the issuance of the prospectus or since the date of incorporation of the issuer, whichever is later, clearly indicating whether the issuer is a debtor or a creditor;

The Company has no subsidiary nor it is operated under a holding company nor does it have any associate company. Hence, no transaction has taken place.

(p) Financial Information of Group Companies: following information for the last three years based on the audited financial statements, in respect of all the group companies of the issuer, wherever applicable, along with significant notes of auditors:

SL. No.	Name of Companies	1) Date of Incorporation	2) Nature of Business	Accounting Year	3) Equity Capital	4) Reserves	5) Sales (In crore)	6) Profit After Tax (In Crore)	7) EPS & Diluted EPS	8) NAV	9) Status of Listing	10) Information Regarding Significant Adverse Factors	11) Has Become Sick or is under winding up
1	R.N Spinning Mills Ltd	4-04-2004	Acrylic and Cotton yarn Spinning Mill	30.06.2016	2,478,187,090	2,961,125,208	3,529,403,478	(249,758,104)	(1.01)	24.37	Listed with DSE & CSE	No	No
				31.12.2014	2,478,187,090	3,210,883,312	3,083,741,731	408,720,939	1.65	25.45			
				31.12.2013	2,478,187,090	2,802,162,373	3,859,746,276	1,285,987,588	5.24	23.73			
2	Far Chemical Industries Ltd.	22-03-2007	Chemical Industry	2015-2016	1,365,473,470	907,807,220	1,492,738,046	344,511,101	2.51	16.65	Listed with DSE & CSE	No	No
				2014-2015	1,092,378,780	836,390,809	1,308,365,030	298,461,130	2.73	17.66			
				2013-2014	910,315,650	719,992,809	1,198,194,039	281,711,185	3.45	17.91			

## 12) The related business transactions within the group and their significance on the financial performance of the issuer;

There were no related business transactions within the group, which have significance on the financial performance of the issuer except the following transaction:

Amount in Taka.								
Particulars	Relationship	Nature of Transaction	31-12-2016 (6 Month)	30-06-2016	30-06-2015	30-06-2014	30-06-2013	30-06-2012
R.N Spinning Mills Ltd.	Common Management & Investment	Import	709,541,231	498,754,131	754,186,914	1,405,142,783	1,375,418,623	652,854,753
		Bills payable balance	92,375,570	92,003,545	12,574,691	32,012,548	115,248,760	156,547,811
Far Chemical Industries Ltd.	Common Management	Import	72,415,691	99,256,219	98,542,106	60,459,438	51,876,509	50,352,148
		Bills payable balance	12,688,689	33,542,108	75,396,876	3,268,541	32,301,241	34,256,875

Other than the above, there was no transaction within the group.

- 13) Sales or purchase between group companies/subsidiaries/associate companies when such sales or purchases exceed in value in the aggregate ten per cent of the total sales or purchases of the issuer and also material items of income or expenditure arising out of such transactions**

There were no transactions of M.L. Dyeing & Sweater Limited between group companies/subsidiaries/associate companies, which exceed in value in the aggregate ten per cent of the total sales or purchases of the Company except the followings:

Sl.	Name & Address	Type of Raw Material (Yarn/Chemical)	Total Purchases amount	% of total Purchase
1	<b>R. N. Spinning Mills Ltd.</b> Plot # 100-107 & 127-134 Comilla Export Processing Zone, Comilla	Yarn	709,541,231	42.92%
2	<b>FAR Chemical Industries Ltd.</b> Plot # 135-136 Comilla Export Processing Zone, Comilla	Chemical	72,415,691	62.74%

- 14) Where the issuer is a banking company, insurance company, non-banking financial institution or any other company which is regulated and licensed by another primary regulator, a declaration by the board of directors shall be included in the prospectus stating that all requirements of the relevant laws and regulatory requirements of its primary regulator have been adhered to by the issuer**

Not applicable.

- 15) A report from the auditors regarding any allotment of shares to any person for any consideration otherwise than cash along with relationship of that person with the issuer and rationale of issue price of the shares;

**AUDITOR'S CERTIFICATE REGARDING ALLOTMENT OF SHARES TO PROMOTERS OR SPONSOR SHAREHOLDERS FOR CONSIDERATION IN CASH/OTHER THAN CASH**

This is to certify that the paid-up capital of **M.L. Dyeing Limited** as of December 31, 2016, was Tk. 1,404,100,000 divided into 140,410,000 Ordinary Shares of BDT 10.00 each. Details are follows:

Particulars of Allotment	Date of Allotment	Form of Consideration (No. of Shares)				Face Value of Share (Tk.)	Paid-up Capital
		In cash		Other than in cash	Bonus		
		Considering Face Value of Tk.100 each Share	Considering Face Value Tk.10 each Share after split				
1 <sup>st</sup> (subscriber to the Memorandum & Articles of Association at the time of incorporation)	21-Mar-01	1,000	-	-	-	100.00	100,000
2 <sup>nd</sup>	14-Jan-10	-	998,000	-	-	100.00	99,800,000
3 <sup>rd</sup>	2-May-10	-	8,000,000	52,215,000	-	10.00	602,150,000
4 <sup>th</sup>	27-Aug-13	-	-	-	70,205,000	10.00	702,050,000
Total							1,404,100,000

The Company has changed the face value of its ordinary share from Tk. 100.00 to Tk. 10.00 by passing a special resolution in its extraordinary general meeting held on 7<sup>th</sup> March, 2010 and necessary amendments in capital clause of the Memorandum and Articles of Association were made accordingly.

Place: Dhaka  
Date: February 28, 2017

Sd/-  
**Mahfel Huq & Co.**  
Chartered Accountants

**16) Any material information, which is likely to have an impact on the offering or change the terms and conditions under which the offer has been made to the public**

There is no material information, which is likely to have an impact on the offering or change the terms and conditions under which the offer has been made to the public

**17) Business strategies and future plans. Projected statement of financial position, compressive statement of income and earnings per share for the next three accounting years as per the issuers own assessment;**

#### **Business Strategies**

Business strategies of MLDL are as follows:

1. Maintain the buyers demand, choice, and expectation to grab the overseas market.
2. Ensure better quality of products in competitive price.

#### **Future plans**

In persuasion of aforesaid Strategies MLDL and its experienced team have been working insistently keeping in consideration future as well. MLDL has a planned for acquisition of Plant and Machineries by using IPO proceeds.



## Projected Financial Information (PFI);

The assumptions for these projections are as follows:

(Each year calculation is made comparing with respective previous year)

The projected financial statement has been prepared on underlying assumption					
Assumption indicator	Assumption's Basis	Assumptions Years			
		30-June-17	30-June-18	30-June-19	30-June-20
Capacity Increase	Capacity will be increased as new machineries will be introduced. The new dual fuel generator will supply steam continuous with uniform pressure.	2.62%	9.98%	9.75%	6.34%
Capacity Utilization	Capacity utilization will be almost same.	89%	90%	90%	92%
Sales Revenue Increase	Sales will be increased for qualitative products by the increase of sales volume and unit price.	23.82% against previous 12 months	9.76%	13.00%	11.07%
Operating Expenses Increase/ (Decrease)	Operating expenses will be increased due to increase of production and sales. IPO expense will lead to the higher increase of Operating expenses in the year 2018. Expenses will be reduced in the year 2019 because of no IPO Expense in the year.	2.65% against previous 12 months	84.36%	-34.96%	7.00%
Property, Plant and Equipment Addition	Property, Plant and Equipment will be increased in every year for the purpose of production increase.	50,000,000 (January 01, 2017 to June 30, 2017)	195,412,781	210,000,000	150,000,000
Paid up Capital Increase	Paid up Capital will be increased by Tk. 200,000,000 through IPO in FY 2017-2018.	-	200,000,000	-	-
Dividend	Dividend is not considered here as the decision is not predetermined.	-	-	-	-

### Statement of Financial Position (Projected)

Particulars	Amount in Taka				
	Audited	Projected			
	31-12-2016	30-06-2017	30-06-2018	30-06-2019	30-06-2020
<b>Non-Current Assets</b>					
Property, Plant & Equipment	1,826,389,217	1,799,268,240	1,844,534,769	1,898,902,149	1,883,122,318
Investment in Associate Company	204,200,000	204,200,000	204,200,000	204,200,000	204,200,000
<b>Total Non-Current Assets</b>	<b>2,030,589,217</b>	<b>2,003,468,240</b>	<b>2,048,734,769</b>	<b>2,103,102,149</b>	<b>2,087,322,318</b>
<b>Current Assets</b>					
Inventories	556,755,419	652,282,733	709,416,673	821,540,521	954,120,216
Trade and other Receivables	795,429,761	795,429,761	824,365,975	951,712,529	1,165,421,824
Advance, Deposits and Prepayments	34,320,713	45,283,015	137,541,653	200,326,210	228,924,303
Cash and Cash Equivalents	7,060,136	7,554,346	121,168,119	55,703,736	26,742,759
<b>Total Current Asset</b>	<b>1,393,566,029</b>	<b>1,500,549,855</b>	<b>1,792,492,420</b>	<b>2,029,282,996</b>	<b>2,375,209,102</b>
<b>Total Assets</b>	<b>3,424,155,246</b>	<b>3,504,018,094</b>	<b>3,841,227,189</b>	<b>4,132,385,145</b>	<b>4,462,531,420</b>
<b>EQUITY AND LIABILITIES</b>					
<b>Capital and Reserves</b>					
Share Capital	1,404,100,000	1,404,100,000	1,604,100,000	1,604,100,000	1,604,100,000
Retained Earnings	1,679,594,905	1,782,869,165	1,997,644,783	2,232,663,087	2,541,363,135
	<b>3,083,694,905</b>	<b>3,186,969,165</b>	<b>3,601,744,783</b>	<b>3,836,763,087</b>	<b>4,145,463,135</b>
<b>Non-Current Liabilities</b>					
Deferred Tax Liabilities	114,342,485	117,475,659	127,437,172	136,680,549	142,655,550
<b>Total Non-Current Liabilities</b>	<b>114,342,485</b>	<b>117,475,659</b>	<b>127,437,172</b>	<b>136,680,549</b>	<b>142,655,550</b>
<b>Current Liabilities</b>					
Trade and other Payables	136,378,239	125,421,874	56,378,239	75,421,501	65,214,128
Short term Borrowings	37,064,235	31,575,418	19,074,521	42,185,964	51,254,187
Creditors & Accrues	7,541,779	7,843,450	8,157,188	8,483,476	8,822,815
Provision for Income Tax	45,133,603	34,732,528	28,435,286	32,850,568	49,121,605
<b>Total Current Liabilities</b>	<b>226,117,856</b>	<b>199,573,270</b>	<b>112,045,234</b>	<b>158,941,509</b>	<b>174,412,735</b>
<b>Total Current &amp; Non-Current Liabilities</b>	<b>340,460,341</b>	<b>317,048,929</b>	<b>239,482,406</b>	<b>295,622,058</b>	<b>317,068,285</b>
<b>Total Equity and Liabilities</b>	<b>3,424,155,246</b>	<b>3,504,018,094</b>	<b>3,841,227,189</b>	<b>4,132,385,145</b>	<b>4,462,531,420</b>

### Statement of Comprehensive Income (Projected)

Particulars	Amount in Taka				
	Audited	Projected			
	31-12-2016 (6 Months)	30-06-2017 (12 Months)	30-06-2018	30-06-2019	30-06-2020
Export	1,179,054,128	2,381,689,339	2,614,259,830	2,954,218,760	3,281,240,513
Less: Cost of Export	1,038,876,434	2,098,530,397	2,305,421,873	2,638,543,914	2,874,512,462
<b>Gross Profit</b>	<b>140,177,694</b>	<b>283,158,942</b>	<b>308,837,957</b>	<b>315,674,846</b>	<b>406,728,051</b>
Less: Operating Expenses	13,974,368	28,088,480	51,784,673	33,679,600	36,037,172
<b>Operating Income</b>	<b>126,203,326</b>	<b>255,070,462</b>	<b>257,053,284</b>	<b>281,995,246</b>	<b>370,690,879</b>
Financial Expenses	4,197,060	4,197,060	3,038,996	3,828,780	5,840,009
<b>Net operating Income</b>	<b>122,006,266</b>	<b>250,873,402</b>	<b>254,014,288</b>	<b>278,166,466</b>	<b>364,850,870</b>
Add: Other non-operating income	319,308	670,547	841,871	1,054,216	1,054,216
<b>Net profit before tax</b>	<b>121,686,958</b>	<b>250,202,855</b>	<b>253,172,417</b>	<b>277,112,250</b>	<b>363,796,654</b>
<b>Provision for Tax</b>	<b>18,412,698</b>	<b>37,865,702</b>	<b>38,396,798</b>	<b>42,093,945</b>	<b>55,096,606</b>
Income Tax Expenses	14,695,645	34,732,528	28,435,286	32,850,568	49,121,605
Deferred Tax Expense	3,717,053	3,133,174	9,961,512	9,243,378	5,975,001
<b>Net Profit after tax</b>	<b>103,274,260</b>	<b>212,337,153</b>	<b>214,775,619</b>	<b>235,018,305</b>	<b>308,700,048</b>

<b>Earnings Per Share (EPS)</b>	1.51	1.34	1.47	1.92
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- Dividend is not considered

Sd/-  
**Golam Azam Chowdhury**  
Managing Director

Sd/-  
**Topon Kumar Paul FCMA**  
Chief Financial Officer

Sd/-  
**A.K.M. Atiqur Rahman**  
Company Secretary

(q) Discussion on the results of operations shall inter-alia contain the following:

- 1) A summary of the past financial results after adjustments as given in the auditor's report containing significant items of income and expenditure;

Particulars	31-Dec-16	30-Jun-16	30-Jun-15	30-Jun-14	30-Jun-13	30-Jun-12
	6 Months	For the year				
Non-Current Assets	2,030,589,217	2,096,501,988	2,183,357,581	1,655,996,105	1,761,826,072	1,500,649,022
Current Assets	1,393,566,029	1,206,325,160	1,376,391,080	1,795,497,640	1,443,866,594	1,530,117,925
Shareholders' Equity	3,083,694,905	2,979,782,029	3,137,485,004	2,962,211,945	2,473,211,751	1,854,208,493
Long Term Loan from Bank	-	-	-	112,542,876	207,487,623	335,625,478
Current Liabilities	226,117,856	212,419,687	324,601,002	371,101,131	524,993,292	840,932,976
Sales	1,179,054,128	1,923,548,793	1,712,845,768	2,379,356,874	2,538,284,589	1,561,896,278
Gross Profit	140,177,694	270,646,030	258,019,615	653,028,007	846,476,222	291,142,185
Net Profit before Tax	122,325,574	227,605,435	206,410,365	582,249,007	728,542,641	658,519,818
Net Profit after Tax	103,912,876	193,322,025	175,273,059	489,000,194	619,003,258	603,622,408

- 2) A summary of major items of income and expenditure;

**Major items of income:**

Particulars	31-Dec-16	30-Jun-16	30-Jun-15	30-Jun-14	30-Jun-13	30-Jun-12
	6 Months	For the year				
Sales	1,179,054,128	1,923,548,793	1,712,845,768	2,379,356,874	2,538,284,589	1,561,896,278
Other Income	319,308	712,980	878,754	1,216,305	1,146,604	457,417,500

**Major items of Expenditure:**

Particulars	31-Dec-16	30-Jun-16	30-Jun-15	30-Jun-14	30-Jun-13	30-Jun-12
	6 Months	For the year				
Cost of Sales	1,038,876,434	1,652,902,763	1,454,826,153	1,726,328,867	1,691,808,367	1,270,754,093
Operating Expenses	13,974,368	27,364,700	25,204,056	25,003,939	24,180,007	25,508,903
Financial Expenses	4,197,060	16,388,875	27,283,948	46,991,366	94,900,178	64,530,964

**3) The income and sales on account of major products or services;**

There is only one product of the Company, which contributed to the Company's total revenue.

**4) In case, other income constitutes more than 10% of the total income, the breakup of the same along with the nature of the income, i.e., recurring or non-recurring;**

The Company's other income is not more than 10% of the total income.

**5) If a material part of the income is dependent upon a single customer or a few major customers, disclosure of this fact along with relevant data. Similarly, if any foreign customer constitutes a significant portion of the issuer's business, disclosure of the fact along with its impact on the business considering exchange rate fluctuations;**

The Company's income is not dependent upon a single customer or a few major customers or foreign customer.

**6) In case the issuer has followed any unorthodox procedure for recording sales and revenues, its impact shall be analyzed and disclosed.**

The issuer has not followed any unorthodox procedure for recording sales and revenues.

- (r) Comparison of recent financial year with the previous financial years on the major heads of the profit and loss statement, including an analysis of reasons for the changes in significant items of income and expenditure, inter-alia, containing the following:

Particulars	6 Months	For the year				
	31-Dec-16	30-Jun-16	30-Jun-15	30-Jun-14	30-Jun-13	30-Jun-12
Sales	1,179,054,128	1,923,548,793	1,712,845,768	2,379,356,874	2,538,284,589	1,561,896,278
Cost of Sales	1,038,876,434	1,652,902,763	1,454,826,153	1,726,328,867	1,691,808,367	1,270,754,093
<b>Gross Profit</b>	<b>140,177,694</b>	<b>270,646,030</b>	<b>258,019,615</b>	<b>653,028,007</b>	<b>846,476,222</b>	<b>291,142,185</b>
Operating Expenses	13,974,368	27,364,700	25,204,056	25,003,939	24,180,007	25,508,903
<b>Operating Profit</b>	<b>126,203,326</b>	<b>243,281,330</b>	<b>232,815,559</b>	<b>628,024,068</b>	<b>822,296,215</b>	<b>265,633,282</b>
<b>Non-Operating Expenses</b>	<b>4,197,060</b>	<b>16,388,875</b>	<b>27,283,948</b>	<b>46,991,366</b>	<b>94,900,178</b>	<b>64,530,964</b>
Financial Expenses	4,197,060	16,388,875	27,283,948	46,991,366	94,900,178	64,530,964
<b>Non-Operating Income</b>	<b>319,308</b>	<b>712,980</b>	<b>878,754</b>	<b>1,216,305</b>	<b>1,146,604</b>	<b>457,417,500</b>
Other Income	319,308	712,980	878,754	1,216,305	1,146,604	457,417,500
<b>Net Profit before Tax</b>	<b>122,325,574</b>	<b>227,605,435</b>	<b>206,410,365</b>	<b>582,249,007</b>	<b>728,542,641</b>	<b>658,519,818</b>
<b>Income tax expenses</b>	<b>18,412,698</b>	<b>34,283,410</b>	<b>31,137,306</b>	<b>93,248,813</b>	<b>109,539,383</b>	<b>54,897,410</b>
Current Tax	14,695,645	21,320,634	5,077,589	87,611,020	109,539,383	54,897,410
Deferred Tax	3,717,053	12,962,776	26,059,717	5,637,793	-	-
<b>Net Profit after Tax</b>	<b>103,912,876</b>	<b>193,322,025</b>	<b>175,273,059</b>	<b>489,000,194</b>	<b>619,003,258</b>	<b>603,622,408</b>

**Analysis of reasons for the changes in significant items of income and expenditure:**

In the last few years, production capacity has been increased by installation of new machinery.

- 1) **Unusual or infrequent events or transactions including unusual trends on account of business activity, unusual items of income, change of accounting policies and discretionary reduction of expenses etc.**

The is no unusual or infrequent events or transactions including unusual trends on account of business activity, unusual items of income, change of accounting policies and discretionary reduction of expenses etc.

- 2) **Significant economic changes that materially affect or are likely to affect income from continuing operations;**

There are no significant economic changes that materially affect or are likely to affect income from continuing operations.

- 3) **Known trends or uncertainties that have had or are expected to have a material adverse impact on sales, revenue or income from continuing operations;**

At present, there are no known trends, events and/or uncertainties that shall have a material impact on the company's future business except for those which are naturally beyond control of human being.

The business operation of the Company may be affected by the following events:

- i. Political unrest
- ii. Natural disaster

- 4) **Future changes in relationship between costs and revenues, in case of events such as future increase in labor or material costs or prices that will cause a material change are known;**

We are aware of the fact that future is always uncertain that affect business and plan as well. So, in future labor price or material price may change. However, revenue is always adjusted and follows the trend in line with production cost. Hence, any change in cost will be reflected in sales price.

- 5) **The extent to which material increases in net sales or revenue are due to increased sales volume, introduction of new products or services or increased sales prices;**

We are expecting the increased net sales or revenue because of sales volume, new product line and sales price. It is forecasted that we will be able to increase our net sales or revenue around 12 percent on an average for the next 3 years.

- 6) **Total turnover of each major industry segment in which the issuer operated;**

Year	Export of RMG (in Million US\$)	Total Export (in Million US\$)	% of RMG's to total Export
2009-2010	12,496	16,204	77.12%
2010-2011	17,914	22,924	78.15%
2011-2012	19,089	24,287	78.60%
2012-2013	21,515	27,018	79.63%
2013-2014	24,491	30,186	81.13%
2014-2015	25,491	31,208	81.68%
2015-2016 (Jul-Feb)	18,128	22,123	81.94%

*Source: EPB (Export Promotion Bureau)*

*Since, there is no direct data of dying industry, we could not provide any data related to the dying industry.*

- 7) **Status of any publicly announced new products or business segment;**

The Company did not announce new products or business segment.

- 8) **The extent to which the business is seasonal.**

MLDL supplies its products to its regular buyers, who provide sufficient purchase orders to work throughout the year. As a result, no seasonal aspects adversely affect the business of MLDL.

- (s) **Defaults or rescheduling of borrowings with financial institutions/banks, conversion of loans into equity alongwith reasons thereof, lock out, strikes and reasons for the same etc.**

The Company did not reschedule of its borrowing with financial institutions/banks.

- (t) **Details regarding the changes in the activities of the issuer during the last five years which may had a material effect on the profits/loss, including discontinuance of lines of business, loss of agencies or markets and similar factors;**

There were no changes in the activities of the Company during the last five years and had not any material effect on the profits/loss, including discontinuance of lines of business, loss of agencies or markets and similar factors.

- (u) **Injunction or restraining order, if any, with possible implications;**

There was no injunction or restraining order.



- (v) **Technology, market, managerial competence and capacity built-up;**  
M.L. Dyeing Limited has been using modern machineries and technologies (Cabinet and Spray Hang Yarn Dyeing Machine for dyeing) in order to produce high quality of dyed yarn.
- (w) **Changes in accounting policies in the last three years;**  
The management of the Company has not change any accounting policies in the last three years.
- (x) **Significant developments subsequent to the last financial year: A statement by the directors whether in their opinion there have arisen any circumstances since the date of the last financial statements as disclosed in the prospectus and which materially and adversely affect or is likely to affect the trading or profitability of the issuer, or the value of its assets, or its ability to pay its liabilities within the next twelve months;**

**A statement by the directors:**

In our opinion, there have no such circumstances arisen since the date of the last financial statements as disclosed in the prospectus which materially and adversely affect or is likely to affect the trading or profitability of the M.L. Dyeing Limited or the value of its assets, or its ability to pay its liabilities within the next twelve months.

Sd/-  
**Faiaz Kader**  
*Chairman*

Sd/-  
**Golam Azam Chowdhury**  
*Managing Director & Director*  
(Rep. of Rajon Textile Mills Ltd.)

Sd/-  
**Rezaur Rahman Rajon**  
*Director*

Sd/-  
**Abul Khair Manik**  
*Director*  
(Rep. of Total Spinning Mills Ltd.)

Sd/-  
**Syed Md. Tajon Islam**  
*Independent Director*

- (y) **If any quarter of the financial year of the issuer ends after the period ended in the audited financial statements as disclosed in the prospectus, unaudited financial statements for each of the said quarters duly authenticated by the CEO and CFO of the issuer;**

Audited half year financial statement December 31, 2016 has been incorporated in the prospectus.

- (z) **Factors that may affect the results of operations.**

There are no such factors that may affect the results of operations.

## CHAPTER (VII): MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULT OF OPERATIONS

### (a) Overview of business and strategies:

#### Overview of business:

M.L. Dyeing Limited (MLDL) is a Dyeing industry in Bangladesh. MLDL is a 100% export oriented Sweater industry as well as deemed exporter and Dyeing Yarn for use in the export of sweater industries. MLDL has earned a reputation as a successful Dyeing and Sweater manufacturer over the last few years by manufacturing quality products and achieving satisfactory revenue especially from export.

MLDL was incorporated as a Private Limited company on March 21, 2001 and subsequently converted into a public limited company on June 02, 2010 under Companies Act 1994 with the Registrar of Joint Stock Companies and Firms, Dhaka, Bangladesh under the Companies Act, 1994. The Certificate of Incorporation number is C- 42701(2060)/2001 of 2001. The Company started its commercial operation on July 01, 2002. The Company runs the business of 100% export oriented Sweater industries to carry out business of dyeing of yarn.

#### Strategies:

Business strategies of MLDL are as follows:

1. Maintain the buyers demand, choice, and expectation to grab the overseas market.
2. Ensure better quality of products in competitive price.

### (b) SWOT ANALYSIS:

#### Strengths

1. **Strong Management:** The Company has good management to run the company efficiently.
2. **Modern Machineries:** We have been using modern machineries that increase our productivity.
3. **Strong distribution channels:** We have very strong distribution channels through which we can smoothly supply our products.
4. **Research & Development:** In developing new products and process we have strong Research and Development department for dyeing and finishing.

#### Weaknesses

1. **Work Environment:** High temperature is in the production plant.
2. **Human Resources:** We have to make our human resources more skilled in comparison with other countries.

#### Opportunity

1. **Government policy favoring the industry:** There is huge employment in Garments and Textile Sector. Hence, the Garments, Textile and backward linkage industries are enjoying special tax rates, Tax holidays and subsidies from the government for the development of this sector.
2. **Easy Bank Loan:** Banks are helpful in providing short term finance so that companies can meet up their working capital.
3. **Tax incentives:** Government is very helpful by providing tax benefit.
4. **Good Demand of the Product:** Since garments and textile sector are flourishing over the years, there is huge volume of orders from export oriented textile industries.

### **Threat**

1. **Intense Competition:** There is rivalry among the competitors to get the market share as maximum as possible.
2. **International Market Demand:** We are 100% exporter and we could be affected by the international market demand
3. **Lack of Power Supply:** We have power supply shortage in our country. There is concern of availability of gas. For business expansion, we need continuous power supply such as gas and electricity to run our operation smoothly.

(c) Analysis of the financial statements of last five years with reason(s) of fluctuating revenue/sales, other income, total income, cost of material, finance cost, depreciation and amortization expense, other expense; changes of inventories, net profit before & after tax, EPS etc.

Particulars	31-Dec-16	30-Jun-16	30-Jun-15	30-Jun-14	30-Jun-13	30-Jun-12
	6 Months	For the year				
Revenues	1,179,054,128	1,923,548,793	1,712,845,768	2,379,356,874	2,538,284,589	1,561,896,278
Other Income	319,308	712,980	878,754	1,216,305	1,146,604	457,417,500
<b>Total Income</b>	<b>1,179,373,436</b>	<b>1,924,261,773</b>	<b>1,713,724,522</b>	<b>2,380,573,179</b>	<b>2,539,431,193</b>	<b>2,019,313,778</b>
Cost of Materials	923,809,267	1,384,137,723	1,239,221,363	1,551,317,323	1,518,926,519	1,018,282,923
Financial Expenses	4,197,060	16,388,875	27,283,948	46,991,366	94,900,178	64,530,964
Depreciation Expense	77,944,086	164,572,933	115,995,732	126,268,981	109,006,032	119,844,073
Amortization Expense	-	-	-	-	-	-
Others Expense	13,974,368	27,364,700	25,204,056	25,003,939	24,180,007	25,508,903
Changes of Inventories	93549203	(112,408,882)	(249,310,052)	304,052,945	172,446,382	(207,385,445)
Net Profit Before Tax	122,325,574	227,605,435	206,410,365	582,249,007	728,542,641	658,519,818
Net Profit After Tax	103,912,876	193,322,025	175,273,059	489,000,194	619,003,258	603,622,408
EPS	0.74	1.38	1.25	3.48	8.82	8.60

**Reason of Fluctuation:****Revenue:**

Period to period revenue have been changed due to available demand of customers, price and according production.

**Other Income:**

Other income has been generated from Wastage sale and Dividend Income (2012).

**Total Income:**

Total Income change in period to period is in line with sales volume.

**Cost of Materials:**

We think the costs of materials to revenue are consistent over the years.

**Finance Cost and Bank Charge:**

Due to Repayment of Long Term Loan. So, Financial expenses has reduced.

**Depreciation and Amortization:**

We have increased our capacity installing new machineries, build up factory building and other assets. So, depreciation has been charged / increased accordingly.

The company did not amortize any of its capital expenditure during the last five years.

**Other Expenses:**

The company did not incur any other expenses other than regular expenses during the last five years

**Changes of inventory:**

We have to maintain sufficient amount of inventory in order to meet the sales order.

**Net profit before and after Tax and Earnings per Share**

Net profit before and after tax is change in last five years is in line with the revenue. No unusual changes have been occurred during the last five years on the above matters.

Earnings per Share are properly calculated through using number of ordinary shares for each year.

**(d) Known trends, demands, commitments, events or uncertainties that are likely to have an effect on the company's business:**

At present, there are no known trends, events and/or uncertainties that shall have a material impact on the company's future business except for those which are naturally beyond control of human being.

The business operation of the Company may be affected by the following events:

- i. Political unrest
- ii. Natural disaster

**(e) Trends or expected fluctuations in liquidity:**

There are no trends or expected fluctuations in liquidity.

**(f) Off-balance sheet arrangements those have or likely to have a current or future effect on financial condition:**

There are no off-balance sheet arrangements those have or likely to have a current or future effect on financial condition.

## CHAPTER (VIII): DIRECTORS AND OFFICERS

(a) Name, Father's Name, age, Residential address, Educational qualification, experience and position of each director and nominated director with nomination period, organization name:

SL	Name of Director, Father's Name, Age & Experience		Residential Address	Educational Qualification	Name of the Institutions and Duration for Nominated Director
1	<b>Name:</b> <b>Position:</b> <b>Father's Name:</b> <b>Age:</b> <b>Experience:</b>	<b>Faiaz Kader</b> Chairman Abdul Kader Faruk 23 Years 3 Years	House: 22/A Chamelibagh, Shantinagar, Dhaka.	MBA	-
2	<b>Name:</b> <b>Position:</b> <b>Father's Name:</b> <b>Age:</b> <b>Experience:</b>	<b>Golam Azam Chowdhury</b> <b>(Representative Director from Rajon Textile Mills Ltd.)</b> Managing Director & Director Late Mahabbat Ali Chowdhury 49 Years 17 Years	House No. # 1383/8, Natunbagh, Khilgaon, Dhaka-1219	Masters in Arts	3 Yrs.
3	<b>Name:</b> <b>Position:</b> <b>Father's Name:</b> <b>Age:</b> <b>Experience:</b>	<b>Rezaur Rahman Rajon</b> Director Abdul Kader Faruk 27 Years 4 Years	House 35/7/A Shantinagar, Dhaka.	MBA	-
4	<b>Name:</b> <b>Position:</b> <b>Father's Name:</b> <b>Age:</b> <b>Experience:</b>	<b>Abul Khair Manik</b> <b>(Representative Director of Total Spinning Mills Ltd.)</b> Director Late Fazel Ahmed 51 Years 18 Years	House: G-P-L-41, Madda Badda Hazi Kalim uddin Road, Badda	Masters in Commerce	3 Yrs.

5	<b>Name:</b> <b>Position:</b> <b>Father's Name:</b> <b>Age:</b> <b>Experience:</b>	<b>Syed Md. Tajon Islam</b> Independent Director Syed Md. Harun- or- Rashid 35 Years 13 Years	House: 143/B, Khilgaon Chowdhury Para, Khilgaon	MBA	3 Years
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(b) Date of first Directorship and Expiry of Current Tenure of the directors:

SL.	Name of the Director	Position	Date of first Directorship	Date of Expiration of Current term
1	Faiaz Kader	Chairman	19-Aug-13	16th AGM in 2017
2	Golam Azam Chowdhury (Representative Director from Rajon Textile Mills Ltd.)	Managing Director & Director	8-Dec-16	17th AGM in 2018
3	Rezaur Rahman Rajon	Director	19-Aug-13	16th AGM in 2017
4	Abul Khair Manik (Representative Director of Total Spinning Mills Ltd.)	Director	8-Dec-16	17th AGM in 2018
5	Syed Md. Tajon Islam	Independent Director	8-Dec-16	18th AGM in 2019



**(c) Name of Interest and Involvement in other business/organization of directors:**

Sl.	Name	Designation in MLDL	Directorship/Ownership with Other Companies	
			Companies	Position
1	Faiaz Kader	Chairman	FAR Chemical Industries Ltd.	Director
2	Golam Azam Chowdhury (Representative Director from Rajon Textile Mills Ltd.)	Managing Director & Director	Not involved in other organization	-
3	Rezaur Rahman Rajon	Director	FAR Chemical Industries Ltd.	Director
4	Abul Khair Manik (Representative Director of Total Spinning Mills Ltd.)	Director	Not involved in other organization	-
5	Syed Md. Tajon Islam	Independent Director	Not involved in other organization	-

**(d) Statement of if any Directors of the issuer are associated with the securities market in any manner and any director of the issuer company is also director of any issuer of other listed securities during last three years with dividend payment history and market performance:**

None of the Directors are involved in securities market and not involved with other listed securities during last three years except followings:

Name of Director	Director of listed securities			
	Companies	Dividend Payment		Closing Price
Faiaz Kader	FAR Chemical Industries Ltd.	Year	Cash/Bonus	
		Jun 30, 2016	20% B, 5% C	28.30
Rezaur Rahman Rajon		Jun 30, 2015	25% B	43.70
		Jun 30, 2014	20% B	43.00 (15.07.14)

**(e) Family relationship (father, mother, spouse, brother, sister, son, daughter, spouse's father, spouse's mother, spouse's brother, spouse's sister) among the directors and top five officers:**

**i. Family relationship among directors**

SL	Name	Designation	Relationships
1	Faiaz Kader	Chairman	Younger brother of Rezaur Rahman Rajon
2	Golam Azam Chowdhury (Representative Director from Rajon Textile Mills Ltd.)	Managing Director & Director	No family relationship
3	Rezaur Rahman Rajon	Director	Elder brother of Faiaz Kader
4	Abul Khair Manik (Representative Director of Total Spinning Mills Ltd.)	Director	No family relationship
5	Syed Md. Tajon Islam	Independent Director	No family relationship

ii. **Family relationship among directors and top five officers of the company:**

There is no family relationship exist between directors and top five management officers.

(f) **Brief description of other businesses of the directors:**

**Faiaz Kader, *Chairman***

Sl. No.	Name of Companies	Date of Incorporation	Nature of Business	Legal Status	Equity capital (Total) in Taka
1	FAR Chemical Industries Ltd.	22-Mar-07	Chemical Industry	Public Limited Company	1,365,473,470

**Golam Azam Chowdhury, *Director***

(Representative Director from Rajon Textile Mills Ltd.)

Not involved in other business.

**Rezaur Rahman Rajon, *Director***

Sl. No.	Name of Companies	Date of Incorporation	Nature of Business	Legal Status	Equity capital (Total) in Taka
1	FAR Chemical Industries Ltd.	22-Mar-07	Chemical Industry	Public Limited Company	1,365,473,470

**Abul Khair Manik, *Director***

(Representative Director of Total Spinning Mills Ltd.)

Not involved in other business.

**Syed Md. Tajon Islam, *Independent Director***

Not involved in other business.

(g) **Short bio-data of each director:**

**Mr. Faiaz Kader, *Chairman***

Faiaz Kader, aged 23 is Chairman of M.L. Dyeing Limited. His permanent & present address: 22/A Chamillybag, Shantinagar, Dhaka-1217. He is born in a high esteemed Muslim business family in the year of 1994. Initially he has involved in their family business as management trainee and day by he has shown skill in respect of own field and by dint of won power in short of time he is advanced sufficiently in line of Garments and Textiles industry and business activities. By the course of time he becomes Chairman 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, U.K and German for gaining technical know-how of dyeing industry and latest development of production technology.

**Mr. Golam Azam Chowdhury, *Managing Director & Director***

(Representative Director from Rajon Textile Mills Ltd.)

Mr. Golam Azam Chowdhury, aged 49, is the Managing Director & Director of the Company. After completion of his masters he engaged himself as commercial officer in Garments and textiles industry. During his service carrier, he plays important different

department including commercial, marketing, manufacturing process and total operation process and technique 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 solved minded and properly equipped with modern tools & technique to challenge business environment and able to attain business object and goal. He is well traveled of many countries for his business trip.

**Mr. Rezaur Rahman Rajon, Director**

Mr. Rezaur Rahman Rajon, aged 27 is Director of M.L. Dyeing Limited. His permanent & present address: House 35/7/A Shantinagar, Dhaka. He is born in a high esteemed Muslim business family in the year of 1990. After completion of MBA he joined M.L. Dyeing Limited as Management trainee officer. By the course of time he becomes Director 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 German 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, aged 51, Director of the company born in well known business family in 1967. He started business career in their family business after completion of his Masters in Commerce. He became a successful businessman in short of time of his business career with his sincerity, integrity and committed to target. During his tenor of business career, he gained business technique in Yarn Dyeing, Spinning, Garments and Chemical manufacturing and its operating, marketing and controlling systems. He is well traveled for business tour to know international environment of chemical industry.

**Mr. Syed Md. Tajon Islam, Independent Director**

Mr. Tajon Islam, aged 35, is the Independent Director of the Company. He completed his MBA. and 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 manufacturing and marketing through his 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 attaching several courses/seminars and visiting similar industrial concerns of the world.

**(h) Loan status of the issuer, its directors and shareholders who hold 5% or more shares in the paid-up capital of the issuer in terms of the CIB Report of Bangladesh Bank:**

Neither the Company nor any of its Directors or shareholders who hold 5% or more shares in the paid-up capital of the issuer is loan defaulter in terms of the CIB report of Bangladesh Bank.

- (i) Name, position, educational qualification, age, date of joining in the company, overall experience (in year), previous employment, salary paid for the financial year of the Chief Executive Officer, Managing Director, Chief Financial Officer, Company Secretary, Advisers, Consultants and all Departmental Heads. If the Chairman, any director or any shareholder received any monthly salary than this information should also be included:

Sl.	Name	Position	Educational Qualification	Age	Date of Joining	Overall experience	Previous Employment	Salary Paid for the Financial Year
1.	Golam Azam Chowdhury	Managing Director	M.A.	50	08-Dec-16	24	CW-ARS Sweaters Ltd.	300,000
2.	Md. Humayun Kabir	Director Marketing	M.Sc.	52	21-Mar-01	27	FAR Apparels Ltd.	960,000
3.	Topon Kumar Paul	Chief Financial Officer	M.Com, FCMA	47	01-June-10	22	Shifa Group	912,000
4.	A.K.M. Atiqur Rahman	Company Secretary	M.Com.	42	06-Mar-05	16	Strout Advertising Ltd.	840,000
5.	Nur Quashem	GM-Factory	M.A	51	20-June-09	25	O. S. City Group	780,000
6.	Jogonnath Saha	GM-Commercial	M.A.	40	01-June-13	14	Ideal Spinning Mills Ltd.	540,000

The Company has no permanent consultant.

(j) **Changes in the key management persons during the last three years:**

Any change otherwise than by way of retirement in the normal course in the senior key management personnel particularly in charge of production, planning, finance and marketing during the last three years are as follows:

Sl.	Name	Position	Department	Remarks	Date of Joining
1	Lee Jung Kook	Managing Director	-	Resigned	Dec-08-2016
2	Golam Azam Chowdhury	Managing Director	-	Newly appointed as Managing Director	Dec-08-2016

It appears from above that; turnover of key management personnel is not high compare to the industry.

(k) **A profile of the sponsors including their names, father's names, age, personal addresses, educational qualifications, and experiences in the business, positions/posts held in the past, directorship held, other ventures of each sponsor and present position:**

Name, Father's Name, Age & Personal Address		Educational Qualification	Experience	Position/Post		Holding in other Venture
			(Years)	Past	Present	
<b>Name:</b>	<b>Md. Abdul Kader Faruk</b>	M.Com.	33 Years	MD	Sponsor Shareholder	R.N. Spinning Mills Limited
<b>Father's Name:</b>	<b>Md. Mustafizur Rahman</b>					
<b>Age:</b>	<b>57 Years</b>					
<b>Personal Address:</b>	<b>House: 22/A Chamelibagh, Shantinagar, Dhaka.</b>					
<b>Name:</b>	<b>Mrs. Shirin Faruk</b>	Masters in Arts	21 Years	Sponsor Shareholder	Sponsor Shareholder	R.N. Spinning Mills Limited
<b>Father's Name:</b>	<b>Late Haris Uddin</b>					
<b>Age:</b>	<b>51 Years</b>					
<b>Personal Address:</b>	<b>House: 22/A Chamelibagh, Shantinagar, Dhaka.</b>					

<b>Name:</b>	<b>Al-Haj Mustafizur Rahman</b>					
<b>Father's Name:</b>	Late Abdul Kader					
<b>Age:</b>	78 Years	BA	53 Years	Sponsor Shareholder	Sponsor Shareholder	Not involved in other organization
<b>Personal Address:</b>	House no: 32/6, East Noyatola, Shantinagar, Dhaka.					

- (l) If the present directors are not the sponsors and control of the issuer was acquired within five years immediately preceding the date of filing prospectus details regarding the acquisition of control, date of acquisition, terms of acquisition, consideration paid for such acquisition etc.

Control of directorship were acquired by the Directors as follows:

Name	Acquisition of Control	Date of Acquisition	Terms of Acquisition	Consideration paid for such Acquisition
Faiaz Kader	2-May-10	19-Aug-13	N/A	Cash
Golam Azam Chowdhury (Representative Director from Rajon Textile Mills Ltd.)	2-May-10	8-Dec-16	N/A	
Rezaur Rahman Rajon	2-May-10	19-Aug-13	N/A	
Abul Khair Manik (Representative Director of Total Spinning Mills Ltd.)	2-May-10	8-Dec-16	N/A	
Syed Md. Tajon Islam	-	8-Dec-16	-	Appoint as an Independent Director

- (m) If the sponsors/directors do not have experience in the proposed line of business, the fact explaining how the proposed activities would be carried out/managed:

All the directors have adequate knowledge to carry out this line of business.

- (n) Interest of the key management persons:

There is no other interest with the key management persons except remuneration received by Golam Azam Chowdhury, Managing Director and board meeting fees received by all directors.

- (o) All interests and facilities enjoyed by a director, whether pecuniary or non-pecuniary:

Facilities whether pecuniary or non-pecuniary enjoyed by the Directors will remain unchanged during the publication period of the Prospectus. Interest and facility is already disclosed in above point of the Prospectus.

- (p) Number of shares held and percentage of shareholding (pre issue):

Sl.	Name of Director	Position	Number of Shares Held	%
				Pre-IPO
1	Faiaz Kader	Chairman	14,580,500	10.38%
2	Golam Azam Chowdhury (Representative Director from Rajon Textile Mills Ltd.)	Managing Director & Director	6,450,000	4.59%
3	Rezaur Rahman Rajon	Director	10,212,300	7.27%
4	Abul Khair Manik (Representative Director of Total Spinning Mills Ltd.)	Director	6,820,000	4.86%
5	Syed Md. Tajon Islam	Independent Director	-	0.00%

**(q) Change in board of directors during last three years:**

Sl.	Name of the Directors	Date of Joining	Date of retirement	Present Status as on 31.05.2016
1	Golam Azam Chowdhury (Representative Director from Rajon Textile Mills Ltd.)	Dec-08, 2016	Continuing	Nominee Director & Managing Director
2	Abul Khair Manik (Representative Director of Total Spinning Mills Ltd.)			Nominee Director
3	Syed Md. Tajon Islam			Independent Director
4	Lee Jung Kook	Aug-19-2013	Dec-08, 2016	Shareholder
5	S.F. Textile Industries Limited	Jun-08-2014		

**(r) Director's engagement with similar business:**

None of the Directors are involve with similar business.



## CHAPTER (IX): CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

### (a) TO WHOM IT MAY CONCERN

This is to certify that the Financial Statements of M.L. Dyeing Limited furnished for our audit does not have any transaction during the last five years, or any proposed transaction, between the issuer and any of the following persons:

- (i) Any director or sponsor or executive officer of the issuer;
- (ii) Any person holding 5% or more of the outstanding shares of the issuer;
- (iii) Any related party or connected person of any of the above persons;

Except the transactions described in the following table:

<i>Amount in Tk.</i>								
Particulars	Relationship	Nature of Transaction	31-12-2016 (6 Month)	30-06-2016	30-06-2015	30-06-2014	30-06-2013	30-06-2012
R.N Spinning Mills Ltd.	Common Management & Investment	Import	709,541,231	498,754,131	754,186,914	1,405,142,783	1,375,418,623	652,854,753
		Bills payable balance	92,375,570	92,003,545	12,574,691	32,012,548	115,248,760	156,547,811
Far Chemical Industries Ltd.	Common Management	Import	72,415,691	99,256,219	98,542,106	60,459,438	51,876,509	50,352,148
		Bills payable balance	12,688,689	33,542,108	75,396,876	3,268,541	32,301,241	34,256,875
Lee Jung Kook	Director & Managing Director	Director Remuneration & Fees	141,967	301,500	301,200	301,200	600	600
Mr. Abdul Kader Faruk	Director & Managing Director	Director Remuneration & Fees	-	-	-	-	-	301,200
Ms. Shirin Faruk	Director		-	-	-	-	-	1,200
Mr. Rezaur Rahman Rajon	Director & Managing Director	Director Remuneration & Fees	900	1,200	1,200	600	301,200	
Al-Haj Mustafizur Rahman	Director	Fees	-	-	-	-	900	1,200
Mr. Faiaz Kader	Director	Fees	900	1,500	900	1,200	1,200	-
Mr. Abid Mustafizur Rahman	Director	Fees					600	-
Mr. Golam Azam Chowdhury	Director & Managing Director	Director Remuneration & Fees	9,233	1,500	1,200	600	-	-

Place: Dhaka;  
Date: February 28, 2017

Sd/-  
**Mahfel Huq & Co.**  
Chartered Accountants

- (b) There is no transaction or arrangement entered into by the issuer or its subsidiary or associate or entity owned or significantly influenced by a person who is currently a director or in any way connected with a director of either the issuer company or any of its subsidiaries/holding company or associate concerns, or who was a director or connected in any way with a director at any time during the last three years prior to the issuance of the prospectus except the transaction mentioned in CHAPTER (IX) (a).
- (c) No such loan was taken or given from or to Directors or any person connected with the Directors of M.L. Dyeing Limited.

## CHAPTER (X): EXECUTIVE COMPENSATION

- (a) The total amount of remuneration/salary/perquisites paid to the top five salaried officers of the issuer in the last accounting year and the name and designation of each such officer:

SL	Name	Designation	Remuneration/salaries (Tk.)	
			For the period ended 31.12.2016 (6 Months)	For the year ended 30.06.2016
1	Md. Humayun Kabir	Director Marketing	480,000	960,000
2	Topon Kumar Paul	Chief Financial Officer	456,000	912,000
3	A.K.M. Atiqur Rahman	Company Secretary	420,000	840,000
4	Nur Quashem	GM-Factory	390,000	780,000
5	Jogonnath Saha	GM-Commercial	270,000	540,000

- (b) Aggregate amount of remuneration paid to all directors and officers as a group during the last accounting year:

SL.	Name	Amount (in Taka)	
		For the period ended 31.12.2016 (6 Months)	For the year ended 30.06.2016
1	Remuneration of Directors	150,000	300,000
2	Board Meeting Fee	3,000	5,700
3	Salary and Allowances	26,260,559	50,692,821

- (c) If any shareholder director received any monthly salary/perquisite/benefit it must be mentioned along with date of approval in AGM/EGM, terms thereof and payments made during the last accounting year:

Mr. Golam Azam Chowdhury, Managing Director is receiving Tk. 300,000.00 per year for his services rendered to the Company. The above said remuneration was approved in the Statutory General Meeting dated May 15, 2001.

- (d) The board meeting attendance fees received by the director including the managing director along with date of approval in AGM/EGM:

The board meeting attendance fees received by the director including the managing director which was approved as per Articles of Association.

- (e) Any contract with any director or officer providing for the payment of future compensation:

There is no such contract between the Company and any of directors or officers regarding any future compensation to be made to them.

- (f) If the issuer intends to substantially increase the remuneration paid to its directors and officers in the current year, appropriate information regarding thereto:

The Company has no plan for substantially increasing remuneration to its directors and/or officers except for those that are paid as annual increment to their salaries.

- (g) Any other benefit/facility provided to the above persons during the last accounting year:**

No other benefit/facility provided to the above persons during the last accounting year.

## **CHAPTER (XI): OPTIONS GRANTED TO DIRECTORS, OFFICERS AND EMPLOYEES**

M.L. Dyeing Limited did not grant any options to its directors, officers and/or any other employees for the purpose of issuing shares.

## **CHAPTER (XII): TRANSACTION WITH THE DIRECTORS AND SUBSCRIBERS TO THE MEMORANDUM**

- (a) The names of the directors and subscribers to the memorandum, the nature and amount of anything of value received or to be received by the issuer from the above persons, or by the said persons, directly or indirectly, from the issuer during the last five years along with the description of assets, services or other consideration received or to be received;**

### **Benefits from the Company during last five years:**

The Directors and subscribers to the memorandum of association have not received any benefits except remuneration and board meeting fees received directly or indirectly and share money deposited during the last five years.

- (b) If any assets were acquired or to be acquired from the aforesaid persons, the amount paid for such assets and the method used to determine the price shall be mentioned in the prospectus, and if the assets were acquired by the said persons within five years prior to transfer those to the issuer, the acquisition cost thereof paid by them.**

### **Directors and Subscribers' Assets to the Company:**

Directors and subscribers to the memorandum have not transferred any asset to the Company. Besides, the issuer Company has not received any assets or other considerations from its Directors and subscribers to the memorandum except fund against allotment of shares.

## CHAPTER (XIII): OWNERSHIP OF THE COMPANY'S SECURITIES

a) The names, addresses, BO ID Number of all shareholders of the company before IPO, indicating the amount of securities owned and the percentage of the securities represented by such ownership:

Sl.	Name of the Shareholders	Position	Address	BO IDs	Number of Shares Held	Pre-IPO %
1	Lee Jung Kook	Shareholder	House-288 (3 <sup>rd</sup> Floor), Road No: 4, DOSH, Baridhara, Dhaka	1203060053818021	35,108,352	25.00%
2	Mrs. Shirin Faruk	Sponsor Shareholder	22/A Chamillybag, Shantinagar, Dhaka-1217	1205200033574511	6,950,000	4.95%
3	Rezaur Rahman Rajon	Director	22/A Chamillybag, Shantinagar, Dhaka-1217	1203060048495325	10,212,300	7.27%
4	Faiaz Kader	Chairman	22/A Chamillybag, Shantinagar, Dhaka-1217	1205200048482217	14,580,500	10.38%
5	Abid Mostafizur Rahman	Shareholder	32/6, Noyatola, Moghbazar, Dhaka-1000.	1205200033574496	6,950,000	4.95%
6	Al-Haj Abdul Kader Faruk	Sponsor Shareholder	22/A Chamillybag, Shantinagar, Dhaka-1217	1203610033574501	6,950,000	4.95%
7	Rezwana Rahman Rini	Shareholder	22/A Chamillybag, Shantinagar, Dhaka-1217	1203060053811970	6,000,000	4.27%
8	Al-Haj Mustafizur Rahman	Sponsor Shareholder	22/A Chamillybag, Shantinagar, Dhaka-1217	1203610025103994	2,808,200	2.00%
9	Abdul Mannan	Shareholder	House # 71, Road # 5, Block # D, Mohanagar Project, Rampura.	1205200061493161	200,000	0.14%
10	Ahmed Tawfiqur Rahman	Shareholder	House # 389, Road #10 Block # D, Bashundhara R/A, Dhaka-1229.	1201960058384794	500,000	0.36%
11	Monjur Ahmed	Shareholder	House- 450/7, Road-08, DOHS, Baridhara, Dhaka	1201470004574660	500,000	0.36%
12	Md. Motiur Rahman	Shareholder	Vill-Bhahadurpur, P.O-Sujabad, P.S-Muladi, Dist-Barishal	1201960042223806	500,000	0.36%
13	Farzana Rahman	Shareholder	2 Dilkusha, C/A, Dhaka	1201960047103154	500,000	0.36%
14	A. S. A. Muiz	Shareholder	Green Delta Insurance Co. Ltd., 2 Dilkusha, Hadi Mansion, Dhaka	1203620007748542	500,000	0.36%
15	S.F Textile Industries Ltd.	Shareholder	Vill-Kornogok, P.O-Rupshi, P.S-Rupgonj, District-Narayangonj	1205200053811606	9,330,648	6.65%
16	Total Spinning Mills Ltd.	Director	F-11, Road No.-12, Niketon, Gulshan, Dhaka-1212	1205200053811997	6,820,000	4.86%
17	Sadman Textiles Mills Ltd.	Shareholder	A-56, Niketon, Gulshan, Dhaka-1212	1201830058428974	6,950,000	4.95%
18	Rajon Textiles Mills Ltd.	Director	147, Shantinagar, Dhaka-1217	1205200058140128	6,450,000	4.59%
19	Better Life Hospital Ltd.	Shareholder	1, East Rampura, D.I.T. Road, Dhaka-1219	1203610056206308	6,950,000	4.95%

20	Mrs. Kazi Hosnawara	Shareholder	208, Shohid Nazrul Islam Soroni, Bijoy Nagar, Dhaka	1203060053818046	3,700,000	2.64%
21	Samin Food & Beverage Industries Ltd.	Shareholder	Vill & P.O- Bhabanirpur, P.S-Gazipur Sadar, Dist-Gazipur	1201830058428990	6,950,000	4.95%
22	A.B.M. Tanvir Hossain	Shareholder	Metronet (BD) Ltd., PBU Tower (13 <sup>th</sup> Floor), Gulshan-2, Dhaka	1202830052911741	200,000	0.14%
23	Ruhul Kuddus Saikat	Shareholder	5A, House-33, Road-3, Block-D, Banasree, Rampura, Dhaka	1202830052864026	300,000	0.21%
24	Mohammad Maruf Bin Wali	Shareholder	Waliullah Saheber ari Bahirtengra, Sharulia, Dhaka	1202830048269324	300,000	0.21%
25	Shafiul Azam	Shareholder	House/Holding-97, Vill/Road-Donia, Rasulpur, Dhaka	1202830053832101	100,000	0.07%
26	Howa Nur Begum	Shareholder	Vill-Bhahadurpur, P.O-Sujabad, P.S-Muladi, Dist-Barishal	1201960054792971	100,000	0.07%
			<b>Total</b>		<b>140,410,000</b>	<b>100.00%</b>

b) There shall also be a table showing the name and address, age, experience, BO ID Number, TIN number, numbers of shares held including percentage, position held in other companies of all the directors before the public issue:

SL	Name of Director, Address, Age & Experience	No. of Share	%	Position held in Other Organization	
			Pre-IPO	Other Organization	Position
1	<b>Name:</b> Faiaz Kader <i>Chairman</i> <b>Address:</b> House: 22/A Chamelibagh, Shantinagar, Dhaka. <b>Age:</b> 23 Years <b>Experience:</b> 3 Years <b>BO ID No.:</b> 1203610048482210 <b>TIN No.:</b> 177548532818	14,580,500	10.38%	FAR Chemical Industries Ltd.	Director
2	<b>Name:</b> Golam Azam Chowdhury <i>(Representative Director from Rajon Textile Mills Ltd.)</i> <i>Managing Director &amp; Director</i> <b>Address:</b> House No. # 1383/8, Natunbagh, Khilgaon, Dhaka-1219 <b>Age:</b> 49 Years <b>Experience:</b> 17 Years <b>BO ID No.:</b> 1605520058140120 <b>TIN No.:</b> 150336995301	6,450,000	4.59%	Not involved in other organization	-
3	<b>Name:</b> Rezaur Rahman Rajon <i>Director</i> <b>Address:</b> House 35/7/A Shantinagar, Dhaka. <b>Age:</b> 27 Years <b>Experience:</b> 4 Years <b>BO ID No.:</b> 1605760048495320 <b>TIN No.:</b> 288158880742	10,212,300	7.27%	FAR Chemical Industries Ltd.	Director

4	<b>Name:</b> Abul Khair Manik (Representative Director of Total Spinning Mills Ltd.) <i>Director</i> <b>Address:</b> House: G-P-L-41, Madda Badda Hazi Kalim uddin Road, Badda <b>Age:</b> 51 Years <b>Experience:</b> 18 Years <b>BO ID No.:</b> 1605760053811990 <b>TIN No.:</b> 343845467706	6,820,000	4.86%	Not involved in other organization	-
5	<b>Name:</b> Syed Md. Tajon Islam <i>Independent Director</i> <b>Address:</b> House: 143/B, Khilgaon Chowdhury Para, Khilgaon <b>Age:</b> 35 Years <b>Experience:</b> 13 Years <b>BO ID No.:</b> - <b>TIN No.:</b> 828713790370	-	0.00%	Not involved in other organization	-



c) The average cost of acquisition of equity shares by the directors certified by the auditors:

**To Whom It May Concern**

**M.L. Dyeing Limited** has been allotted in face value & in cash and the average cost of acquisition of equity by the directors is Tk. 10.00 each. Necessary particulars of shareholdings, allotment date and consideration are given below:

Date	Allotment/ Transfer	Faiaz Kader	Golam Azam Chowdhury (Representative Director from Rajon Textile Mills Ltd.)	Rezaur Rahman Rajon	Abul Khair Manik (Representative Director of Total Spinning Mills Ltd.)	Syed Md. Tajon Islam	Consideration	Face value of Share (Tk.)
		Chairman	Managing Director & Director	Director	Director	Independent Director		
20-Dec-11	Transfer	3,510,250	-	2,106,150	-	-	Cash	10.00
5-Jul-13	Transfer	3,780,000	-	3,000,000	-	-	Cash	10.00
27-Aug-13	Allotment	7,290,250	-	5,106,150	-	-	Bonus	10.00
8-Jun-14	Transfer	-	6,450,000	-	6,820,000	-	Cash	10.00
<b>Total</b>		<b>14,580,500</b>	<b>6,450,000</b>	<b>10,212,300</b>	<b>6,820,000</b>	<b>-</b>		

*The Company split its share from Tk. 100.00 to Tk. 10.00 on March 7, 2010.*

Place: Dhaka  
Dated: February 28, 2017

Sd/-  
**Mahfel Huq & Co.**  
Chartered Accountants

- d) A detail description of capital built up in respect of shareholding (name-wise) of the issuer's sponsors/ directors. In this connection, a statement to be included: -

**Faiaz Kader**  
*Chairman*

Date of Allotment/ Transfer of fully paid- up shares	Consideration	Nature of issue	No. of Equity shares	Face value	Issue Price/Acquisition Price/Transfer Prices	Cumulative no. of Equity shares	% Pre-issue paid up capital	% Post issue paid up capital	Sources of fund
20-Dec-11	Cash	Ordinary Share	3,510,250	10.00	10.00	3,510,250	10.38%	9.09%	Own Source
5-Jul-13	Cash		3,780,000	10.00	10.00	7,290,250			
27-Aug-13	Bonus		7,290,250	10.00	10.00	14,580,500			

**Golam Azam Chowdhury**  
(Representative Director from Rajon Textile Mills Ltd.)  
*Managing Director & Director*

Date of Allotment/ Transfer of fully paid- up shares	Consideration	Nature of issue	No. of Equity shares	Face value	Issue Price/Acquisition Price/Transfer Prices	Cumulative no. of Equity shares	% Pre-issue paid up capital	% Post issue paid up capital	Sources of fund
8-Jun-14	Cash	Ordinary Share	6,450,000	10.00	10.00	6,450,000	4.59%	4.02%	Own Source

**Rezaur Rahman Rajon**

*Director*

Date of Allotment/ Transfer of fully paid- up shares	Consideration	Nature of issue	No. of Equity shares	Face value	Issue Price/Acquisition Price/Transfer Prices	Cumulative no. of Equity shares	% Pre- issue paid up capital	% Post issue paid up capital	Sources of fund
20-Dec-11	Cash	Ordinary Share	2,106,150	10.00	10.00	2,106,150	7.27%	6.37%	Own Source
5-Jul-13	Cash		3,000,000	10.00	10.00	5,106,150			
27-Aug-13	Cash		5,106,150	10.00	10.00	10,212,300			

**Abul Khair Manik**

**(Representative Director of Total Spinning Mills Ltd.)**

*Director*

Date of Allotment/ Transfer of fully paid- up shares	Consideration	Nature of issue	No. of Equity shares	Face value	Issue Price/Acquisition Price/Transfer Prices	Cumulative no. of Equity shares	% Pre- issue paid up capital	% Post issue paid up capital	Sources of fund
8-Jun-14	Cash	Ordinary Share	6,820,000	10.00	10.00	6,820,000	4.86%	4.25%	Own Source

**Syed Md. Tajon Islam**

*Independent Director*

Date of Allotment/ Transfer of fully paid- up shares	Consideration	Nature of issue	No. of Equity shares	Face value	Issue Price/Acquisition Price/Transfer Prices	Cumulative no. of Equity shares	% Pre- issue paid up capital	% Post issue paid up capital	Sources of fund
N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

**Alhaj Abdul Kader Faruk**  
Sponsor Shareholder

Date of Allotment/ Transfer of fully paid- up shares	Consideration	Nature of issue	No. of Equity shares	Face value	Issue Price/Acquisition Price/Transfer Prices	Cumulative no. of Equity shares	% Pre- issue paid up capital	% Post issue paid up capital	Sources of fund
21-Mar-01	Cash	Ordinary Share	9,500	100.00	100.00	9,500	4.95%	4.33%	Own Source
1-Feb-09	Cash		(8,300)	100.00	100.00	1,200			
3-Nov-09	Cash		(700)	100.00	100.00	500			
2-May-10	Cash		200,000	10.00	10.00	200,500			
4-Apr-11	Cash		(1,000)	10.00	10.00	199,500			
20-Dec-11	Cash		18,524,174	10.00	10.00	18,723,674			
27-Aug-13	Bonus		18,723,674	10.00	10.00	37,447,348			
9-Mar-14	Cash		(2,700,000)	10.00	10.00	34,747,348			
25-May-14	Cash		(500,000)	10.00	10.00	34,247,348			
8-Jun-14	Cash		(27,297,348)	10.00	10.00	6,950,000			

**Alhaj Mustafizur Rahman**  
Sponsor Shareholder

Date of Allotment/ Transfer of fully paid- up shares	Consideration	Nature of issue	No. of Equity shares	Face value	Issue Price/Acquisition Price/Transfer Prices	Cumulative no. of Equity shares	% Pre- issue paid up capital	% Post issue paid up capital	Sources of fund
21-Mar-01	Cash	Ordinary Share	300	100.00	10.00	300	2.00%	1.75%	Own Source
1-Feb-09	Cash		400	100.00	10.00	700			
3-Nov-09	Cash		(400)	100.00	10.00	300			
20-Dec-11	Cash		1,403,800	10.00	10.00	1,404,100			
27-Aug-13	Bonus		1,404,100	10.00	10.00	2,808,200			

Mrs. Shirin Faruk  
Sponsor Shareholder

Date of Allotment/ Transfer of fully paid- up shares	Consideration	Nature of issue	No. of Equity shares	Face value	Issue Price/Acquisition Price/Transfer Prices	Cumulative no. of Equity shares	% Pre-issue paid up capital	% Post issue paid up capital	Sources of fund
21-Mar-01	Cash	Ordinary Share	200	100.00	100.00	200	4.95%	4.33%	Own Source
1-Feb-09	Cash		7,900	100.00	100.00	8,100			
3-Nov-09	Cash		(7,900)	100.00	100.00	200			
20-Dec-11	Cash		7,020,300	10.00	10.00	7,020,500			
8-Jun-12	Cash		(17,091,000)	10.00	10.00	(10,070,500)			
5-Jul-13	Cash		5,000,000	10.00	10.00	(5,070,500)			
27-Aug-13	Bonus		12,020,500	10.00	10.00	6,950,000			

e) Detail of shares issued by the company at a price lower than the issue price:

All the shares are issued by the Company at face value of Tk. 10.00 before this issue.

f) History of significant (5% or more) changes in ownership of securities from inception:

Date of Allotment/Transfer	Lee Jung Kook	Rezaur Rahman Rajon	Faiaz Kader	S.F Textile Industries Ltd.
	No. of Share			
2-May-10	52,215,000	-	-	-
20-Dec-11	(34,660,824)	2,106,150	3,510,250	-
5-Jul-13	-	3,000,000	3,780,000	-
27-Aug-13	17,554,176	5,106,150	7,290,250	-
25-May-14	-	-	-	500,000
8-Jun-14	-	-	-	8,830,648
<b>Total</b>	<b>35,108,352</b>	<b>10,212,300</b>	<b>14,580,500</b>	<b>9,330,648</b>

## CHAPTER (XIV): CORPORATE GOVERNANCE

- a) **Management disclosure regarding compliance with the requirements of Corporate Governance Guidelines of the Bangladesh Securities and Exchange Commission (BSEC);**

The Company declares that it has been complied with the requirements of the applicable regulations of Corporate Governance Guidelines of Bangladesh Securities and Exchange Commission (BSEC) and accordingly constitutes several committees under the board for good governance. A certificate of compliance from competent authority has been incorporated accordingly.

Sd/-

**Golam Azam Chowdhury**  
Managing Director

- b) **A compliance report of Corporate Governance requirements certified by competent authority;**

### COMPLIANCE CERTIFICATE ON CORPORATE GOVERNANCE

#### TO THE SHAREHOLDERS OF

#### M.L. DYEING LIMITED

We have examined the compliance to the BSEC guidelines on Corporate Governance by **M.L. Dyeing Limited** as on February 20, 2017, these guidelines relate to the Notification no. SEC/CMRRCD/2006-158/134/Admin/44 dated 7 August 2012, as amended vide notification dated 21 July 2013 and 18 August 2013 of Bangladesh Securities and Exchange Commission (BSEC) on Corporate Governance.

Such compliance to the codes of Corporate Governance is the responsibility of the company. Our examination for the purpose of issuing this certificate was limited to the procedures including implementation thereof as adopted by the Company for ensuring the compliance on the attached statement on the basis of evidence gathered and representation received.

In our opinion and to the best of our information and according to the explanations provided to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned guidelines is issued by BSEC except approval of appointment of Independent Director by the board of Directors, which shall be placed for approval in the upcoming AGM.

**For Podder & Associates**

Sd/-

**Jayanta Kumer Podder**  
*Cost and Management Accountants*

Date: February 28, 2017  
Place: Dhaka, Bangladesh

## Compliance Report on BSEC's Notification

### M.L. Dyeing Limited

**Status of Compliance with the conditions imposed by the Commission`s Notification No. SEC/CMRRCD/2006-158/134/Admin/44 dated 07 August 2012, as amended vide notification dated 21 July 2013 and 18 August 2013 issued under section 2CC of the Securities and Exchange Ordinance, 1969:**

#### (Report Under Condition No. 7.00)

Condition No.	Title	Compliance Status		Remarks
		(Put ✓ in the appropriate column)		(if any)
		Complied	Not Complied	
<b>1</b>	<b>Board of Directors:</b>			
<b>1.1</b>	<b>Board's Size</b>			
	The number of the Board members of the company shall not be less than 5 (five) or more than 20 (twenty)	✓		
<b>1.2</b>	<b>Independent Directors:</b>			
1.2 (i)	At least one fifth (1/5) of the total number of directors in the Company's Board	✓		Independent Director has been Appointment on dated 08.12.2016
1.2 (ii) a)	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 (ii) b)	Not a sponsor of the company and is not connected with the company's any sponsor or director or shareholder who holds one percent (1%) or more shares of the total paid-up shares of the company on the basis of family relationship	✓		
1.2 (ii) c)	Does not have any other relationship, whether pecuniary or otherwise, with the company or its subsidiary/associated companies	✓		
1.2 (ii) d)	Not a member, director or officer of any stock exchange	✓		
1.2 (ii) e)	Not a shareholder, director or officer of any member of stock exchange or an intermediary of the capital market	✓		
1.2 (ii) f)	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	✓		
1.2 (ii) g)	who shall not be an independent director in more than 3 (three) listed companies	✓		
1.2 (ii) h)	who has not been convicted by a court of competent jurisdiction as a defaulter in payment of any loan to a bank or a Non-Bank Financial Institution (NBFI)	✓		
1.2 (ii) i)	who has not been convicted for a criminal offence involving moral turpitude	✓		
1.2 (iii)	Shall be appointed by the board of directors and approved by the shareholders in the Annual General Meeting (AGM)	✓		Independent director has been appointed by the board of directors and to be placed before the shareholders for approval in the next AGM
1.2 (iv)	Cannot remain vacant for more than 90 (ninety) days	✓		

1.2 (v)	The Board shall lay down a code of conduct of all Board members and annual compliance of the code to be recorded	✓		
1.2 (vi)	The tenure of office of an independent director shall be for a period of 3 (three) years, which may be extended for 1 (one) term only	✓		
<b>1.3</b>	<b>Qualification of Independent Director (ID):</b>			
1.3 (i)	Independent Director shall be a knowledgeable individual with integrity who is able to ensure compliance with financial, regulatory and corporate laws and can make meaningful contribution to business	✓		
1.3 (ii)	Should be a Business Leader/Corporate Leader / Bureaucrat / University Teacher with Economics or Business Studies or Law background/Professionals like Chartered Accountants, Cost & Management Accountants, Chartered Secretaries. The independent director must have at least 12 (twelve) years of Corporate management/professional experiences.	✓		
1.3 (iii)	In special cases the above qualifications may be relaxed subject to prior approval of the Commission.			N/A
<b>1.4</b>	<b>Chairman of the Board and Chief Executive Officer:</b>			
	The positions of the Chairman of the Board and the Chief Executive Officer of the companies shall be filled by different individuals	✓		
<b>1.5</b>	<b>The Directors' Report to Shareholders:</b>			
	The Directors' of the company shall include the following additional statements in the Director's report prepared under section 184 of the Companies Act, 1994 (Act No. XVIII of 1994)			
1.5 (i)	Industry outlook and possible future developments in the industry	✓		
1.5 (ii)	Segment-wise or product-wise performance.	✓		
1.5 (iii)	Risks and concerns.	✓		
1.5 (iv)	A discussion on Cost of Goods sold, Gross Profit Margin and Net Profit Margin	✓		
1.5 (v)	Discussion on continuity of any Extra-Ordinary gain or loss.			N/A
1.5 (vi)	Basis for related party transactions- a statement of all related party transactions should be disclosed in the annual report.	✓		
1.5 (vii)	Utilization of proceeds from public issues, rights issues and/or through any others instruments.			N/A
1.5 (viii)	An explanation if the financial results deteriorate after the company goes for Initial Public Offering (IPO), Repeat Public Offering (RPO), Rights Offer, Direct Listing, etc.			N/A
1.5 (ix)	If significant variance occurs between Quarterly Financial performance and Annual Financial Statements the management shall explain about the variance on their Annual Report.			N/A
1.5 (x)	Remuneration to directors including independent directors.	✓		Independent Directors have not received any remuneration
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) / Bangladesh Accounting Standards (BAS) / International Financial Reporting Standards (IFRS) / Bangladesh Financial Reporting Standards (BFRS), as applicable in Bangladesh, have been followed in preparation of the financial statements and any departure therefrom 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)	There are no significant doubts 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 thereof should be disclosed.	✓		
1.5 (xvii)	Significant deviations from the last year's operating results of the issuer company shall be highlighted and the reasons thereof should be explained.			N/A
1.5 (xviii)	Key operating and financial data of at least preceding 5 (five) years shall be summarized.	✓		
1.5 (xix)	If the issuer company has not declared dividend (cash or stock) for the year, the reasons thereof shall be given.	✓		Business Growth & Re-Investment
1.5 (xx)	The number of Board meetings held during the year and attendance by each director shall be disclosed.	✓		
1.5 (xxi)	<b>The pattern of shareholding shall be reported to disclose the aggregate number of shares (along with name wise details where stated below) held by:</b>			
1.5 (xxi) a)	Parent/Subsidiary/Associated Companies and other related parties (name wise details);	✓		
1.5 (xxi) b)	The pattern of shareholding of Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer, Head of Internal Audit and their spouses and minor children (name wise details);	✓		
1.5 (xxi) c)	The pattern of shareholding Executives;	✓		
1.5 (xxi) d)	Shareholders holding ten percent (10%) or more voting interest in the company (name wise details)	✓		
1.5 (xxii)	<b>In case of the appointment/re-appointment of a director of the company shall disclose the following information to the shareholders:</b>			
1.5 (xxii) a)	a brief resume of the director	✓		
1.5 (xxii) b)	Nature of his/her expertise in specific functional areas;	✓		
1.5 (xxii) c)	Names of companies in which the person also holds the directorship and the membership of committees of the board.	✓		
<b>2</b>	<b>Chief Financial Officer (CFO), Head of Internal Audit and Company Secretary:</b>			
<b>2.1</b>	<b>Appointment</b>			
	The company shall appoint a Chief Financial Officer (CFO), a Head of Internal Audit (Internal Control and Compliance) and a Company Secretary (CS). The Board of Directors should clearly define respective roles, responsibilities and duties of the CFO, the Head of Internal Audit and the CS.	✓		

<b>2.2</b>	<b>Requirement to attend the Board Meetings</b>			
	The CFO and the Company Secretary of the Companies shall attend the meetings of the Board of Directors, provided that the CFO and/or the Company Secretary shall not attend such part of a meeting of the Board of Directors which involves consideration of an agenda item relating to their personal matters.	✓		
<b>3</b>	<b>Audit Committee:</b>			
3 (i)	The company shall have an Audit Committee as a sub-committee of the Board of Directors.	✓		
3 (ii)	The Audit Committee shall assist the Board of Directors 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.	✓		
3 (iii)	The Audit Committee shall be responsible to the Board of Directors. The duties of the Audit Committee shall be clearly set forth in writing.	✓		
<b>3.1</b>	<b>Constitution of the Audit Committee:</b>			
3.1 (i)	The Audit Committee shall be composed of at least 3 (three) members.	✓		
3.1 (ii)	The Board of Directors shall appoint members of the Audit Committee who shall be directors of the company and shall include at least 1 (one) independent director.	✓		
3.1 (iii)	All members of the audit committee should be "financially literate" and at least 1 (one) member shall have accounting or related financial management experience.	✓		
3.1 (iv)	When the term of service of the Committee members expires or there is any circumstance causing any Committee member to be unable to hold office until 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 of Directors shall appoint the new Committee member(s) to fill up the vacancy(ies) immediately or not later than 1 (one) month from the date of vacancy(ies) in the Committee to ensure continuity of the performance of work of the Audit Committee.			N/A
3.1 (v)	The company secretary shall act as the secretary of the Committee.	✓		
3.1 (vi)	The quorum of the Audit Committee meeting shall not constitute without at least 1 (one) independent director.	✓		
<b>3.2</b>	<b>Chairman of the Audit Committee:</b>			
3.2 (i)	The Board of Directors shall select 1 (one) member of the Audit Committee to be Chairman of the Audit Committee, who shall be an independent director.	✓		
3.2 (ii)	Chairman of the audit committee shall remain present in the Annual General Meeting (AGM).	✓		
<b>3.3</b>	<b>Role of Audit Committee:</b>			
3.3 (i)	Oversee the financial reporting process.	✓		
3.3 (ii)	Monitor choice of accounting policies and principles.	✓		
3.3 (iii)	Monitor Internal Control Risk management process.	✓		
3.3 (iv)	Oversee hiring and performance of external auditors.	✓		
3.3 (v)	Review along with the management, the annual financial statements before submission to the board for approval.	✓		

3.3 (vi)	Review along with the management, the quarterly and half yearly financial statements before submission to the board for approval.	✓		
3.3 (vii)	Review the adequacy of internal audit function.	✓		
3.3 (viii)	Review statement of significant related party transactions submitted by the management.	✓		
3.3 (ix)	Review Management Letters/ Letter of Internal Control weakness issued by statutory auditors.	✓		
3.3 (x)	When money is raised through Initial Public Offering (IPO)/Repeat Public Offering (RPO)/ Rights Issue the company shall disclose to the Audit Committee about the uses/applications of funds by major category (capital expenditure, sales and marketing expenses, working capital, etc), on a quarterly basis, as a part of their quarterly declaration of financial results.			N/A
<b>3.4</b>	<b>Reporting of the Audit Committee:</b>			
<b>3.4.1</b>	<b>Reporting to the Board of Directors:</b>			
3.4.1 (i)	The Audit Committee shall report on its activities to the Board of Directors.	✓		
3.4.1 (ii) a)	Report on conflicts of interests;			N/A
3.4.1 (ii) b)	Suspected or presumed fraud or irregularity or material defect in the internal control system;			N/A
3.4.1 (ii) c)	Suspected infringement of laws, including securities related laws, rules and regulations;			N/A
3.4.1 (ii) d)	Any other matter which shall be disclosed to the Board of Directors immediately.			N/A
<b>3.4.2</b>	<b>Reporting to the Authorities</b>			
	If the Audit Committee has reported to the Board of Directors about anything which has material impact on the financial condition and results of operation and has discussed with the Board of Directors 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 of Directors for three times or completion of a period of 6 (six) months from the date of first reporting to the Board of Directors, whichever is earlier.			N/A
<b>3.5</b>	<b>Reporting to the Shareholders and General Investors</b>			
	Report on activities carried out by the Audit Committee, including and report made to the Board of Directors under conditions 3.4.1 (ii) above during the year, shall be signed by the Chairman of the Audit Committee and disclosed in the annual report of the issuer company.	✓		
<b>4</b>	<b>External/Statutory Auditors:</b>			
4 (i)	The issuer company should not engage its external/statutory auditors to perform the following services of the company; namely: Appraisal or valuation services or fairness opinions.	✓		
4 (ii)	Financial information systems design and implementation.	✓		
4 (iii)	Book-keeping or other services related to the accounting records or financial statements.	✓		
4 (iv)	Broker-dealer services.	✓		
4 (v)	Actuarial services.	✓		
4 (vi)	Internal audit services.	✓		
4 (vii)	Any other service that the Audit Committee determines.	✓		

4 (viii)	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.	✓		
4 (ix)	Audit/certification services on compliance of corporate governance as required under clause (i) of condition No. 7.	✓		
<b>5</b>	<b>Subsidiary Company:</b>			
5 (i)	Provisions relating to the composition of the Board of Directors of the holding company shall be made applicable to the composition of the Board of Directors of the subsidiary company.			N/A
5 (ii)	At least 1 (one) independent director on the Board of Directors of the holding company shall be a director on the Board of Directors of the subsidiary company.			N/A
5 (iii)	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
5 (iv)	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
5 (v)	The Audit Committee of the holding company shall also review the financial statements, in particular the investments made by the subsidiary company.			N/A
<b>6</b>	<b>Duties of Chief Executive Officer (CEO) and Chief Financial Officer (CFO):</b>			
6 (i)	The 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.	✓		
6 (i) a)	These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.	✓		
6 (i) b)	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.	✓		
6 (ii)	There are, to the best of knowledge and belief, no transaction entered into by the company during the year which are fraudulent, illegal or violation of the company's code of conduct.	✓		
<b>7</b>	<b>Reporting and Compliance of Corporate Governance</b>			
7 (i)	The company shall obtain a certificate from a Professional Accountant/Secretary (Chartered Accountant/Cost & Management Accountant/Chartered Secretary) regarding compliance of conditions of Corporate Governance Guidelines of the Commission and shall send the same to the shareholders along with the Annual Report on a yearly basis.	✓		
7 (ii)	The directors of the company shall state, in accordance with the Annexure attached, in directors' report whether the company has complied with these conditions.	✓		

c) **Details relating to the issuer's audit committee and remuneration committee, including the names of committee members and a summary of the terms of reference under which the committees operate.**

The name of audit committee members and remuneration committee members are as follows:

<b>Audit Committee Members Name</b>	<b>Remuneration Committee Members Name</b>
<ul style="list-style-type: none"> <li>• Syed Md. Tajon Islam (Independent Director) Chairman of the Committee</li> <li>• Rezaur Rahman Rajon, Director</li> <li>• Abul Khair Manik, (Representative Director of Total Spinning Mills Ltd.)</li> <li>• A.K.M. Atiqur Rahman, Company Secretary</li> </ul>	<ul style="list-style-type: none"> <li>• Faiaz Kader -Chairman of the Committee</li> <li>• Golam Azam Chowdhury</li> <li>• (Representative Director from Rajon Textile Mills Ltd.) Syed Md. Tajon Islam (Independent Director)</li> <li>• Topon Kumar Paul, Chief Financial Officer</li> <li>• A.K.M. Atiqur Rahman, Company Secretary</li> </ul>

**The terms of reference of the audit committee has been agreed upon as follows:**

- To review all internal and external audit report.
- To recommend the statutory annual audited financial statements to the Board of Directors for approval.
- To review the finding of the internal and external auditors.
- To review and approve the Annual “Audit Plant” of the Internal Audit Department.
- To monitor the implementation of the recommendations of the Internal and External auditors.
- To review the performance of the external auditors and make recommendations to the Board regarding their appointment and fees.
- To review the quarterly, half yearly and annual financial statements before submission to the Board, focusing particularly on.
- To review the company’s statement on internal control systems prior to endorsement by the Board.
- The company secretary shall be the secretary of the audit committee.

**The terms of reference of the remuneration committee has been agreed upon as follows:**

- To assist the Board in developing and administering a fair and transparent procedure for setting policy on the remuneration of directors and senior management of the Company
- Determining the remuneration packages
- Review the Annual Confidential Report (ACR) of senior management of the company
- Review and oversee the Company's overall human resources strategy.

## CHAPTER (XV): VALUATION REPORT OF SECURITIES PREPARED BY THE ISSUE MANAGERS

The valuation report of securities offered is prepared and justified by the issue managers (NBL Capital & Equity Management Limited and Rupali Investment Limited) on the basis of the financial and all other information pertinent to the Issue.

### Qualitative and Quantitative factors for Valuation:

#### Qualitative Justification:

1. The Company has good management to run the company efficiently.
2. The Company has been using modern machineries that increase their productivity.
3. The Company has very strong distribution channels through which they can smoothly supply their products.
4. In developing new products and process they have strong Research and Development department for dyeing and finishing.

#### Quantitative Justification:

The issue price at Tk. 10.00 each is justified as details below:

Sl. No.	Particulars	Amount (in Tk.)
a)	Share Capital	1,404,100,000
b)	Retained Earnings	1,679,594,905
<b>Total Shareholders' Equity (A)</b>		<b>3,083,694,905</b>
Number of Share Outstanding as on 31 December, 2016 (B)		140,410,000
<b>Net Asset Value per share (without revaluation reserve) as per Audited Report as on 31 December, 2016 (A/B)</b>		<b>21.96</b>

### Method 2: Historical Earnings based value per share

Earnings based Value per share based on Overall Market P/E

Year	No. of Share	Net Profit after Tax	Weight (%)	Weighted Average Net Profit after Tax
30-Jun-12	70,205,000	603,622,408	0.13	75,452,801
30-Jun-13	70,205,000	619,003,258	0.13	77,375,407
30-Jun-14	140,410,000	489,000,194	0.25	122,250,049
30-Jun-15	140,410,000	175,273,059	0.25	43,818,265
30-Jun-16	140,410,000	193,322,025	0.25	48,330,506
<b>Total</b>	<b>561,640,000</b>	<b>2,080,220,944</b>	<b>1.00</b>	<b>367,227,028</b>
<b>Weighted Average Net Profit after Tax</b>				<b>367,227,028</b>
No. of shares outstanding before IPO				140,410,000
<b>Weighted Average Earnings per share</b>				<b>2.62</b>
DSE Textile sector/overall Market Average P/E of 3 months from Nov, 2016-Jan, 2017				11.67
<b>Earnings based Value per share</b>				<b>30.52</b>

**Calculation of Miscellaneous Sector/Overall Market Average P/E:**

Particulars	Nov-16	Dec-16	Jan-17	Average
Sectoral Market P/E (Textile)	9.37	12.72	12.92	<b>11.67</b>
Overall Market P/E	14.52	14.29	15.65	<b>14.82</b>

Lesser of 11.67 & 14.82 is 11.67

Source: DSE Monthly Review.

**Method 3: Average market price of similar stock based valuation**

Month end close price				
Sl.	Date	Tung Hai Knitting & Dyeing Limited	Dragon Sweater and Spinning Limited	Anlimayarn Dyeing Limited
1	31-Mar-16	11.40	19.10	21.90
2	28-Apr-16	9.60	11.90	25.40
3	31-May-16	10.30	11.40	32.10
4	30-Jun-16	10.30	11.80	28.30
5	31-Jul-16	9.60	10.70	34.90
6	31-Aug-16	10.60	10.00	30.50
7	29-Sep-16	12.10	10.60	30.50
8	31-Oct-16	11.60	9.70	26.90
9	30-Nov-16	10.90	15.00	26.50
10	29-Dec-16	12.90	18.00	28.70
11	31-Jan-17	14.10	22.60	31.10
12	28-Feb-17	14.70	21.90	34.60
<b>Average Price</b>		<b>11.51</b>	<b>14.39</b>	<b>29.28</b>
<b>Average Price of these 3 (Three) Stocks</b>				<b>18.39</b>

Source: DSE Monthly Review.

**Average market price of similar stock based valuation (Assumption)**

1. The average month end close price of the peer Company from March, 2016 to February 2017 is considered.

The management of the Company in consultation with the Issue Manager has set the issue price at Tk. 10.00 each at par value.

**CHAPTER (XVI): DEBT SECURITIES**

The Company has not issued or is planning to issue any debt security within six months.

## CHAPTER (XVII): PARTIES INVOLVED AND THEIR RESPONSIBILITIES

Parties involve with MLDL		Responsibilities
(a) Issue Managers	(1) NBL Capital & Equity Management Limited; (2) Rupali Investment Limited.	The Issue Managers will act as the managers to the issue for the public issue as described in the Bangladesh Securities and Exchange Commission (Public Issue) Rules, 2015.
(b) Underwriters	(1) NBL Capital & Equity Management Limited; (2) Rupali Investment Limited; (3) BMSL Investment Limited; (4) Uttara Finance and Investments Limited; (5) Citizen Securities & Investment Limited.	The Underwriters will act as the underwriters to the public issue as described in the Bangladesh Securities and Exchange Commission (Public Issue) Rules, 2015.
(a) Auditor	<b>Mahfel Huq &amp; Co.</b> Chartered Accountants	To express an opinion on these financial statements based on their audit. Auditor will conduct the audit in accordance with Bangladesh Standards on Auditing (BSA).
(b) Cost and Management Accountants	No	N/A
(c) Valuer	No	N/A
(d) Credit Rating Agency	No	N/A



## CHAPTER (XVIII): MATERIAL CONTRACTS

	(a) Major agreements entered into by the Issuer	(b) Material parts of the agreements	(c) Fees payable to different parties
Issue Managers	Issue Management Agreement between the Company, M.L. Dyeing Limited and the Managers to the issue, NBL Capital & Equity Management Limited and Rupali Investment Limited.	To do the entire task as mentioned in the Bangladesh Securities of Exchange Commission (Public Issue) Rules, 2015.	To NBLCEML-Tk. 10.00 Lac & RIL-Tk. 10.00 Lac.
Underwriters	<p>Underwriting Agreement between the Company and the following underwriters:</p> <p>(1) NBL Capital &amp; Equity Management Limited;  (2) Rupali Investment Limited;  (3) BMSL Investment Limited;  (4) Uttara Finance and Investments Limited;  (5) Citizen Securities &amp; Investment Limited.</p> <p>Total underwritten amount Tk. 70,000,000</p>	<p>The issuer, in the event of under subscription, shall notice to the underwriters within ten days of closer of subscription calling upon them to subscribe the securities and pay for this in cash in full within 15 days of the date of said notice and said amount shall be credited in to securities subscription account within the said period.</p> <p>The issuer shall within 7 days of the expiry of the period mentioned above, sent to the commission proof of subscription and deposit of the money by the underwriters.</p>	underwriting commission at the rate of 0.50% on 35% of the Total IPO amount (i.e. Tk. 350,000.00)

Copies of the above-mentioned contracts and documents and the Consent Order from the Bangladesh Securities and Exchange Commission may be inspected on any working day during office hours at the Company's Registered Office.

## CHAPTER (XIX): OUTSTANDING LITIGATIONS, FINE OR PENALTY

**(a) The following outstanding litigations against the issuer or any of its directors and fine or penalty imposed by any authority:**

The issuer or any of its directors was not involved in any of the following type of legal proceedings mentioned below;

- (i) Litigation involving Civil Laws
- (ii) Litigation involving Criminal Laws
- (iii) Litigation involving Securities, Finance and Economic Laws
- (iv) Litigation involving Labor Laws
- (v) Litigation involving Taxation (Income tax, VAT, Customs Duty and any other taxes/duties)
- (vi) Litigation involving any other Laws

**(b) Outstanding cases filed by the Company or any of its directors:**

- (i) **Litigation involving Civil Laws:** No cases filed by the company or any of its directors.
- (ii) **Litigation involving Criminal Laws:** No cases filed by the company or any of its directors.
- (iii) **Litigation involving Securities, Finance and Economic Laws:** No cases filed by the company or any of its directors.
- (iv) **Litigation involving Labor Laws:** No cases filed by the company or any of its directors.
- (v) **Litigation involving Taxation (Income tax, VAT, Customs Duty and any other taxes/duties):** No cases filed by the company or any of its directors.
- (vi) **Litigation involving any other Laws:** No cases filed by the company or any of its directors.

## CHAPTER (XX): RISK FACTORS AND MANAGEMENT'S PERCEPTIONS ABOUT THE RISKS

### (i) Internal risk factors may include, among others:

- a) **Credit Risk:** This is the risk of default on a debt that may arise because of default by the borrower to pay the loan. In operating any business there is always credit risk lies in the business. As there is always lending and borrowing between parties in the form of money and goods.

***Management Perception:** Credit Risk mainly lies with Financial Institutions. Since M.L. Dyeing Ltd. is involved in dyeing acrylic and cotton yarn for 100% Export-oriented Sweater, there is no such credit risk.*

- b) **Liquidity Risk:** The risk that a company may be unable to meet short term financial demands. This usually occurs due to the inability to convert its current assets to cash without a loss of capital or income. Liquidity is a common phenomenon of the business.

***Management Perception:** Finance is an arts and science of managing fund so that it can manage working capital in efficient way. M.L. Dyeing Ltd. is also doing its level best to manage working capital management in efficient way to maintain liquidity risk. Management is dealing with accounts payable, inventory and accounts receivable efficiently.*

- c) **Risk associated with the issuer's interest in subsidiaries, joint ventures and associates:** If the subsidiaries make loss, it affects parent company's balance sheet. In case of associate, there is chance of decline value of investment in associate company. As for joint venture, A joint venture (JV) is a business arrangement in which two or more parties agree to pool their resources for the purpose of accomplishing a specific task. This task can be a new project or any other business activity. In a joint venture (JV), each of the participants is responsible for profits, losses and costs associated with it.

***Management Perception:** M.L. Dyeing Ltd. has no subsidiary, associate and joint venture.*

- d) **Significant revenue generated from limited number of customers, losing any one or more of which would have a material adverse effect on the issuer:** There is risk involved in having limited number of customer and losing of that particular customer has negative impact on company's sales and cash flow as well.

***Management Perception:** The Management is always keen to find out new buyers which boost up the sales. The company generates revenues from dyeing yarn against back to back LC. Hence, the company is not dependent on any particular or limited number of customers to operate our business.*

- e) **Dependency on a single or few suppliers of raw materials, failure of which may affect production adversely:** There is also risk involved in having limited number of suppliers as well. Single or few suppliers may exploit the company by price hike, untimely delivery and low quality of product.

***Management Perception:** In business, having many suppliers of raw materials helps to get competitive advantage of cheaper price of raw materials. Because,*

*having many suppliers help to bargain with suppliers over price. In addition, having many supplier helps to maintain doing business efficiently. As we hold the views, we are not dependent on a single or few suppliers. We have many suppliers from different countries that we have also mentioned in the prospectus.*

- f) **More than 20% revenue of the issuer comes from sister concern or associate or subsidiary:** Having 20% revenue generation from sister concern or associate or subsidiary makes issuer dependent on others companies. Hence, there is dependency risk.

**Management Perception:** *We do not have any sister concerns and associate or subsidiary.*

- g) **Negative earnings, negative cash flows from operating activities, declining turnover or profitability, during last five years, if any:** Negative earning and negative operating cash flow is risk the going concern risk for the entity.

**Management Perception:** *We have been operating our business efficiently. We do not have any negative earning and negative cash flow from operation.*

- h) **Loss making associate/subsidiary/group companies of the issuer:** When associate/ subsidiary/group companies of the issuer are loss making, it affect the issuer and there is negative impact on cash flow of issuer and Balance Sheet as well.

**Management Perception:** *We do not have any associate.*

- i) **Financial weakness and poor performance of the issuer or any of its subsidiary or associates:** Financial weakness and poor performance of the issuer have negative impact on the company. As a result, it will be tough to pay loan interest, debt service and dividend. Future growth will be hampered.

**Management Perception:** *Sales is one of the key indicators of success of a business if there is good margin of profit. M.L. Dyeing Ltd. has been generating mixed sales growth.*

- j) **Decline in value of any investment:** If investment value decline, it will reduce the profit and assets as well.

**Management Perception:** *We do not have any investment.*

- k) **Risk associated with useful economic life of plant and machinery, if purchased in second hand or reconditioned:** There is obsolescence risk relating to plant and machinery. If the machinery is purchased in second hand or reconditioned, there high risk of repair and maintenance which has impact on profitability of the company.

**Management Perception:** *We have been using new branded machineries.*

- l) **Adverse effect on future cash flow if interest free loan given to related party or such loans taken from directors may recall:** It is loan given and taken from related party and directors as well. If company gives such loan without interest to related party, there is interest burden for the company if the money was taken as loan. On the other hand, if such loan are taken from directors, it will have an

impact on the cash flow to pay off the loan to the Directors.

**Management Perception:** *There is no as such loan given to related party or loan taken from directors.*

- m) **Potential conflict of interest, if the sponsors or directors of the issuer are involved with one or more ventures which are in the same line of activity or business as that of the issuer and if any supplier of raw materials or major customer is related to the same sponsors or directors:** In these cases there is high chance of compromise among the related companies because of conflict of Interest.

**Management Perception:** *There is no potential conflict of Interest as we do not have any venture which is in the same line of activity.*

- n) **Related party transactions entered into by the company those may adversely affect competitive edge:** Related party transaction of the issuer creates conflict of interest which reduces the competitive advantage of the issuer.

**Management Perception:** *There is no as such transaction which may adversely affect competitive edge.*

- o) **Any restrictive covenants in any shareholders' agreement, sponsors' agreement or any agreement for debt or preference shares or any restrictive covenants of banks in respect of the loan/ credit limit and other banking facilities:** All information must be known to the potential investor so that investor's interest may not be hampered in future. So, any restrictive covenants, if it goes against potential investors, will make investors in jeopardy.

**Management Perception:** *There are no restrictive covenants in any shareholders' agreement, sponsors' agreement or any agreement relating to debt or preference shares or any restrictive covenants of Banks in respect of loan or credit limit and other banking facilities.*

- p) **Business operations may be adversely affected by strikes, work stoppages or increase in wage demands by employees:** In such case, company's business operation will be hampered.

**Management Perception:** *We are used to with the political unrest for long time and our business industries are used to dealing with this phenomenon. We provide competitive wages among the competitors of us. In addition, there is government regulation of paying minimum wage. We comply with the rules.*

- q) **Seasonality of the business of the issuer:** It is the risk involving that company is not doing business round the year.

**Management Perception:** *Across the world winter comes round the year. As deemed exporter we have to supply dyeing year round the year. Hence, there is no adverse effect of seasonality in this regard.*

- r) **Expiry of any revenue generating contract that may adversely affect the business:** This is the risk of losing customers affecting future sales.

**Management Perception:** *We do not have any revenue generating contract that*

*may adversely affect the business.*

- s) **Excessive dependence on debt financing which may adversely affect the cash flow:** Excessive dependence on debt causes huge interest burden of the company and high risk of insolvency that may result in bankruptcy.

**Management Perception:** *We have short-term bank loan for working capital. We don't have any long-term debt.*

- t) **Excessive dependence on any key management personnel absence of whom may have adverse effect on the issuer's business performance:** Excessive dependence on key management affects the business if the management is changed in future, which will create vacuum. Besides, if the key management personnel is of bad intention, excessive dependence will also affect the business.

**Management Perception:** *Corporate Governance is well practiced in our company. We have also well placed organogram in our company. Hence, any change in the key management can be replaced with other persons.*

- u) **Enforcement of contingent liabilities which may adversely affect financial condition:** It is the future burden of liabilities that the investors will take on their shoulders. Contingent liabilities reduced the assets or create obligation to pay the liabilities.

**Management Perception:** *We do not have any contingent liabilities which may adversely affect financial condition.*

- v) **Insurance coverage not adequately protect against certain risks of damages:** Insurance ensures and protects to deal with uncertainty of future material loss/damage. So, insurance coverage is important for the business.

**Management Perception:** *We have fire insurance is in place. Now we have to renew the fire insurance and it is on processing.*

- w) **Absence of assurance that directors will continue its engagement with Company after expiry of lock in period:** Directors run the company with the accumulated finance from public and other financing source. If directors discontinue running the business, there will be negative impact on business and share price as well.

**Management Perception:** *Our directors are involved in the business for long time and they will continue the business after expiry of lock in period.*

- x) **Ability to pay any dividends in future will depend upon future earnings, financial condition, cash flows, working capital requirements and capital expenditure:** Dividend payment is highly dependent on company's ability to generate profit. If company cannot earn good amount of profit from operation, it is unlikely to pay dividend.

**Management Perception:** *We have been earning profit and a profitable entity. We are in belief that we will be able to pay dividend from our earning profit.*

- y) **History of non-operation, if any and short operational history of the issuer and lack of adequate background and experience of the sponsors:** If there is any non-

operation of the company, it creates negative impression. Apart from this, short operation history indicates company is gathering knowledge and expertise to be competitive in the market.

**Management Perception:** *Such case did not happen in the history of our company.*

- z) **Risks related to engagement in new type of business, if any:** If it is new business, there is risk of viability of the new business.

**Management Perception:** *There is no as such risk as we are not engaged in any new type of business.*

- aa) **Risk in investing the securities being offered with comparison to other available investment options:** If the issue price goes down after floating, there is investment risk for the potential investors.

**Management Perception:** *We are profitable entity and our business growth will continue in longer period. It is not risky in investing securities in comparison with other available investment option.*

- bb) **Any penalty or action taken by any regulatory authorities for non-compliance with provisions of any law:** *It creates a negative impression on the issuer.*

**Management Perception:** *There are no as such issues arisen in the history of our company.*

- cc) **Litigations against the issuer for Tax and VAT related matters and other government claims, along with the disclosures of amount, period for which such demands or claims are outstanding, financial implications and the status of the case:** *It creates a negative impression on the issuer.*

**Management Perception:** *No, we did not have any litigation relating to Tax, VAT or other government claims against of our company.*

- dd) **Registered office or factory building or place of operation is not owned by the issuer:** Factory building should be owned by the company. Otherwise, there is risk of hike in factory rent in the years to come and threat of shifting the factory as well.

**Management Perception:** *Our registered office and factory is situated at Vill: Zamirdia, 10 Habirbari, Valuka, Mymensingh, Bangladesh. Our factory is owned. Corporate office is located at Niketon, Gulshan-1. Corporate office is rented.*

- ee) **Lack of renewal of existing regulatory permissions/licenses:** In this case company is not following the law to renew its all licenses.

**Management Perception:** *There is no such issue relating to lack of existing regulatory permissions/ licenses.*

- ff) **Failure in holding AGM or declaring dividend or payment of interest by any listed securities of the issuer or any of its subsidiaries or associates:** Failure in holding AGM or declaring dividend indicates the lack of compliance to the regulatory rules. Failure of payment of interest indicate the poor cash generation to the company to pay interest and debt service. The overall impression will be

negative for the company.

**Management Perception:** *There is no incident of failure in holding AGM or declaring dividend or payment of interest by the issuers.*

- gg) **Issuances of securities at lower than the IPO offer price within one year:** The management ultimate goal is to maximize the wealth of the company. If share price goes up, it maximizes wealth of the company. On the other hand, if share price goes down, it minimizes the wealth of the company.

**Management Perception:** *M.L. Dyeing Ltd. has been profitable entity. It has potentiality to grow in future. We believe that our IPO offer price will not be lower within one year.*

- hh) **Refusal of application for public issue of any securities of the issuer or any of its subsidiaries or associates at any time by the Commission:** If any refusal happened in the above cases, it will create negative impression to the issuer.

**Management Perception:** *We applied for Initial Public Offering on June 09, 2011. In response to our application for IPO, BSEC in its letter no SEC/CI/IPO/-152/551 dated July 31, 2011 informed us that BSEC is not in a position to give consent because of raising paid-up capital of Tk. 60,21,50,000.00 without consent of BSEC. However, in our subsequent correspondences concerning raising paid-up capital, BSEC was agreeable in principle to accord consent (Post-facto approval) upon receiving consent fee on the raising paid-up capital. We deposited the consent fee and eventually, BSEC in its letter no SEC/CI/CPLC-139/2010/773 dated October 25, 2011 gave us consent for raising paid-up capital.*

(ii) **External risk factors may include among others:**

- a) **Interest Rate Risks:** When interest rate fluctuates, it causes interest risk. Companies who have debt financing are exposed to this risk highly.

**Management Perception:** *In our country, right now, interest is in downtrend which is beneficial for debt-financing because cost of capital has been less expensive than that of earlier. At the moment, M.L. Dyeing Limited has no long-term debt. We have short-term bank loan for working capital.*

- b) **Exchange Rate Risks:** Foreign exchange risk, also known as FX risk or currency risk is a financial risk that exists when a financial transaction is denominated in a currency other than that of the base currency of the company. This risk arises when investment's value changed due to the changes in currency exchange rates.

**Management Perception:** *In the context of Bangladesh Garments and Textiles Industries is the driving force of economy. Bangladesh is the second largest apparel exporter in the world after China. Bangladesh exported garment items worth \$25.50 billion in 2014-15 fiscal. Hence, in order to protect exchange risk Bangladesh Bank, for over the years, has done tremendous job to keep the exchange rate stable.*

- c) **Industry Risks:** Industry risk is related with the factors affecting the company such as Raw Material, labor, demand of the product, government policy to the sector, competitor's rivalry.

**Management Perception:** *M.L. Dyeing is aware of the above fact. Industry risk is inherent in any kind of business. At the moment industry is favoring for operating business.*

- d) **Economic and Political risks:** This risk can be described as the likelihood that an investment will be affected by macroeconomic conditions such as government regulation, exchange rates, or political stability. In other words, while financing a



project, the risk that the output of the project will not produce adequate revenues for covering operating costs and repaying the debt obligations. In a nutshell, economic risk refers to the risk that a venture will be economically unsustainable due to various reasons.

**Management Perception:** *Bangladesh economy is enjoying 7% plus economic growth and expected economic growth by the government is 7.5%. As a result, huge development work is underway by the govt. Hence, huge expensive infrastructure has been under construction which has been creating employment and per capita income is going up as well. As economy is expanding, so is our business viability and profitability.*

**Political risks:** Bangladesh experienced with political unrest for over the years. Political instability hampers the smooth operation of business.

**Management Perception:** *Nowadays calm and serene atmosphere is prevailing in our country. There is no political chaos as was at the beginning of 2014. Government is industry friendly and trying to its level best to boost up economic activities in the country.*

e) **Market and Technology-related Risks;**

**Market risks:** M.L. Dyeing Limited is operating in a free market economy regime. The company might have to face stiff competition from its competitors.

**Management perception:** *Market risk is dealt with efficiently by the experienced management.*

**Technology-related risks:** Technology always plays a vital role for each and every type of business. Innovation of new and cost effective technology can increase productivity and reduce costs of production. On the other hand, obsolete technology may have a negative impact on the business.

**Management perception:** *Because of nature of the business M.L. Dyeing Limited applies the latest technology to deal with its operation. If it does not use latest technology, it will not be able to cope with the competitors.*

f) **Potential or existing government regulations:** Potential or existing Govt. regulations may hamper the smooth operation of the industry.

**Management perception:** *We are enjoying good atmosphere in operating our business. Government regulations are favorable for the company.*

g) **Potential or existing changes in global or national policies:** Policies from govt has a positive or negative impact on any company along with existing changes in globally.

**Management perception:** *Nowadays global and national policies do not change without prior notice. For potential changes in policies, local and global leaders consider different issues including industries opinion. We are optimistic that if any policies change unpredictably, we can improvise with new policies without hampering our smooth operation.*

- h) **Statutory clearances and approvals those are yet to be received by the issuer:** Statutory clearance and approval is imperative for any business to start off. There are many statutory clearances and approvals need by the regulatory authority in order to be monitored, controlled and guided.

***Management Perception:** M.L. Dyeing Limited has been running its business for 15 years. We have collected all the statutory clearance to operate our business. Hence, there are no as such risks for our Company.*

- i) **Competitive condition of the business:** M.L. Dyeing Limited is operating in a free market economy. The company has to face stiff competition from its competitors.

***Management Perception:** M.L. Dyeing Limited has been in the market for 15 years. We are doing our level best to be competitive with our competitors. Hence, there is always check and balance existed among the rivalry companies.*

- j) **Complementary and supplementary products/services which may have an impact on business of the issuer:** Complementary goods or services that are used in conjunction with another goods or services. Usually, the complementary goods have no value when consumed alone, but when combined with another good or service, it adds to the overall value of the offering. A product can be considered a complement when it shares a beneficial relationship with another product offering. Supplementary goods are two goods that are used together. For example, if we have a car, we also need petrol to run the car. Supplementary goods have a negative cross elasticity of demand. For instance, when price of petrol goes up, demand for petrol and cars goes down.

***Management Perception:** The Company has not faced any challenges relating to supplementary and complementary products and Management are concerned with the issue. In future, if necessary, management may diversify the product to be competitive over the competitors.*

## CHAPTER (XXI): DESCRIPTION OF THE ISSUE

### (a) Issue Size:

#### (i) Number of securities to be issued;

The Company will offer 20,000,000 Ordinary Shares, of this 20,000,000 ordinary shares 10% (i.e. 2,000,000 Ordinary Shares) are reserved for Mutual Fund and 40% (i.e. 8,000,000 Ordinary Shares) are reserved for Other Eligible Investors (EIs) and 10% (i.e. 2,000,000 Ordinary Shares) are reserved for NRB and remaining 40% (i.e. 8,000,000 Ordinary Shares) to Other General Public and ক্ষতিগ্রস্ত ক্ষুদ্র বিনিয়োগকারী।

#### (ii) Authorized capital and paid-up capital;

Particular	Amount in Tk.
<b>Authorized Capital</b> 210,000,000 Ordinary Share of Tk.10.00 each	2,100,000,000.00
<b>Issued, Subscribed and Paid up Capital Before IPO</b> 140,410,000 Ordinary Shares of Taka 10.00 each	1404,100,000.00
<b>Initial Public Offering through Fixed Price Method</b> 20,000,000 Ordinary Shares of Taka 10.00 each	200,000,000
<b>Post IPO Paid up Capital</b>	<b>1604,100,000</b>

#### (iii) Face value, premium and offer price per unit of securities;

Face value per Share	Tk. 10.00 each
Premium	-
Offer Price per Share	Tk. 10.00 each

#### (iv) Number of securities to be entitled for each category of applicants;

Category	Particular	Number of Shares	Issue Price per Share	Amount in Tk.
Eligible Investors (EIs)	10% of IPO i.e. 2,000,000 Ordinary Shares shall be reserved for Mutual Funds	2,000,000	10.00	20,000,000
	40% of IPO i.e. 8,000,000 Ordinary Shares shall be reserved for Other Eligible Investors (EIs)	8,000,000		80,000,000
General Public	10% of IPO i.e. 2,000,000 Ordinary Shares shall be reserved for Non-Resident Bangladeshis (NRBs)	2,000,000		20,000,000
	40% of IPO i.e. 8,000,000 Ordinary Shares shall be reserved for ক্ষতিগ্রস্ত ক্ষুদ্র বিনিয়োগকারী and General Public	8,000,000		80,000,000
<b>Total</b>		<b>20,000,000</b>		<b>200,000,000</b>

(v) Holding structure of different classes of securities before and after the issue;

Sl. No.	Category of Shareholders	No. of Ordinary Shares Hold		Percentage of Holding	
		Pre-IPO	Post-IPO	Pre-IPO	Post-IPO
1	Director & Sponsor	54,771,000	54,771,000	39.01%	34.14%
2	Institutional	-	8,000,000	0.00%	4.99%
3	Mutual fund	-	2,000,000	0.00%	1.25%
4	Individual	85,639,000	93,639,000	60.99%	58.37%
5	Non Resident Bangladeshis (NRBs)	-	2,000,000	0.00%	1.25%
<b>Total</b>		<b>140,410,000</b>	<b>160,410,000</b>	<b>100.00%</b>	<b>100.00%</b>

(vi) Objective of the issue including financing requirements and feasibility in respect of enhanced paid-up capital.

Net proceeds from Initial Public Offering (IPO) will be used for acquisition of Machinery & Equipment, Construction and other civil works, for paying off loan.

Sl.	Particulars	Amount in Tk.
01	Plant and Machineries	178,300,000
	<b>Total</b>	<b>178,300,000</b>
	IPO Expenses	21,700,000
	<b>Grand Total</b>	<b>200,000,000</b>

Apart from above Tk. 21,700,000 will be used for IPO expenses out of total IPO proceeds. The feasibility report in respect enhances paid up capital as prepared Mujibur Rahman & Co., Cost & Management Accountants is enclosed below:

Feasibility in respect of enhanced paid-up capital:

Statement of Financial Position (Projected)

Particulars	Amount in Taka				
	Audited	Projected			
	31-12-2016	30-06-2017	30-06-2018	30-06-2019	30-06-2020
<b>Non-Current Assets</b>					
Property, Plant & Equipment	1,826,389,217	1,799,268,240	1,844,534,769	1,898,902,149	1,883,122,318
Investment in Associate Company	204,200,000	204,200,000	204,200,000	204,200,000	204,200,000
<b>Total Non-Current Assets</b>	<b>2,030,589,217</b>	<b>2,003,468,240</b>	<b>2,048,734,769</b>	<b>2,103,102,149</b>	<b>2,087,322,318</b>
<b>Current Assets</b>					
Inventories	556,755,419	652,282,733	709,416,673	821,540,521	954,120,216
Trade and other Receivables	795,429,761	795,429,761	824,365,975	951,712,529	1,165,421,824
Advance, Deposits and Prepayments	34,320,713	45,283,015	137,541,653	200,326,210	228,924,303
Cash and Cash Equivalents	7,060,136	7,554,346	121,168,119	55,703,736	26,742,759
<b>Total Current Asset</b>	<b>1,393,566,029</b>	<b>1,500,549,855</b>	<b>1,792,492,420</b>	<b>2,029,282,996</b>	<b>2,375,209,102</b>
<b>Total Assets</b>	<b>3,424,155,246</b>	<b>3,504,018,094</b>	<b>3,841,227,189</b>	<b>4,132,385,145</b>	<b>4,462,531,420</b>
<b>EQUITY AND LIABILITIES</b>					
<b>Capital and Reserves</b>					
Share Capital	1,404,100,000	1,404,100,000	1,604,100,000	1,604,100,000	1,604,100,000
Retained Earnings	1,679,594,905	1,782,869,165	1,997,644,783	2,232,663,087	2,541,363,135
	<b>3,083,694,905</b>	<b>3,186,969,165</b>	<b>3,601,744,783</b>	<b>3,836,763,087</b>	<b>4,145,463,135</b>
<b>Non-Current Liabilities</b>					
Deferred Tax Liabilities	114,342,485	117,475,659	127,437,172	136,680,549	142,655,550
<b>Total Non-Current Liabilities</b>	<b>114,342,485</b>	<b>117,475,659</b>	<b>127,437,172</b>	<b>136,680,549</b>	<b>142,655,550</b>
<b>Current Liabilities</b>					
Trade and other Payables	136,378,239	125,421,874	56,378,239	75,421,501	65,214,128
Short term Borrowings	37,064,235	31,575,418	19,074,521	42,185,964	51,254,187
Creditors & Accrues	7,541,779	7,843,450	8,157,188	8,483,476	8,822,815
Provision for Income Tax	45,133,603	34,732,528	28,435,286	32,850,568	49,121,605
<b>Total Current Liabilities</b>	<b>226,117,856</b>	<b>199,573,270</b>	<b>112,045,234</b>	<b>158,941,509</b>	<b>174,412,735</b>
<b>Total Current &amp; Non-Current Liabilities</b>	<b>340,460,341</b>	<b>317,048,929</b>	<b>239,482,406</b>	<b>295,622,058</b>	<b>317,068,285</b>
<b>Total Equity and Liabilities</b>	<b>3,424,155,246</b>	<b>3,504,018,094</b>	<b>3,841,227,189</b>	<b>4,132,385,145</b>	<b>4,462,531,420</b>

### Statement of Comprehensive Income (Projected)

Particulars	Amount in Taka				
	Audited	Projected			
	31-12-2016 (6 Months)	30-06-2017 (12 Months)	30-06-2018	30-06-2019	30-06-2020
Export	1,179,054,128	2,381,689,339	2,614,259,830	2,954,218,760	3,281,240,513
Less: Cost of Export	1,038,876,434	2,098,530,397	2,305,421,873	2,638,543,914	2,874,512,462
<b>Gross Profit</b>	<b>140,177,694</b>	<b>283,158,942</b>	<b>308,837,957</b>	<b>315,674,846</b>	<b>406,728,051</b>
Less: Operating Expenses	13,974,368	28,088,480	51,784,673	33,679,600	36,037,172
<b>Operating Income</b>	<b>126,203,326</b>	<b>255,070,462</b>	<b>257,053,284</b>	<b>281,995,246</b>	<b>370,690,879</b>
Financial Expenses	4,197,060	4,197,060	3,038,996	3,828,780	5,840,009
<b>Net operating Income</b>	<b>122,006,266</b>	<b>250,873,402</b>	<b>254,014,288</b>	<b>278,166,466</b>	<b>364,850,870</b>
Add: Other non-operating income	319,308	670,547	841,871	1,054,216	1,054,216
<b>Net profit before tax</b>	<b>121,686,958</b>	<b>250,202,855</b>	<b>253,172,417</b>	<b>277,112,250</b>	<b>363,796,654</b>
<b>Provision for Tax</b>	<b>18,412,698</b>	<b>37,865,702</b>	<b>38,396,798</b>	<b>42,093,945</b>	<b>55,096,606</b>
Income Tax Expenses	14,695,645	34,732,528	28,435,286	32,850,568	49,121,605
Deferred Tax Expense	3,717,053	3,133,174	9,961,512	9,243,378	5,975,001
<b>Net Profit after tax</b>	<b>103,274,260</b>	<b>212,337,153</b>	<b>214,775,619</b>	<b>235,018,305</b>	<b>308,700,048</b>

- Dividend is not considered

The assumptions for these projections are as follows:

(Each year calculation is made comparing with respective previous year)

The projected financial statement has been prepared on underlying assumption					
Assumption indicator	Assumption's Basis	Assumptions Years			
		30-June-17	30-June-18	30-June-19	30-June-20
Capacity Increase	Capacity will be increased as new machineries will be introduced. The new dual fuel generator will supply steam continuous with uniform pressure.	2.62%	9.98%	9.75%	6.34%
Capacity Utilization	Capacity utilization will be almost same.	89%	90%	90%	92%
Sales Revenue Increase	Sales will be increased for qualitative products by the increase of sales volume and unit price.	23.82% against previous 12 months	9.76%	13.00%	11.07%
Operating Expenses Increase/ (Decrease)	Operating expenses will be increased due to increase of production and sales. IPO expense will lead to the higher increase of Operating expenses in the year 2018. Expenses will be reduced in the year 2019 because of no IPO Expense in the year.	2.65% against previous 12 months	84.36%	-34.96%	7.00%
Property, Plant and Equipment Addition	Property, Plant and Equipment will be increased in every year for the purpose of production increase.	50,000,000 (January 01, 2017 to June 30, 2017)	195,412,781	210,000,000	150,000,000
Paid up Capital Increase	Paid up Capital will be increased by Tk. 200,000,000 through IPO in FY 2017-2018.	-	200,000,000	-	-
Dividend	Dividend is not considered here as the decision is not predetermined.	-	-	-	-

Sd/-

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Cost & Management Accountants

## CHAPTER (XXII): USE OF PROCEEDS

### (a) Use of net proceeds of the offer indicating the amount to be used for each purpose with head-wise break-up;

Proceeds from Initial Public Offering (IPO) will be used for acquisition of Plant & Machinery and for IPO Expenses.

Use of Proceeds under:

Sl.	Particulars	Amount in Tk.
01	Acquisition of Brand New Machinery and Equipment's	178,300,000
02	IPO Expenses (Detailed Breakdown of IPO Expenses in page number 74-75)	21,700,000
	<b>Total</b>	<b>200,000,000</b>

### Details of Plant & Machineries:

Sl. No	Description	Brand	Quantity	Unit Price. FC	Total Price FC	Total Price in BDT
a)	<b>Generator-Duel Fuel</b>	Caterpillar	1	\$675,000	\$675,000	54,000,000
	Caterpillar model G3512H Duel Fuel Generator Set 1500 eKW, 1875 KVA, 400 Volt with control panel, colling tower and standard accessories. Origin USA					
b)	<b>Dryer Machine</b>	Strayfield	1 Set	\$170,000	\$170,000	13,600,000
	Radio frequency Dryer, Type: SO-200TS. Conveyor included with the equipment easily levelled with polypropylene modular band assembled upon its own support structure with an automatic band tracking system, automatic tensioning and electronic digital speed indicator coupled to a variable speed drive system. Environmental heating by steam, 410 Volt, 3-Phase, 50 Hz. Powder Coat Finish. Origin - India.					
c)	<b>Chees Dyeing Machine</b>	Sewoong	1 Set	\$140,000	\$140,000	11,200,000
	W/Main Tank, Additional Tank, Service Tank, Automatic heating & cooling controlling with controller DTC 7000, Capacity -1000 Kg, Origin South Korea.					
d)	<b>Chees Dyeing Machine</b>	Sewoong	1 Set	\$150,000	\$150,000	12,000,000
	W/Main Tank, Additional Tank, Service Tank, Automatic heating & cooling controlling with controller DTC 7000, Capacity -1200 Kg, Origin South Korea.					
e)	<b>Chees Dyeing Machine</b>	Sewoong	3 Set	\$23,000	\$69,000	5,520,000
	W/Main Tank, Additional Tank, Service Tank, Automatic heating & cooling controlling with controller DTC 7000, Capacity 1-10 Kg, Origin South Korea.					
f)	<b>Lab Equipment</b>					
	<b>i) Automatic Dispensing System/Auto Pipetting System</b>	Daelim	1 Set	\$66,000	\$66,000	5,280,000



	Color Focus 3, Model: DLF-120, Two Robot control, Stock table, Dye staff bottle: 1000 cc 120 pcs, 2000cc size 5 pcs, Dyeing pot holder: 24 Pcs (Dispensing at a time) with DLF-071 two balance type & DLF-0171 MS complete set with standard spares and accessories. Origin - Korea					
	<b>ii) Spector Photo Meter</b>	Daelim	1 Set	\$37,000	\$37,000	2,960,000
<b>g)</b>	<b>Auto Winding Machine</b>	Savio	1 Set	€ 210,000	€ 210,000	18,480,000
	Automatic savio winders, Take up tubes: conicity 5°57', d. base 68 mm, d. nose 28 mm, length 170 mm, weaving /knitting end use, waxing device with wax consumption probe, Winding drums with 2,5 turns, 152 mm traverse, 94 mm diameter, asymmetric, yarn suction pipe with combs, Jointer 690 Z, empty cone shelf, Hot air discharge, main voltage 400v (50hz).					
<b>h)</b>	<b>Auto Winding Machine</b>	Savio	1 Set	€ 210,000	€ 210,000	18,480,000
	Automatic savio winders, Take up tubes: conicity 5°57', d. base 68 mm, d. nose 28 mm, length 170 mm, weaving /knitting end use, waxing device with wax consumption probe, Winding drums with 2,5 turns, 152 mm traverse, 94 mm diameter, asymmetric, yarn suction pipe with combs, Jointer 690 Z, empty cone shelf, Hot air discharge, main voltage 400v (50hz).					
<b>i)</b>	<b>Hydro Extractor</b>	Dettin	2 Set	€ 68,181	€ 136,362	11,999,856
	T/E BERTA 36 centrifuge machine (electrical type) with semiautomatic loading. Construction materials: All the parts in touch with the yarn are made of stainless steel and anti-acid materials, at the base structure and the loading set are made carbon steel Fe 42. Rotation occur through electrical motor 7.5 kw and volt to be specified all controls under low tension 24 volt. Loading capacity for each operation max ext. 220 mm H 170 mm with 36 no. Overall dimension of each machine at the base mm 2580 X 2320. Origin: Spain					
<b>j)</b>	<b>Fork Lift</b>	Toyota	2 Set	\$45,000	\$90,000	7,200,000
	Toyota Brand New Diesel Forklift Truck, Model:8FD50N, Capacity: 5000 kg, Mast Height: V 3000 mm (STD Mast), Transmission: Automatic, Front & Rear combination lights, Back up Buzzer rear view mirrors and all other standard items of Toyota.					
<b>k)</b>	Duties, Insurance, L/C Commission, Inland Carrying, C& F, Erection and installation					17,580,144
			Total			178,300,000

- (b) Where the sponsors' contribution or privately placed fund has been brought prior to the public issue and has already been deployed by the issuer, indication of use of such funds in the cash flow statement;

Tk. 702,050,000.00 (Seventy Crore Twenty Lac Fifty Thousand) has been raised through bonus prior to the public issue on dated 27.08.2013.

- (c) If one of the objects is an investment in a joint venture, a subsidiary, an associate or any acquisition, details of the form of investment, nature of benefit expected to accrue to the issuer as a result of the investment, brief description of business and financials of such venture;

The Company has no objects to investment in such type of ventures by using Use of IPO proceeds.

- (d) If IPO proceeds are not sufficient to complete the project, then source of additional fund must be mentioned. In this connection, copies of contract to meet the additional funds are required to be submitted to the Commission. The means and source of financing, including details of bridge loan or other financial arrangement, which may be repaid from the proceeds of the issue along with utilization of such funds;

IPO proceeds are sufficient to complete the project.

- (e) A schedule mentioning the stages of implementation and utilization of funds received through public offer in a tabular form, progress made so far, giving details of land acquisition, civil works, installation of plant and machinery, the approximate date of completion of the project and the projected date of full commercial operation etc. The schedule shall be signed by the Chief Executive Officer or Managing Director, Chief Financial Officer and Chairman on behalf of Board of Directors of the issuer;

Sl. No.	Projects	Progress made so Far	Approximate date of Completion of the projects	Projected date of full commercial operation
1	Land Acquisition	No land is required to be acquired	-	-
2	Acquisition and Installation of Plant & Machineries	Acquisition and Installation of Plant and Machineries will be started after receiving of IPO fund	Within 18 months after receiving IPO fund	Within 3 month of the completion of the project

Sd/-  
**Golam Azam Chowdhury**  
 Managing Director

Sd/-  
**Topon Kumar Paul**  
 Chief Financial Officer

Sd/-  
**Faiaz Kader**  
 Chairman,

On behalf of Board

- (f) If there are contracts covering any of the activities of the issuer for which the proceeds of sale of securities are to be used, such as contracts for the purchase of land or contracts for the construction of buildings, the issuer shall disclose the terms of such contracts, and copies of the contracts shall be enclosed as annexure to the prospectus;

There is no such contract yet to be engaged by the Company.

- (g) If one of the objects of the issue is utilization of the issue proceeds for working capital, basis of estimation of working capital requirement along with the relevant assumptions, reasons for raising additional working capital substantiating the same with relevant facts and figures and also the reasons for financing short with long term investments and an itemwise break-up of last three years working capital and next two years projection;

No objects of the issue are utilization of the issue proceeds for working capital.

- (h) Where the issuer proposes to undertake one or more activities like diversification, modernization, expansion, etc., the total project cost activity-wise or project wise, as the case may be;

The Company has planned to expand its existing projects by Acquisition of Plant and Machineries, which have been mentioned in Use of IPO proceeds and projects Implementation schedule.

- (i) Where the issuer is implementing the project in a phased manner, the cost of each phase, including the phases, if any, which have already been implemented;

The Company has planned to implement to the existing projects by using IPO proceeds after receiving the funds, which have been mentioned in Use of IPO proceeds and projects Implementation schedule.

- (j) The details of all existing or anticipated material transactions in relation to utilization of the issue proceeds or project cost with sponsors, directors, key management personnel, associates and group companies;

There is no existing or anticipated material transaction in relation to utilization of the issue proceeds or project cost with sponsors, directors, key management personnel, associates and group companies.

- (k) Summary of the project appraisal/ feasibility report by the relevant professional people with cost of the project and means of finance, weaknesses and threats, if any, as given in the appraisal/ feasibility report.

### **Feasibility Report of M.L. Dyeing Limited**

#### **Executive Summary:**

M.L. Dyeing Limited (MLDL) is a Dyeing company in Bangladesh. MLDL was incorporated as a Private Limited company on 21st March, 2001 and subsequently converted into a public limited company on 2nd June, 2010 with the Registrar of Joint Stock Companies and Firms, Dhaka, Bangladesh under the Companies Act, 1994. The Certificate of Incorporation number is C-42701(2060)/2001. The Company started its commercial operation on July 01, 2002. Some projections regarding profitability and other financial issues are analyzed. MLDL has made projections of Statement of Financial Position and Statement of

Comprehensive Income for the upcoming half year and the next three full reporting years. This Feasibility Report discusses and shows the various aspects of Expansion Program of M.L. Dyeing Limited (MLDL).

**Introduction:**

M.L. Dyeing Limited (MLDL) is a Dyeing company in Bangladesh. The company produces dyed acrylic & Cotton yarn for 100% export oriented Sweater industries. On receiving the orders from its customers, MLDL manufactures the products and supplies them to customers' destination as per their requirements. As a deemed exporter, the company supplies those products to the main exporter companies' factory site.

**Nature of Business:**

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.

**Principal products of the Company:**

The Company's major product is Dyed Yarn.

**Utility Considerations:**

**Power:**

Total Power requirement for the project is about 1.95 MW, which is met up from captive power generation. There are 3 generators out of them 2 are from USA origin and the brand name is Perkins and both of them have capacity of 500 KW and the another one is also from USA, by the brand name of Caterpillar, which has a capacity of 950 KW. Yet for smooth operation of the project has a power connection from Rural Electrification Board of 200 KW.

**Water:**

The project is required 3608m<sup>3</sup> (Cubic Meter) of water per day which is met up from the water supply system of own sources.

**Gas:**

Titas Gas Supply and Distribution Limited supplies (700,000m<sup>3</sup>) required gas for the project. Approximately 600,000m<sup>3</sup> of gas require for smooth operation.

**Contingency Plan in case of any disruption:**

To tackle the disruption of utilities, Company has installed generators as mentioned in above.

**Distribution of Products:**

On receiving the orders from its customers, MLDL manufactures the products and supply them to the customers' destination as per their requirements. The Company imports yarn and chemical and applies dyeing processes on the yarn to meet the specific demand to the Export oriented Sweater Industry.

**Methodology:**

We have considered the historical data of Company's last couple of year's revenue and expenses. We have also talked with Company's staffs. They have provided us with the relevant information concerning all aspects of sales and expenses. The responses to these open-ended questions have allowed us to have a greater depth of knowledge into their opinions and so we were able to address them to the best of ability.

**Financial Projections:**

The financial projections for M.L. Dyeing Limited (MLDL) are highlighted in the table below. These figures account for projected productions, sales and additional requirements.

**The assumptions for these projections are as follows:**

(Each year calculation is made comparing with respective previous year)

The projected financial statement has been prepared on underlying assumption					
Assumption indicator	Assumption's Basis	Assumptions Years			
		30-June-17	30-June-18	30-June-19	30-June-20
Capacity Increase	Capacity will be increased as new machineries will be introduced. The new dual fuel generator will supply steam continuous with uniform pressure.	2.62%	9.98%	9.75%	6.34%
Capacity Utilization	Capacity utilization will be almost same.	89%	90%	90%	92%
Sales Revenue Increase	Sales will be increased for qualitative products by the increase of sales volume and unit price.	23.82% against previous 12 months	9.76%	13.00%	11.07%
Operating Expenses Increase/ (Decrease)	Operating expenses will be increased due to increase of production and sales. IPO expense will lead to the higher increase of Operating expenses in the year 2018. Expenses will be reduced in the year 2019 because of no IPO Expense in the year.	2.65% against previous 12 months	84.36%	-34.96%	7.00%
Property, Plant and Equipment Addition	Property, Plant and Equipment will be increased in every year for the purpose of production increase.	50,000,000 (January 01, 2017 to June 30, 2017)	195,412,781	210,000,000	150,000,000
Paid up Capital Increase	Paid up Capital will be increased by Tk. 200,000,000 through IPO in FY 2017-2018.	-	200,000,000	-	-
Dividend	Dividend is not considered here as the decision is not predetermined.	-	-	-	-

**Statement of Financial Position (Projected)**

Particulars	Amount in Taka				
	Audited	Projected			
	31-12-2016	30-06-2017	30-06-2018	30-06-2019	30-06-2020
<b>Non-Current Assets</b>					
Property, Plant & Equipment	1,826,389,217	1,799,268,240	1,844,534,769	1,898,902,149	1,883,122,318
Investment in Associate Company	204,200,000	204,200,000	204,200,000	204,200,000	204,200,000
<b>Total Non-Current Assets</b>	<b>2,030,589,217</b>	<b>2,003,468,240</b>	<b>2,048,734,769</b>	<b>2,103,102,149</b>	<b>2,087,322,318</b>
<b>Current Assets</b>					
Inventories	556,755,419	652,282,733	709,416,673	821,540,521	954,120,216
Trade and other Receivables	795,429,761	795,429,761	824,365,975	951,712,529	1,165,421,824
Advance, Deposits and Prepayments	34,320,713	45,283,015	137,541,653	200,326,210	228,924,303
Cash and Cash Equivalents	7,060,136	7,554,346	121,168,119	55,703,736	26,742,759
<b>Total Current Asset</b>	<b>1,393,566,029</b>	<b>1,500,549,855</b>	<b>1,792,492,420</b>	<b>2,029,282,996</b>	<b>2,375,209,102</b>
<b>Total Assets</b>	<b>3,424,155,246</b>	<b>3,504,018,094</b>	<b>3,841,227,189</b>	<b>4,132,385,145</b>	<b>4,462,531,420</b>
<b>EQUITY AND LIABILITIES</b>					
<b>Capital and Reserves</b>					
Share Capital	1,404,100,000	1,404,100,000	1,604,100,000	1,604,100,000	1,604,100,000
Retained Earnings	1,679,594,905	1,782,869,165	1,997,644,783	2,232,663,087	2,541,363,135
	<b>3,083,694,905</b>	<b>3,186,969,165</b>	<b>3,601,744,783</b>	<b>3,836,763,087</b>	<b>4,145,463,135</b>
<b>Non-Current Liabilities</b>					
Deferred Tax Liabilities	114,342,485	117,475,659	127,437,172	136,680,549	142,655,550
<b>Total Non-Current Liabilities</b>	<b>114,342,485</b>	<b>117,475,659</b>	<b>127,437,172</b>	<b>136,680,549</b>	<b>142,655,550</b>
<b>Current Liabilities</b>					
Trade and other Payables	136,378,239	125,421,874	56,378,239	75,421,501	65,214,128
Short term Borrowings	37,064,235	31,575,418	19,074,521	42,185,964	51,254,187
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Provision for Income Tax	45,133,603	34,732,528	28,435,286	32,850,568	49,121,605
<b>Total Current Liabilities</b>	<b>226,117,856</b>	<b>199,573,270</b>	<b>112,045,234</b>	<b>158,941,509</b>	<b>174,412,735</b>
<b>Total Current &amp; Non-Current Liabilities</b>	<b>340,460,341</b>	<b>317,048,929</b>	<b>239,482,406</b>	<b>295,622,058</b>	<b>317,068,285</b>
<b>Total Equity and Liabilities</b>	<b>3,424,155,246</b>	<b>3,504,018,094</b>	<b>3,841,227,189</b>	<b>4,132,385,145</b>	<b>4,462,531,420</b>

### Statement of Comprehensive Income (Projected)

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Less: Cost of Export	1,038,876,434	2,098,530,397	2,305,421,873	2,638,543,914	2,874,512,462
<b>Gross Profit</b>	<b>140,177,694</b>	<b>283,158,942</b>	<b>308,837,957</b>	<b>315,674,846</b>	<b>406,728,051</b>
Less: Operating Expenses	13,974,368	28,088,480	51,784,673	33,679,600	36,037,172
<b>Operating Income</b>	<b>126,203,326</b>	<b>255,070,462</b>	<b>257,053,284</b>	<b>281,995,246</b>	<b>370,690,879</b>
Financial Expenses	4,197,060	4,197,060	3,038,996	3,828,780	5,840,009
<b>Net operating Income</b>	<b>122,006,266</b>	<b>250,873,402</b>	<b>254,014,288</b>	<b>278,166,466</b>	<b>364,850,870</b>
Add: Other non-operating income	319,308	670,547	841,871	1,054,216	1,054,216
<b>Net profit before tax</b>	<b>121,686,958</b>	<b>250,202,855</b>	<b>253,172,417</b>	<b>277,112,250</b>	<b>363,796,654</b>
<b>Provision for Tax</b>	<b>18,412,698</b>	<b>37,865,702</b>	<b>38,396,798</b>	<b>42,093,945</b>	<b>55,096,606</b>
Income Tax Expenses	14,695,645	34,732,528	28,435,286	32,850,568	49,121,605
Deferred Tax Expense	3,717,053	3,133,174	9,961,512	9,243,378	5,975,001
<b>Net Profit after tax</b>	<b>103,274,260</b>	<b>212,337,153</b>	<b>214,775,619</b>	<b>235,018,305</b>	<b>308,700,048</b>

- Dividend is not considered

### Cost of the Project

The cost of the project is as follows:

Particulars	Amount in Tk.
<b>01. Plant and Machineries:</b>	178,300,000
Sub - Total	178,300,000
<b>Total</b>	<b>178,300,000</b>

### Means of Finance

The project will be financed through using IPO proceeds.

### Weaknesses

1. **Work Environment:** High temperature is in the production plant.
2. **Human Resources:** The Company have to make their human resources more skilled in comparison with other countries.

### Threats

1. **Intense Competition:** There is rivalry among the competitors to get the market share as maximum as possible.
2. **International Market Demand:** The Company is an 100% exporter and could be affected by the international market demand.
3. **Lack of Power Supply:** We have power supply shortage in our country. There is concern of availability of gas. For business expansion, the Company need continuous power supply such as gas and electricity to run the operation smoothly.

### Conclusion:

The feasibility of the project has been conducted and analyzed from the viewpoint of marketing, financial, management & economic aspects and found to be worthwhile. The projected financial results and the profitability estimated based on historical data shows that the project is viable and lucrative. This projection will help the interested parties to have an idea over the M.L. Dyeing Limited (MLDL).

Sd/-

**Mujibur Rahman & Co.**

Cost & Management Accountants



## CHAPTER (XXIII): LOCK-IN

(a) Ordinary shares of the issuer shall be subject to lock-in, from the date of issuance of prospectus or commercial operation, whichever comes later, in the following manner:

- (1) All shares held, at the time of according consent to the public offer, by sponsors, directors and shareholders holding 5% or more shares, other than alternative investment funds, for 03 (Three) years;
- (2) All shares allotted, before 02 (Two) years of according consent to the public offer, to any person, other than alternative investment funds, for 03 (Three) years;
- (3) In case any existing sponsor or director of the issuer transfers any share to any person, other than existing shareholders, within preceding 12 (twelve) months of submitting an application for raising of capital or initial public offer (IPO), all shares held by those transferee shareholders, for 03 (Three) years;
- (4) 25% of the shares allotted to eligible investors, for 03 (Three) months and other 25% of the shares allotted to them, for 06 (Six) months;
- (5) All shares held by alternative investment funds, for 01 (One) year; and
- (6) Shares allotted, within two years of according consent to the public offer, to any person other than the shares mentioned in sub-rules (1), (2), (3), (4), and (5) above, for 01 (One) year.

(b) The following table indicates the Lock-In status of the shareholders of M.L. Dyeing Limited:

Sl.	Name of Shareholder	Position	No. of Share	(%)	BO ID	Date of 1 <sup>st</sup> acquisition	Lock-in period*
1	Lee Jung Kook	Shareholder	35,108,352	25.00%	1203060053818021	2-May-10	3 Yrs.
2	Mrs. Shirin Faruk	Sponsor Shareholder	6,950,000	4.95%	1205200033574511	21-Mar-01	3 Yrs.
3	Rezaur Rahman Rajon	Director	10,212,300	7.27%	1203060048495325	2-May-10	3 Yrs.
4	Faiaz Kader	Chairman	14,580,500	10.38%	1205200048482217	2-May-10	3 Yrs.
5	Abid Mostafizur Rahman	Shareholder	6,950,000	4.95%	1205200033574496	2-May-10	3 Yrs.
6	Al-Haj Abdul Kader Faruk	Sponsor Shareholder	6,950,000	4.95%	1203610033574501	21-Mar-01	3 Yrs.
7	Rezwana Rahman Rini	Shareholder	6,000,000	4.27%	1203060053811970	2-May-10	3 Yrs.
8	Al-Haj Mustafizur Rahman	Sponsor Shareholder	2,808,200	2.00%	1203610025103994	21-Mar-01	3 Yrs.

9	Abdul Mannan	Shareholder	200,000	0.14%	1205200061493161	2-May-10	3 Yrs.
10	Ahmed Tawfiqur Rahman	Shareholder	500,000	0.36%	1201960058384794	2-May-10	3 Yrs.
11	Monjur Ahmed	Shareholder	500,000	0.36%	1201470004574660	2-May-10	3 Yrs.
12	Md. Motiur Rahman	Shareholder	500,000	0.36%	1201960042223806	2-May-10	3 Yrs.
13	Farzana Rahman	Shareholder	500,000	0.36%	1201960047103154	2-May-10	3 Yrs.
14	A. S. A. Muiz	Shareholder	500,000	0.36%	1203620007748542	2-May-10	3 Yrs.
15	S.F Textile Industries Ltd.	Shareholder	9,330,648	6.65%	1205200053811606	2-May-10	3 Yrs.
16	Total Spinning Mills Ltd.	Director	6,820,000	4.86%	1205200053811997	2-May-10	3 Yrs.
17	Sadman Textiles Mills Ltd.	Shareholder	6,950,000	4.95%	1201830058428974	2-May-10	3 Yrs.
18	Rajon Textiles Mills Ltd.	Director	6,450,000	4.59%	1205200058140128	2-May-10	3 Yrs.
19	Better Life Hospital Ltd.	Shareholder	6,950,000	4.95%	1203610056206308	2-May-10	3 Yrs.
20	Mrs. Kazi Hosnawara	Shareholder	3,700,000	2.64%	1203060053818046	2-May-10	3 Yrs.
21	Samin Food & Beverage Industries Ltd.	Shareholder	6,950,000	4.95%	1201830058428990	2-May-10	3 Yrs.
22	A.B.M. Tanvir Hossain	Shareholder	200,000	0.14%	1202830052911741	2-May-10	3 Yrs.
23	Ruhul Kuddus Saikat	Shareholder	300,000	0.21%	1202830052864026	2-May-10	3 Yrs.
24	Mohammad Maruf Bin Wali	Shareholder	300,000	0.21%	1202830048269324	2-May-10	3 Yrs.
25	Shafiul Azam	Shareholder	100,000	0.07%	1202830053832101	2-May-10	3 Yrs.
26	Howa Nur Begum	Shareholder	100,000	0.07%	1201960054792971	2-May-10	3 Yrs.
<b>Total</b>			<b>140,410,000</b>	<b>100.00%</b>			

*[From the issue date of Prospectus]*

## CHAPTER (XXIV): MARKETS FOR THE SECURITIES BEING OFFERED

### Stock Exchanges:

The issuer shall apply to the following bourses for listing shares within 7 (seven) working days from the date of consent accorded by the Commission to issue the prospectus:



**Dhaka Stock Exchange Limited (DSE)**

9/F, Motijheel C/A, Dhaka-1000; and



**Chittagong Stock Exchange Limited (CSE)**

CSE Building, 1080 Sheikh Mujib Road, Chittagong.

### Declaration about Listing of Shares with Stock Exchanges:

None of the Stock Exchanges, if for any reason, grant listing within 75 days from the closure of subscription, any allotment in terms of this prospectus shall be void and the Company shall refund the subscription money within fifteen days from the date of refusal for listing by the stock exchange, or from the date of expiry of the said 75 (seventy-five) days, as the case may be.

In case of non-refund of the subscription money within the aforesaid fifteen days, the Company directors, in addition to the issuer company, shall be collectively and severally liable for refund of the subscription money, with interest at the rate of 2% (two percent) per month above the bank rate, to the subscribers concerned.

The issue managers, in addition to the issuer Company, shall ensure due compliance of the above-mentioned conditions and shall submit compliance report thereon to the Commission within seven days of expiry of the aforesaid fifteen days' time period allowed for refund of the subscription money.

### Trading and Settlement;

Trading and Settlement Regulation of the stock exchanges will apply in respect of trading and settlement of the shares of the Company.

**THE ISSUE SHALL BE PLACED IN “N” CATEGORY**

## **CHAPTER (XXV): DESCRIPTION OF SECURITIES OUTSTANDING OR BEING OFFERED**

### **(a) Dividend, voting and preemption rights;**

The Share Capital of the company is divided into Ordinary Shares, carrying equal rights to vote and receive dividend in terms of the relevant provisions of the Companies Act 1994 and the Articles of Association of the company. All Shareholders shall have the usual voting rights in person or by proxy in connection with, among others, election of Directors & Auditors and other usual agenda of General Meeting - Ordinary or Extraordinary. On a show of hand, every shareholder presents in person and every duly authorized representative of a shareholder present at a General Meeting shall have one vote and on a poll every shareholder present or by proxy shall have one vote for every share held by him or her.

In case of any additional issue of shares for raising further capital the existing shareholders shall be entitled to Right Issue of shares in terms of the guidelines issued by the BSEC from time to time.

### **(b) Conversion and liquidation rights;**

In terms of provisions of the Companies Act 1994, Articles of Association of the Company and other relevant rules in force, the shares of the Company are freely transferable. The Company shall not charge any fee for registering transfer of shares. No transfer shall be made to a firm, an infant or person of unsound mind.

### **(c) Dividend policy;**

- i. The profit of the Company, subject to any special right relating thereto created or authorized to be created by the Memorandum and subject to the provisions of the Articles of Association, shall be divisible among the members in proportion to the amount of capital paid-up on the shares held by them respectively.
- ii. No large dividend shall be declared than is recommended by the Directors, but the Company in its General Meeting may declare a smaller dividend. The declaration of Directors as to the amount of Net profit of the Company shall be conclusive.
- iii. No dividend shall be payable except out of the profits of the Company or any other undistributed profits. Dividend shall not carry interest as against the Company.
- iv. The Directors may from time to time pay the members such interim dividend as in their judgment the financial position of the Company may justify.
- v. A transfer of shares shall not pass the right to any dividend declared thereon before the registration of transfer.
- vi. No limitation in payment of dividend is stipulated in any debt instrument or otherwise.

### **(d) Other rights of the securities holders;**

In terms of the provisions of the Companies Act 1994, Articles of Association of the Company and other relevant rules in force, the shares of the Company are transferable. The Company shall not charge any fee, other than Government duties for

registering transfer of shares. No transfer shall be made to a minor or person of unsound mind.

The Directors shall present the financial statements as required under the law & International Accounting Standard. Financial statements will be prepared in accordance with the International Accounting Standards consistently applied throughout the subsequent periods and present with the objective of providing maximum disclosure as per law and International Accounting Standard to the shareholders regarding the financial and operational position of the company. The shareholders shall have the right to receive all periodical statement and reports, audited as well as un audited, published by the company from time to time.

The shareholder holding minimum of 10% shares of paid-up capital of the company shall have the right to requisition extra ordinary General Meeting of the company as provided for the section 84 of the Companies Act 1994.

## CHAPTER (XXVI): FINANCIAL STATEMENTS

- (a) The latest financial statements prepared and audited by the Commission's panel auditors in adherence to the provisions of the Securities and Exchange Rules, 1987, the Companies Act, 1994, International financial Reporting and Auditing Standards as adopted in Bangladesh from time to time and Financial Reporting Act;

### INDEPENDENT AUDITORS' REPORT

To The shareholders 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 31 December 2016 and the Statement of Profit or Loss and other Comprehensive Income, Statement of Changes in Equity, Statement of Cash Flows and a summary of significant accounting policies and other explanatory information for the period from July 1, 2016 to December 31, 2016.

#### ***Management's responsibility for the financial statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Bangladesh Accounting Standards (BASs), Bangladesh Financial Reporting Standards (BFRSs), the Companies Act 1994, and other applicable laws & regulations and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

#### ***Auditors' responsibility***

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Bangladesh Standards on Auditing (BSAs). 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 Bangladesh Accounting Standards (BASs) and Bangladesh Financial Reporting Standards (BFRSs) give a true and fair view of the state of the affairs of financial position of the **M.L. DYEING LIMITED** as at 31 December 2016 and of the results of its operations and its cash flows for the period from July 1, 2016 to December 31, 2016 and comply with the requirements of the Companies Act 1994, the Securities and Exchange Rules 1987 and other applicable laws and regulations.

**We further report that:**

- a) we have obtained all the information and explanation which to the best of our knowledge and believe were necessary for the purpose of our audit and made due verification thereof;
- b) in our opinion, proper books of account as required by law have been kept by the company so far as it appeared from our examination of those books;
- c) the company's statement of financial position and statement of comprehensive income dealt with by the report are in agreement with the books of accounts and return; and
- d) the expenditure incurred and payments made were for the purpose of the company's business for the period.

Place: Dhaka,  
Dated: February 09, 2017

Sd/-  
**Mahfel Huq & Co.**  
**Chartered Accountants**

**M. L. DYEING LIMITED**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT DECEMBER 31, 2016**

Particulars	Notes	Amount in Taka	
		31-12-2016	30-06-2016
ASSETS			
Non Current Assets			
Property, Plant & Equipment	4	1,826,389,217	1,892,301,988
Investment in Associate Company	5	204,200,000	204,200,000
Total Non-Current Assets		2,030,589,217	2,096,501,988
Current Assets			
Inventories	6	556,755,419	463,206,216
Trade and other Receivables	7	795,429,761	694,126,688
Advance, Deposits and Prepayments	8	34,320,713	34,898,190
Cash and Cash Equivalents	9	7,060,136	14,094,066
Total Current Asset		1,393,566,029	1,206,325,160
Total Assets		3,424,155,246	3,302,827,148
EQUITY AND LIABILITIES			
Capital and Reserves			
Share Capital	10	1,404,100,000	1,404,100,000
Retained Earnings	11	1,679,594,905	1,575,682,029
		3,083,694,905	2,979,782,029
Non-Current Liabilities			
Deferred Tax Liabilites	12	114,342,485	110,625,432
Total Non-Current Liabilities		114,342,485	110,625,432
Current Liabilities			
Trade and other Payables	13	136,378,239	140,310,624
Short term Borrowings	14	37,064,235	31,585,225
Creditors & Accrues	15	7,541,779	6,585,880
Provision for Income Tax	16	45,133,603	33,937,958
Total Current Liabilities		226,117,856	212,419,687
Total Current & Non Current Liabilities		340,460,341	323,045,119
Total Equity and Liabilities		3,424,155,246	3,302,827,148
Net Asset Value Per Share	24	21.96	21.22

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

Sd/-  
Chairman

Sd/-  
Managing Director

Sd/-  
Company Secretary

Sd/-  
Chief Financial Officer

Signed as per our annexed report on even date.

Place: Dhaka,  
Dated: February 09, 2017

Sd/-  
**Mahfel Huq & Co.**  
Chartered Accountants



**M. L. DYEING LIMITED**  
**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**  
**FOR THE PERIOD FROM JULY 01, 2016 TO DECEMBER 31, 2016**

Particulars	Notes	Amount in Taka	
		31-12-2016	31-12-2015
Sales	17	1,179,054,128	959,774,397
Less: Cost of goods sold	18	1,038,876,434	823,207,777
<b>Gross Profit</b>		<b>140,177,694</b>	<b>136,566,619</b>
Less: Operating Expenses	19	13,974,368	13,678,819
<b>Operating Income</b>		<b>126,203,326</b>	<b>122,887,800</b>
Financial Expenses	20	4,197,060	8,194,436
<b>Net operating Income</b>		<b>122,006,266</b>	<b>114,693,364</b>
Add: Other non-operating income	21	319,308	356,489
<b>Net profit before tax</b>		<b>122,325,574</b>	<b>115,049,853</b>
<b>Income Tax Expenses</b>	22	<b>18,412,698</b>	<b>18,646,976</b>
Current tax		14,695,645	10,960,318
Deferred tax		3,717,053	7,686,658
<b>Net Profit after tax</b>		<b>103,912,876</b>	<b>96,402,877</b>
<b>Earnings Per Share (EPS)</b>	23	<b>0.74</b>	<b>0.69</b>

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

Sd/- Chairman                      Sd/- Managing Director                      Sd/- Company Secretary                      Sd/- Chief Financial Officer

Signed as per our annexed report on even date.

Place: Dhaka,  
Dated: February 09, 2017

Sd/-  
**Mahfel Huq & Co.**  
Chartered Accountants

**M. L. DYEING LIMITED**  
**STATEMENT OF CHANGES IN EQUITY**  
**FOR THE PERIOD ENDED DECEMBER 31, 2016**

Particulars	Ordinary Share Capital	Retained Earnings	Total
As at July 01, 2016	1,404,100,000	1,575,682,029	2,979,782,029
Net Profit during the period	-	103,912,876	103,912,876
<b>Total</b>	<b>1,404,100,000</b>	<b>1,679,594,905</b>	<b>3,083,694,905</b>

**M. L. DYEING LIMITED**  
**STATEMENT OF CHANGES IN EQUITY**  
**FOR THE PERIOD ENDED DECEMBER 31, 2015**

Particulars	Ordinary Share Capital	Retained Earnings	Total
As at July 01, 2015	1,404,100,000	1,733,385,004	3,137,485,004
Net Profit during the period	-	96,402,877	96,402,877
<b>Total</b>	<b>1,404,100,000</b>	<b>1,829,787,881</b>	<b>3,233,887,881</b>

Sd/-  
Chairman

Sd/-  
Managing Director

Sd/-  
Company Secretary

Sd/-  
Chief Financial Officer

Signed as per our annexed report on even date.

Place: Dhaka,  
Dated: February 09, 2017

Sd/-  
Mahfel Huq & Co.  
Chartered Accountants

**M. L. DYEING LIMITED**  
**STATEMENT OF CASH FLOWS**  
**FOR THE PERIOD ENDED DECEMBER 31, 2016**

Particulars	Amount in Taka	
	31-12-2016	31-12-2015
<b>A. Cash Flow From Operating Activities:</b>		
Collection from Turnover	1,077,751,055	907,845,136
Collection from other non-operating income	319,308	356,490
Payment for Cost of Expenses	(1,051,659,270)	(815,160,189)
Paid for operating Expenses	(12,083,140)	(15,445,108)
Income tax paid	(10,612,518)	(13,763,771)
<b>Net cash flow from Operating activities</b>	<b>3,715,435</b>	<b>63,832,559</b>
<b>B. Cash Flow From Investing Activities:</b>		
Purchase of Fixed Assets	(12,031,315)	(15,248,763)
<b>Net cash flow from Investing activities</b>	<b>(12,031,315)</b>	<b>(15,248,763)</b>
<b>C. Cash Flow From Financing Activities:</b>		
Increase/ Decrease in Short term loan from bank	5,479,010	(23,614,399)
Payment for financial Expenses	(4,197,060)	(8,194,438)
Increase/Decrease in Long term loan from bank	-	(18,450,000)
<b>Net Cash flow from financing activities</b>	<b>1,281,950</b>	<b>(50,258,836)</b>
<b>D. Increase/(Decrease) in cash and cash equivalents (A+B+C)</b>	<b>(7,033,930)</b>	<b>(1,675,041)</b>
<b>E. Opening cash and cash equivalents</b>	<b>14,094,066</b>	<b>22,477,072</b>
<b>F. Closing cash and cash equivalents (E + D)</b>	<b>7,060,136</b>	<b>20,802,032</b>
<b>Net Operating Cash Flow Per Share</b>	<b>0.03</b>	<b>0.45</b>

Sd/-  
Chairman

Sd/-  
Managing Director

Sd/-  
Company Secretary

Sd/-  
Chief Financial Officer

Signed as per our annexed report on even date.

Place: Dhaka,  
Dated: February 09, 2017

Sd/-  
**Mahfel Huq & Co.**  
Chartered Accountants

**M. L. DYEING LIMITED**  
**Notes, comprising summary of significant accounting policies**  
**and other explanatory information**  
**For the period ended December 31, 2016**

**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 Office**

The registered office of the company is located at M.L. Tower (14 & 15<sup>th</sup> floor), 1 East Rampura, DIT Road, Dhaka-1219.

**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.
<b><u>Authorized Capital</u></b>	
210,000,000 Ordinary Shares of Taka 10/= each	2,100,000,000
<b><u>Issued, subscribed, called-up and paid-up capital</u></b>	
140,410,000 ordinary shares of Taka 10/= each fully paid up	1,404,100,000

**1.04.2 Production Unit**

Production unit of the company is situated at Valuka, Mymensingh. Production facility of the company comprises of two units namely 'Hanks' and 'Cone' unit.

**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 Bangladesh Financial Reporting Standards (BFRSs) include Bangladesh Accounting Standards (BAS) adopted by the Institute of Chartered Accountants of Bangladesh (ICAB) based on International Accounting Standards (IAS) and International Financial Reporting Standards (IFRSs).

**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);  
The Securities and Exchange Ordinance, 1969;  
The Securities and Exchange Rules, 1987; and  
Securities and Exchange Commission Act, 1993.

### **2.03 Components of the Financial Statements**

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

- i. Statement of financial position as at 31 December 2016;
- ii. Statement of Profit or Loss and other comprehensive income for the financial period 31 December 2016;
- iii. Statement of cash flows for the financial period 31 December 2016;
- iv. Statement of changes in equity for the financial period 31 December 2016;
- v. Notes, comprising summary of significant accounting policies and other explanatory information for the period ended 31 December 2016.

### **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 BASs/BFRSs, 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 affect 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 Advance Deposit and Pre-payment

Note: 12 Deferred Tax Liability  
 Note: 13 Trades & Other Payable  
 Note: 16 Provision for Income tax

## 2.08 Reporting Period

The financial period of the companies covers six month from 1 July 2016 to 31 December 2016.

## 2.09 Statement of Cash Flows

Statement of cash flows is prepared in accordance with “BAS 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 3.21 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 3.21.
- 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 BAS	BAS's No.
1	Presentation of Financial Statements	1
2	Inventories	2
3	Cash Flow Statements	7
4	Accounting policies, Changes in accounting Estimates & 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	Consolidated and Separate Financial Statements	27
18	Investment in Associates & Joint Venture	28
19	Financial Instruments: Presentation	32

Sl. No.	Name of the BAS	BAS's No.
20	Earning 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 & Measurement	39
26	Investment Property	40
27	Agriculture	41

SL. No.	Name of the BFRS/IFRS	BFRS/ IFRS No
1	First-time Adoption of Bangladesh 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 Bangladesh Financial Reporting Standards (BFRS) which are adopted from the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB).

### 3.00 SIGNIFICANT ACCOUNTING POLICIES

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

#### 3.01 Property, Plant & Equipment

##### 3.01.1 Property, Plant and equipment

Property, Plant and Equipment are accounted for according to BAS 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 the of 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 and reflected in the profit and loss account.

### 3.01.2 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:

<u>Category of fixed assets</u>	<u>Rate %</u>
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

## 3.2 Inventories

### 3.2.1 Valuation of Inventories

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

<u>Category of Stocks</u>	<u>Basis of valuation</u>
Raw & packing materials including WIP Cost	: Moving average (Weighted)
Finished Goods at Factory	: At lower of cost or net estimated Realizable value
At warehouses	: At cost
Stores Items	: At cost
Materials in-transit	: Book value (i.e. cost so far incurred).

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

## 3.3 Revenue Recognition

Revenue from net sales of the company represents invoiced value of sale, which is recognized after considering the conditions, set in paragraph 14 of BAS 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 BAS 21: "The effect of changes in Foreign Exchange Rates". Monetary assets and liabilities denominated in the foreign currencies are translated at prevailing rates on the balance sheet (Financial position) date. Non monetary assets and liabilities denominated in foreign currencies, which are related at historical cost are translated into Bangladesh Taka at the exchange rate ruling at the date of transactions. Foreign exchange gain/loss has been recognized in connection with foreign currency transaction since all such transactions are in US dollars and significant gains/losses evens out during regular course of companies business.

### **3.5 Financial Instruments**

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

#### **Trade and Other 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 and other 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.

#### **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.

#### **Share Capital**

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognized as a deduction from equity, net of any tax effect.

### **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 Bangladesh Accounting Standard 12 (BAS-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 “BAS 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**

Contingencies arising from claim, litigation assessment, fines, penalties etc are recorded if it is probable that a liability has been incurred and the amount can be measured reliably in accordance with “BAS 37: Provisions, Contingent Liabilities and Contingent Assets”.

### **3.9 Earnings Per Share (EPS)**

The company calculates Earnings Per Share (EPS) in accordance with BAS 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-23 of the financial statements.

#### **Basic Earnings**

This represents earnings for the period attributable to the ordinary shareholders. As there are no preference dividends, 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 shares 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 “BFRS 8: Segment Reporting” as the company operates in a single industry segment and within a single geographical segment.

### **3.11 Going Concern**

The company has adequate resources to continue its operations for the 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 obligations 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 BAS 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 BAS 8: Accounting Policies, Changes in Accounting Estimates and Errors.

**3.15 Employee benefits (BAS 19):**

The company has accounted for and disclosed employee benefits in compliance with the provisions of BAS 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 BAS 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 Intangible Assets**

The company has no intangible assets.

**3.18 Bad and doubtful debts**

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

**3.19 Advertising and promotional expenses**

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

**3.20 Related Party disclosure**

**2.20.1 Equity Participation**

M. L Dyeing Limited owns 20,420,000 ordinary shares of Tk.10/- each (at par) amounting Tk. 204,200,000 being 8.81% of total ordinary shares of RN Spinning Mills Ltd.

### 3.20.2 Business Transaction

SL. No.	Name of company	Nature of transaction	Balance as at 31-12-2016 (Tk.)
01.	R. N. Spinning Mills Ltd.	Bills Payable	92,375,570
02.	Far Chemical Industries Ltd.	Bills Payable	12,688,689

### 3.21 General

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

**4.00 Property, Plant & Equipments: Tk. 1,826,389,217**

The above balance is made up as follows:

<b>Particulars</b>	<b>31-12-2016</b>	<b>30-06-2016</b>
Opening balance	2,774,817,843	2,684,345,539
Add: Acquisition during the period	12,031,315	90,472,304
Total available	<u>2,786,849,158</u>	<u>2,774,817,843</u>
Less: Accumulated depreciation	960,459,941	882,515,855
<b>Closing balance</b>	<b><u>1,826,389,217</u></b>	<b><u>1,892,301,988</u></b>

Details shown in Annexure-A.

**5.00 Investment in Associate company: Tk. 204,200,000**

The above balance is made up as follows:

<b>Particulars</b>	<b>31-12-2016</b>	<b>30-06-2016</b>
R.N. Spinning Mills Ltd (20,420,000 ordinary share @Tk.10)	204,200,000	204,200,000
<b>Total:</b>	<b><u>204,200,000</u></b>	<b><u>204,200,000</u></b>

**6.00 Inventories: Tk. 556,755,419**

The above balance is made up as follows:

<b>Particulars</b>	<b>Notes</b>	<b>31-12-2016</b>	<b>30-06-2016</b>
Raw Materials - Yarn	6.01	372,900,925	277,900,924
Raw Materials - Chemicals	6.02	64,205,261	75,428,715
Work in process	6.03	8,542,691	9,152,481
Packing Materials	6.04	2,541,052	2,754,196
Finished goods	6.05	105,412,841	95,218,619
Store items	6.06	3,152,649	2,751,281
<b>Total:</b>		<b><u>556,755,419</u></b>	<b><u>463,206,216</u></b>

**6.01 Raw Materials-Yarn: Tk. 372,900,925**

The above balance is made up as follows:

<b>Particulars</b>	<b>31-12-2016</b>	<b>30-06-2016</b>
Opening	277,900,924	339,275,878
Add: Purchase during the period	939,512,874	1,162,637,432
Raw materials available for production	<u>1,217,413,798</u>	<u>1,501,913,310</u>
Less: Input to production	844,512,873	1,224,012,386
<b>Closing balance</b>	<b><u>372,900,925</u></b>	<b><u>277,900,924</u></b>

**6.02 Raw Materials- Chemicals: Tk. 64,205,261**

The above balance is made up as follows:

<b>Particulars</b>	<b>31-12-2016</b>	<b>30-06-2016</b>
Opening	75,428,715	115,214,942
Add: Purchase during the period	65,214,578	115,418,743
Raw materials available for production	<u>140,643,293</u>	<u>230,633,685</u>
Less: Input to production	76,438,032	155,204,970
<b>Closing balance</b>	<b><u>64,205,261</u></b>	<b><u>75,428,715</u></b>

**6.03 Work in process: Tk. 8,542,691**

The above balance is made up as follows:

Particulars	31-12-2016	30-06-2016
Opening	9,152,481	9,521,540
Add: Current period	923,809,267	1,384,137,723
	<u>932,961,748</u>	<u>1,393,659,263</u>
Less: Transfer to finished goods	924,419,057	1,384,506,782
Closing balance	<u>8,542,691</u>	<u>9,152,481</u>

**6.04 Packing Materials: Tk. 2,541,052**

The above balance is made up as follows:

Particulars	31-12-2016	30-06-2016
Opening	2,754,196	2,430,137
Add: Purchase during the period	2,645,218	5,244,426
	<u>5,399,414</u>	<u>7,674,563</u>
Less: Consumption during the period	2,858,362	4,920,367
Closing balance	<u>2,541,052</u>	<u>2,754,196</u>

**6.05 Finished Goods: Tk. 105,412,841**

The above balance is made up as follows:

Particulars	31-12-2016	30-06-2016
Opening	95,218,619	106,520,589
Add: Production during the period	1,049,246,082	1,641,975,913
Less: Cost of free issue	(175,426)	(375,120)
Production available for export	<u>1,144,289,275</u>	<u>1,748,121,382</u>
Less: Cost of goods sold	1,038,876,434	1,652,902,763
Closing balance	<u>105,412,841</u>	<u>95,218,619</u>

**6.06 Store items: Tk. 3,152,649**

The above balance is made up as follows:

Particulars	31-12-2016	30-06-2016
Opening	2,751,281	2,652,012
Add: Purchase during the period	2,754,163	4,865,197
	<u>5,505,444</u>	<u>7,517,209</u>
Less: Consumption during the period	2,352,795	4,765,928
Closing balance	<u>3,152,649</u>	<u>2,751,281</u>

**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. 795,429,761**

The above is the amount of receivable against export bills as on December 31, 2016. This is considered as good & realizable and is secured by export letter of credit duly accepted by L/C opening bank.

Particulars	31-12-2016	30-06-2016
Opening balance	694,126,688	743,497,940
Add: Export	1,179,054,128	1,923,548,793
	1,873,180,816	2,667,046,733
Less: Realization during the period	1,077,751,055	1,972,920,045
<b>Total:</b>	<b>795,429,761</b>	<b>694,126,688</b>

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 period 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	Amount
		31-12-2016	30-06-2016
I	Receivables considered good in respect of which the company is fully secured	795,429,761	694,126,688
II	Receivables considered good in respect of which the company holds no security other than the debtor personal security	-	-
III	Receivables considered doubtful or bad	-	-
IV	Receivables due by common management	-	-
V	The maximum amount of receivable due by any director or other officer of the company	-	-
	<b>Total</b>	<b>795,429,761</b>	<b>694,126,688</b>

Ageing of the above receivable is given below:

	1-6 Months	Above 6 Months	Total
Customers	795,429,761	-	795,429,761

**8.00 Advances, Deposits & Prepayments: Tk. 34,320,713**

The above balance is made up as follows:

Particulars	Note	31-12-2016	30-06-2016
Titas Gas		1,868,000	1,868,000
Electricity		278,920	278,920
Sundry Advances	8.01	2,768,515	10,458,510
Advance Income Tax	8.02	29,405,278	22,292,760
<b>Total:</b>		<b>34,320,713</b>	<b>34,898,190</b>



**8.01 Sundry Advances: Tk. 2,768,515**

The above balance is made up as follows:

Particulars	31-12-2016	30-06-2016
Mr. Uttam Kumar	304,134	52,168
M/S. Gazi Enterprise	26,354	945,215
Md. Abul Khair Manik	-	1,352,987
Advance Salary	610,000	463,205
Md. Shajedur Rahman	352,167	41,258
M/S. Techno Gas Services Ltd	174,568	521,063
M/S. Denmark Refrigeration Works	-	1,985,421
M/S Property Lift	17,249	25,418
M/S Khan Associates	36,529	36,529
M/S Bright Steel	-	2,985,427
M/S. Jubair Construction	1,247,514	2,049,819
<b>Total:</b>	<b>2,768,515</b>	<b>10,458,510</b>

**8.02 Advance Tax: Tk. 29,405,278**

The above balance is made up as follows:

Particulars	31-12-2016	30-06-2016
Opening Balance	22,292,760	10,465,219
Addition during the period	7,112,518	11,827,541
	<b>29,405,278</b>	<b>22,292,760</b>
Less: Adjustment during the period	-	-
<b>Total:</b>	<b>29,405,278</b>	<b>22,292,760</b>

**9.00 Cash and Cash Equivalents: Tk. 7,060,136**

The above balance is made up as follows:

Particulars	31-12-2016	30-06-2016
Cash in hand-Factory	1,197,585	521,329
Cash in hand-Head Office	2,350,650	1,230,116
Cash at Bank -Islami Bank Ltd.- S/D A/C	30,195	656,174
Cash at Bank -Islami Bank Ltd.- C/D A/C	69,838	222,797
Cash at Bank -Islami Bank Ltd.- F/C A/C	3,211,686	11,260,741
Cash at Bank -Social Islami Bank Ltd.- C/D A/C	200,182	202,909
<b>Total:</b>	<b>7,060,136</b>	<b>14,094,066</b>

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

**10.00 Share Capital:**

	31-12-2016	30-06-2016
<b>10.01 Authorized Share Capital:</b>		
210,000,000 ordinary shares of Taka 10/= each.	<b>2,100,000,000</b>	<b>2,100,000,000</b>
<b>10.02 Issued, subscribed, called-up and paid-up share capital:</b>		
140,410,000 ordinary shares of Tk 10/= each	1,404,100,000	1,404,100,000
fully paid-up	<b>1,404,100,000</b>	<b>1,404,100,000</b>

The shareholding position of the company are as under:

Name	No of shares	Percentages %	Amount
Lee Jung Kook	35,108,352	25.00%	351,083,520
Mrs. Shirin Faruk	6,950,000	4.95%	69,500,000
Rezaur Rahman Rajon	10,212,300	7.27%	102,123,000
Faiaz Kader	14,580,500	10.38%	145,805,000
Abid Mostafizur Rahman	6,950,000	4.95%	69,500,000
Al-Haj Abdul Kader Faruk	6,950,000	4.95%	69,500,000
Rezwana Rahman Rini	6,000,000	4.27%	60,000,000
Al-Haj Mustafizur Rahman	2,808,200	2.00%	28,082,000
Abdul Mannan	200,000	0.14%	2,000,000
Ahmed Tawfiqur Rahman	500,000	0.36%	5,000,000
Monjur Ahmed	500,000	0.36%	5,000,000
Md. Motiur Rahman	500,000	0.36%	5,000,000
Farzana Rahman	500,000	0.36%	5,000,000
A. S. A. Muiz	500,000	0.36%	5,000,000
S.F Textile Industries Ltd.	9,330,648	6.65%	93,306,480
Total Spinning Mills Ltd.	6,820,000	4.86%	68,200,000
Sadman Textiles Mills Ltd.	6,950,000	4.95%	69,500,000
Rajon Textiles Mills Ltd.	6,450,000	4.59%	64,500,000
Better Life Hospital Ltd.	6,950,000	4.95%	69,500,000
Mrs. Kazi Hosnawara	3,700,000	2.64%	37,000,000
Samin Food & Beverage Industries Ltd.	6,950,000	4.95%	69,500,000
A.B.M. Tanvir Hossain	200,000	0.14%	2,000,000
Ruhul Kuddus Saikat	300,000	0.21%	3,000,000
Mohammad Maruf Bin Wali	300,000	0.21%	3,000,000
Shafiul Azam	100,000	0.07%	1,000,000
Howa Nur Begum	100,000	0.07%	1,000,000
<b>Total</b>	<b>140,410,000</b>	<b>100.00%</b>	<b>1,404,100,000</b>

#### 11.00 Retained Earnings: Tk. 1,679,594,905

The above balance is made up as follows:

Particulars	31-12-2016	30-06-2016
Opening balance	1,575,682,029	1,733,385,004
Add: Current period profit	103,912,876	193,322,025
	1,679,594,905	1,926,707,029
Less: Transfer to Dividend	-	351,025,000
<b>Total:</b>	<b>1,679,594,905</b>	<b>1,575,682,029</b>

#### 12.00 Deferred Tax liabilities: Tk. 114,342,485

The above balance is made up as follows:

Particulars	31-12-2016	30-06-2016
Opening balance	110,625,432	97,662,656
Addition during the period	3,717,053	12,962,776
<b>Total:</b>	<b>114,342,485</b>	<b>110,625,432</b>

**13.00 Trade Payables: Tk. 136,378,239**

The above balance is made up as follows:

Particulars	31-12-2016	30-06-2016
R.N. Spinning Mills Limited	92,375,570	92,003,545
Chemitact BD Ltd	6,142,181	-
Jiangsu Gou Tai Ltd	13,860,499	8,655,110
T & T Ind Cor	-	3,298,754
Huntsman Sig (Pvt) Ltd	6,298,754	2,012,546
Rupsha Chemicals	5,012,546	798,561
Far Chemicals Ltd	12,688,689	33,542,108
<b>Total:</b>	<b>136,378,239</b>	<b>140,310,624</b>

**14.00 Short Term Borrowings: Tk. 37,064,235**

The above balance is made up as follows:

Particulars	31-12-2016	30-06-2016
Murabaha TR -IBBL	16,542,849	11,861,316
MPI - IBBL	20,521,386	19,723,909
<b>Total:</b>	<b>37,064,235</b>	<b>31,585,225</b>

**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:

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

**Terms and Conditions:**

- Rate of profit 12 % per annum
- Validity upto 22.10.2017 but every period renewable.

**15.00 Creditors & Accrues: Tk. 7,541,779**

The above balance is made up as follows:

Particulars	Notes	31-12-2016	30-06-2016
Gas Bill		1,710,547	2,793,148
Electricity Bill		32,518	45,213
Water Bill		12,543	8,985
Rent		2,200	1,000
Salary & Wages		4,297,371	2,595,063
Director Remuneration and Fees		25,000	25,000
Sundry Creditors	15.01	1,311,600	867,471
Audit and Professional Fees		150,000	250,000
<b>Total:</b>		<b>7,541,779</b>	<b>6,585,880</b>

**15.01 Sundry Creditors: Tk. 1,311,600**

The above balance is made up as follows:

Particulars	31-12-2016	30-06-2016
M/S. Almunium Trade Centre	352,167	521,488
M/S. Crane View	17,264	210,512
M/S. Technocrate Enterprise	-	3,201
M/S. Omar Electrical Engineering Works	-	2,563
M/S Engineering Network Ltd	620,135	87,459
M/S.Challanger Elevator	2,563	32,012
M/S. Sridhen Engineering Ltd	87,459	-
M/S. Rainbow Printers	232,012	10,236
<b>Total</b>	<b>1,311,600</b>	<b>867,471</b>

**16.00 Provision for Income Tax: Tk. 45,133,603**

The above balance is made up as follows:

Particulars	31-12-2016	30-06-2016
Opening Balance	33,937,958	28,317,324
Income Tax charged on current period 22.00	14,695,645	21,320,634
	<b>48,633,603</b>	<b>49,637,958</b>
Less: Adjustment during the period	3,500,000	15,700,000
<b>Total:</b>	<b>45,133,603</b>	<b>33,937,958</b>

**17.00 Export: Tk. 1,179,054,128**

The above balance is made up as follows:

Particulars	01-07-2016 to 31-12-2016	01-07-2015 to 31-12-2015
Export	1,179,054,128	959,774,397
<b>Total:</b>	<b>1,179,054,128</b>	<b>959,774,397</b>

**17.01 Particulars of Import, Export, Production and Stock in Quantity (Lbs) during the period:**

Particulars	01-07-2016 to 31-12-2016	01-07-2015 to 31-12-2015
Opening Raw Materials - Yarn	3,252,824	3,627,694
Add: Purchase during the period	9,982,169	6,976,084
Total available	<b>13,234,993</b>	<b>10,603,778</b>
Less: Input to Production	9,181,037	7,078,534
Closing stock of Raw materials	<b>4,053,955</b>	<b>3,525,245</b>
Input to Production	9,181,037	7,078,534
Add: Opening WIP	106,893	79,526
	<b>9,287,930</b>	<b>7,158,060</b>
Less: Closing WIP	92,945	81,254
	<b>9,194,985</b>	<b>7,076,806</b>
Add: Opening Finished goods	820,894	863,935
	<b>10,015,879</b>	<b>7,940,741</b>
Less: Wastage	53,521	46,373
Finished goods available to Export	<b>9,962,358</b>	<b>7,894,368</b>
Less: Closing Finished goods	917,600	832,541
Export Quantity during the period	<b>9,044,759</b>	<b>7,061,827</b>

**18.00 Cost of Export: Tk. 1,038,876,434**

The above balance is made up as follows:

Particulars	Notes	01-07-2016 to 31-12-2016	01-07-2015 to 31-12- 2015
Raw materials consumed-Yarn	18.01	844,512,873	609,986,462
Raw materials consumed-Chemicals	18.02	76,438,032	77,859,664
Packing materials consumed	18.03	2,858,362	2,298,154
		<b>923,809,267</b>	<b>690,144,280</b>
Work in process- opening		9,152,481	9,521,540
Work in process- closing		8,542,691	9,067,458
Change in work in process		<b>609,790</b>	<b>454,082</b>
Total consumption		<b>924,419,057</b>	<b>690,598,362</b>
Add: Manufacturing Overhead	18.04	47,818,268	47,440,169
Add: Depreciation		77,008,757	73,410,777
Cost of production		<b>1,049,246,082</b>	<b>811,449,308</b>
Finished goods - opening		95,218,619	106,520,589
Finished goods - closing		105,412,841	94,387,000
Change of finished goods stock		<b>(10,194,222)</b>	<b>12,133,589</b>
Cost of free issue		175,426	375,120
<b>Total:</b>		<b>1,038,876,434</b>	<b>823,207,777</b>

**18.01 Raw materials consumed-Yarn: Tk. 844,512,873**

The above balance is made up as follows:

Particulars	01-07-2016 to 31-12- 2016	01-07-2015 to 31-12- 2015
Opening Stock	277,900,924	339,275,878
Add: Purchase during the period	939,512,874	617,120,873
Raw materials available for production	1,217,413,798	956,396,751
Less: Closing Stock	372,900,925	346,410,289
<b>Total:</b>	<b>844,512,873</b>	<b>609,986,462</b>

**18.02 Raw materials consumed-Chemicals: Tk. 76,438,032**

The above balance is made up as follows:

Particulars	01-07-2016 to 31-12- 2016	01-07-2015 to 31-12- 2015
Opening Stock	75,428,715	115,214,942
Add: Purchase during the period	65,214,578	60,186,374
Chemicals available for Production	140,643,293	175,401,316
Less: Closing Stock	64,205,261	97,541,652
<b>Total:</b>	<b>76,438,032</b>	<b>77,859,664</b>

**18.03 Packing materials consumed: Tk. 2,858,362**

The above balance is made up as follows:

Particulars	01-07- 2016 to 31-12- 2016	01-07- 2015 to 31-12- 2015
Opening Stock	2,754,196	2,430,137
Add: Purchase during the period	2,645,218	2,622,213
Packing materials available for packing.	5,399,414	5,052,350
Less: Closing Stock	2,541,052	2,754,196
<b>Total:</b>	<b>2,858,362</b>	<b>2,298,154</b>

**18.04 Manufacturing overhead: Tk. 47,818,268**

The above balance is made up as follows:

Particulars	Note	01-07-2016 to 31-12- 2016	01-07-2015 to 31-12- 2015
Salary & Wages		20,154,287	19,771,077
Fuel, Water & Power		2,210,548	2,107,704
Printing & Stationary		234,120	256,234
Conveyance		227,516	205,117
Mobile bill		24,105	30,627
Store & Spares Consumed		2,352,795	2,387,599
Insurance		817,542	726,093
Gas Bill		18,126,262	18,090,421
C & F Expenses		2,845,123	2,760,770
Rent, Rates and Taxes		31,608	25,624
Repairs & Maintenance	18.04.A	762,616	1,051,194
Other Overhead		31,746	27,709
<b>Total:</b>		<b>47,818,268</b>	<b>47,440,169</b>

**18.04.A Repairs & Maintenance: Tk. 762,616**

The above balance is made up as follows:

Particulars		01-07-2016 to 31-12- 2016	01-07-2015 to 31-12- 2015
Plant and Machinery		621,053	710,981
Building		102,137	317,608
Others		39,426	22,605
<b>Total:</b>		<b>762,616</b>	<b>1,051,194</b>

**19.00 Operating Expenses: Tk. 13,974,368**

The above balance is made up as follows:

Particulars	Notes	01-07-2016 to 31-12- 2016	01-07-2015 to 31-12- 2015
Warehouse, Distribution & Selling Exp.	19.01	5,458,586	4,856,491
Administrative Expenses	19.02	8,515,782	8,822,328
<b>Total:</b>		<b>13,974,368</b>	<b>13,678,819</b>

**19.01 Warehouse, Distribution & Selling Exp.: Tk. 5,458,586**

The above balance is made up as follows:

Particulars	01-07-2016 31-12-2016	to 01-07-2015 to 31-12- 2015
Advertising Expenses	11,652	5,826
Salary & Welfare	2,754,168	2,399,280
Transportation and Handling expenses	816,521	710,783
Repair and Maintenance	153,201	92,138
Rent	12,600	10,250
Electricity, Fuel & Water	27,846	20,627
Sales promotion expenses	106,310	81,760
Traveling Expenses	715,243	627,034
Entertainment Expenses	210,523	260,701
Miscellaneous Expenses	41,289	47,607
Sample, Test & Analysis	153,208	117,706
Cost of free issue	175,426	187,560
Depreciation	280,599	295,219
<b>Total:</b>	<b>5,458,586</b>	<b>4,856,491</b>

**19.02 Administrative Expenses: Tk. 8,515,872**

The above balance is made up as follows:

Particulars	01-07- 2016 to 31-12- 2016	01-07- 2015 to 31-12- 2015
Salary & Welfare	3,352,104	3,176,053
Director Remuneration	150,000	150,000
Postage & Telecommunication	103,521	206,258
Traveling, Haultage & passage	1,125,468	1,562,743
Repair & Maintenance	412,568	308,770
Vehicle Expenses	196,523	153,260
Electricity, Fuel & Water	416,852	386,052
Printing and Stationery	294,635	306,274
Rent, Rates and Taxes	1,190,352	1,176,052
Subscription & Donation	70,526	120,615
Entertainment	150,421	175,071
Legal & Professional Charge	163,208	192,260
Audit & Professional fees	150,000	125,000
Miscellaneous Expenses	41,659	32,256
News paper & periodical	40,215	60,120
Board Meeting attendance Fees	3,000	2,700
Depreciation	654,730	688,844
<b>Total:</b>	<b>8,515,782</b>	<b>8,822,328</b>

**20.00 Financial Expenses: Tk. 4,197,060**

The above balance is made up as follows:

Particulars	Note	01-07-2016 to 31-12- 2016	01-07-2015 to 31-12- 2015
Interest on Loan	20.01	4,197,060	8,194,436
<b>Total:</b>		<b>4,197,060</b>	<b>8,194,436</b>

**20.01 Interest on loan: Tk. 4,197,060**

The above balance is made up as follows:

Particulars	01-07- 2016 to 31-12- 2016	01-07- 2015 to 31-12- 2015
Interest on Long Term Project Investment	-	4,724,547
Interest on Bai-Moazel Commercial	-	785,871
Interest on MPI	2,054,879	709,395
Interest on Murabaha TR	2,142,181	1,001,629
Interest on Trust Receipts	-	972,994
<b>Total:</b>	<b>4,197,060</b>	<b>8,194,436</b>

**21.00 Other non-operating income: Tk. 319,308**

The above balance is made up as follows:

Particulars	01-07- 2016 to 31-12- 2016	01-07- 2015 to 31-12- 2015
Sale of Wastage	170,523	210,773
Wastage W-I-P	95,217	100,956
Wastage finished goods	53,568	44,760
<b>Total:</b>	<b>319,308</b>	<b>356,489</b>

**22.00 Income Tax charged during the period: Tk. 18,412,698**

The above balance is made up as follows:

Particulars	01-07-2016 to 31-12-2016	01-07-2015 to 31-12- 2015
Current Tax	14,695,645	10,960,318
Deferred Tax	3,717,053	7,686,658
<b>Total:</b>	<b>18,412,698</b>	<b>18,646,976</b>



**22.01 Current Tax during the period: Tk. 14,695,645**

The above balance is made up as follows:

Particulars	01-07-2016 to 31-12-2016	01-07-2015 to 31-12- 2015
Tax on Net Operating Income @15%	14,583,887	10,835,546
Tax on Non Operating Income @35%	111,758	124,772
<b>Total:</b>	<b>14,695,645</b>	<b>10,960,318</b>

**22.02 Deferred Tax during the period: Tk. 3,717,053**

The above balance is made up as follows:

Particulars	31-12-2016	30-06-2016
<b>Carrying amount as Accounting base:</b>		
Property, Plant & Equipment	1,826,389,217	1,892,301,988
<b>Carrying amount as Tax base:</b>		
Property, Plant & Equipment	1,064,105,980	1,154,799,106
Difference	762,283,237	737,502,882
Applicable Tax Rate	15%	15%
Deferred Tax liability at the end of period.	114,342,486	110,625,432
Deferred tax expenses/(income) for the period ended December 2016 (114,342,486 - 110,635,432)		<b>3,717,053</b>

**23.00 Earnings Per Share (Basic EPS) : Tk. 0.74**

The above balance is made up as follows:

Particulars	01-07-2016 to 31-12- 2016	01-07-2015 to 31-12- 2015
Net Profit after Tax (Numerator)	103,912,876	96,402,877
Weighted average no of Shares (Denominator)	140,410,000	140,410,000
Earnings Per Share <b>Total:</b>	<b>0.74</b>	<b>0.69</b>

**24.00 Net Asset Value per Share (NAV): Tk. 21.96**

The above balance is made up as follows:

Particulars	01-07-2016 to 31-12- 2016	01-07-2015 to 31-12-2015
Net Asset Value	3,083,694,905	2,979,782,029
No. of Shares Outstanding	140,410,000	140,410,000
Net Asset Value per Share (NAV) <b>Total:</b>	<b>21.96</b>	<b>21.22</b>

**25.00 Net Operating Cash Flows per Share: Tk. 0.03**

The above balance is made up as follows:

Particulars	30-06-2016	30-06-2015
Net Operating Cash Flows	3,715,435	63,832,559
No. of Shares Outstanding	140,410,000	140,410,000
Net Operating Cash Flows per Share <b>Total:</b>	<b>0.03</b>	<b>0.45</b>

**26.A Disclosure as per requirement of Schedule XI, part II, note 5 of para 3**

Employee Position (as on December 31, 2016)

Salary Range	Officer & Staff		Worker	Total Employee
	Factory	Head Office		
Below 5300	13	2	119	134
Above 5300	29	47	445	521
<b>Total</b>	<b>42</b>	<b>49</b>	<b>564</b>	<b>655</b>

**26.B Disclosure as per requirement of Schedule XI, part II, para 4 of companies act 1994****Directors Remuneration & Fees: Tk. 153,000**

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	Amount in Taka
Mr. Faiaz Kader	Chairman	-	3	900
Mr. Lee Jung kook	Managing Director	141,667	1	141,967
Mr. Rezaur Rahman Rajon	Director	-	3	900
Mr. Golam Azam Chowdhury	Director & MD	8,333	3	9,233
<b>Total</b>				<b>153,000</b>

**26.B.1 Present status of Board of Directors (as on December 31, 2016):**

The status of Board of Directors of the Company has changed on 08th December 2016 and continuing with the following composition:

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

**26.C Disclosure as per requirement of Schedule XI, part II, para 7**

Details of Capacity as given below:

Particulars	Installed Capacity in Lbs	Attainable Capacity in Lbs	Actual Production in Lbs	Percentage of Capacity Utilization
Half year Production of Acrylic & Cotton Yarn Dyeing in Lbs	12,400,000	9,920,000	9,141,464	92.15%
<b>Total</b>	<b>12,400,000</b>	<b>9,920,000</b>	<b>9,141,464</b>	<b>92.15%</b>

**27 Capital Expenditure Commitment:**

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

**28 Directors' interest in contracts with the company:**

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

**29 Foreign remittances:**

No remittances was made in foreign currency on account of dividend, royalty, technical experts, professional advisor fees, interest, etc.

**M. L. DYEING LIMITED**  
**SCHEDULE OF FIXED ASSETS**  
**AS AT DECEMBER 31, 2016**

**Annexure-A**

Particulars	Cost			Rate of Dep./ Amortization (%)	Depreciation			Written Down Value as at 31-12-2016	Written Down Value as at 30-06-2016
	Balance as on 1st July 2016	Addition during the period	Balance as on 31st Dec 2016		Balance as on 1st July 2016	Charge during the period	Balance as on 31st Dec 2016		
Land & Land Development	20,149,436		20,149,436					20,149,436	20,149,436
Factory Building	495,707,786	1,754,128	497,461,914	2.5%	68,698,024	5,344,931	74,042,955	423,418,959	427,009,762
Plant & Machinery	1,900,248,487	8,745,106	1,908,993,593	10%	670,820,509	61,617,151	732,437,660	1,176,555,933	1,229,427,978
Power Generator Set	132,735,868	-	132,735,868	10%	62,069,857	3,533,301	65,603,158	67,132,710	70,666,011
Electrical Installation	59,338,344	420,621	59,758,965	10%	15,841,968	2,181,829	18,023,797	41,735,168	43,496,376
Boiler	57,849,098	-	57,849,098	10%	24,737,716	1,655,569	26,393,285	31,455,813	33,111,382
Compressor	22,196,968	75,416	22,272,384	10%	6,854,531	768,379	7,622,910	14,649,474	15,342,437
Fork lift	5,521,489	-	5,521,489	10%	2,733,862	139,381	2,873,243	2,648,246	2,787,627
ETP Plant	52,394,129	-	52,394,129	10%	15,747,848	1,832,314	17,580,162	34,813,967	36,646,281
Gas Installation	7,372,265	-	7,372,265	10%	3,069,355	215,145	3,284,500	4,087,765	4,302,910
Air Condition Installation	7,443,460	-	7,443,460	10%	3,491,217	197,612	3,688,829	3,754,631	3,952,243
Telephone Installation	84,323	618,749	703,072	20%	30,688	25,988	56,676	646,396	53,635
Office Equipment	3,650,735	29,754	3,680,489	10%	1,320,339	117,016	1,437,355	2,243,134	2,330,396
Furniture & Fixture	2,627,455	387,541	3,014,996	20%	1,127,456	162,918	1,290,374	1,724,622	1,499,999
Motor Car	7,498,000	-	7,498,000	20%	5,972,485	152,552	6,125,037	1,372,963	1,525,515
<b>Total</b>	<b>2,774,817,843</b>	<b>12,031,315</b>	<b>2,786,849,158</b>		<b>882,515,855</b>	<b>77,944,086</b>	<b>960,459,941</b>	<b>1,826,389,217</b>	<b>1,892,301,988</b>

**Allocation of depreciation**

Manufacturing Expenses	98.80%	77,008,757
Administrative Expenses	0.84%	654,730
Selling & Distribution Expenses	0.36%	280,599
	<b>100%</b>	<b><u>77,944,086</u></b>

- (b) Information as is required under section 186 of the কোম্পানি আইন, ১৯৯৪ relating to holding company;

This information is not applicable for MLDL.

- (c) Selected ratios as specified in Annexure-D;

**Auditor's certificate regarding calculation of EPS and Ratios**

We have examined the following earnings per share (EPS) and other ratios of **M.L. Dyeing Limited** for the period ended December 31, 2016 and for the year ended June 30, 2016, 2015, 2014, 2013 and 2012 which have been produced by the management of the Company and provided to us. The preparation of the EPS and the other ratios is the responsibility of the Company's management. Our responsibility is to review them and certify as to whether they have been properly prepared using stated principle on the basis of audited financial statements for the period ended December 31, 2016 and for the year ended June 30, 2016, 2015, 2014, 2013 and 2012. Based on the review, we certify that the Company has properly prepared the following EPS and other ratios using stated principles on the basis of audited financial statements. Ratios pertinent to the prospectus are as specified in rule 4(1)(d)/Annexure-D of the Securities and Exchange Commission (Public Issue) Rules, 2015.

Name of Ratio		31-12-2016	30-06-2016	30-06-2015	30-06-2014	30-06-2013	30-06-2012
<b>I. Liquidity Ratios:</b>							
(i)	Current Ratio (Times)	6.16	5.68	4.24	4.84	2.75	1.82
(ii)	Quick Ratio (Times)	3.55	3.33	2.42	2.58	1.73	0.73
(iii)	Time Interest Earned Ratio (Times)	30.07	14.84	8.53	13.36	8.66	4.12
(iv)	Debt-Equity Ratio (Times)	0.01	0.01	0.06	0.10	0.15	0.42
<b>II. Operating Ratios:</b>							
(i)	Receivables Turnover Ratio (Times)	1.58	2.68	2.04	2.60	3.41	3.51
(ii)	Inventory Turnover Ratio (Times)	2.04	3.18	2.08	2.57	3.89	2.81
(iii)	Total Assets Turnover Ratio (Times)	0.35	0.56	0.49	0.71	0.81	0.57

**III. Profitability Ratios:**

(i)	Gross Margin Ratio (%)	11.89%	14.07%	15.06%	27.45%	33.35%	18.64%
(ii)	Operating Income Ratio (%)	10.70%	12.65%	13.59%	26.39%	32.40%	17.01%
(iii)	Net Income Ratio (%)	8.81%	10.05%	10.23%	20.55%	24.39%	38.65%
(iv)	Return on Assets Ratio (%)	3.09%	5.63%	5.00%	14.69%	19.85%	21.88%
(v)	Return on Equity Ratio (%)	3.43%	6.32%	5.75%	17.99%	28.61%	38.88%
(vi)	Earnings Per Share (Basic EPS)	0.74	1.38	1.25	3.48	8.82	8.60
(vii)	EBIDTA Margin	17.31%	21.20%	20.36%	31.70%	36.69%	24.68%

**IV. Coverage Ratios:**

(i)	Debt to Total Asset Ratio	0.01	0.01	0.05	0.09	0.12	0.26
(ii)	Debt Service Coverage Ratio	-	3.69	2.52	5.58	4.94	3.44

**V. Cash Flow:**

(i)	Net Operating cash flow per share	0.03	4.02	5.79	1.02	4.89	5.72
(ii)	Net Operating cash flow per share/EPS	0.04	2.92	4.64	0.29	1.11	1.33

Place: Dhaka;  
Dated: February 28, 2017

Sd/-  
**Mahfel Huq & Co.**  
Chartered Accountants

Ratio Calculation																
Name of Ratio					December 31, 2016 Taka		30 June 2016 Taka		30 June 2015 Taka		30 June 2014 Taka		30 June 2013 Taka		30 June 2012 Taka	
					Calculation	Result	Calculation	Result	Calculation	Result	Calculation	Result	Calculation	Result	Calculation	Result
I. Liquidity Ratios:																
I.																
(i)	Current Ratio (Times)	=	Current Assets	1,393,566,029	6.16	1,206,325,160	5.68	1,376,391,080	4.24	1,795,497,640	4.84	1,443,866,594	2.75	1,530,117,925	1.82	
			Current Liabilities	226,117,856		212,419,687		324,601,001		371,101,131		524,993,292		840,932,976		
(ii)	Quick Ratio (Times)	=	Current Assets - Inventories - Advance, Deposits & Prepayments	802,489,897	3.55	708,220,754	3.33	786,676,153	2.42	958,687,195	2.58	909,744,318	1.73	617,181,974	0.73	
			Current Liabilities	226,117,856		212,419,687		324,601,001		371,101,131		524,993,292		840,932,976		
(iii)	Time Interest Earned Ratio (Times)	=	Operating Income	126,203,326	30.07	243,281,330	14.84	232,815,559	8.53	628,024,068	13.36	822,296,215	8.66	265,633,282	4.12	
			Interest Expenses	4,197,060		16,388,875		27,283,948		46,991,366		94,900,178		64,530,964		
(iv)	Debt-Equity Ratio (Times)	=	Total Debt	37,064,235	0.01	31,585,225	0.01	180,433,047	0.06	301,760,480	0.10	371,428,580	0.15	786,858,033	0.42	
			Total Shareholder's Equity	3,083,694,905		2,979,782,029		3,137,485,004		2,962,211,945		2,473,211,751		1,854,208,493		
II. Operating Ratios:																
(i)	Receivables Turnover Ratio (Times)	=	Sales	1,179,054,128	1.58	1,923,548,793	2.68	1,712,845,768	2.04	2,379,356,874	2.60	2,538,284,589	3.41	1,561,896,278	3.51	
			Average Accounts Receivable	744,778,225		718,812,314		839,997,588		914,922,385		744,026,219		445,225,939		
(ii)	Inventory Turnover Ratio (Times)	=	Cost of goods sold	1,038,876,434	2.04	1,652,902,763	3.18	1,454,826,153	2.08	1,726,328,867	2.57	1,691,808,367	3.89	1,270,754,093	2.81	
			Average Inventory	509,980,818		519,410,657		700,270,124		672,898,678		434,649,014		452,118,546		
(iii)	Total Assets Turnover Ratio (Times)	=	Sales	1,179,054,128	0.35	1,923,548,793	0.56	1,712,845,768	0.49	2,379,356,874	0.71	2,538,284,589	0.81	1,561,896,278	0.57	
			Average Total Assets	3,363,491,197		3,431,287,905		3,505,621,203		3,328,593,206		3,118,229,807		2,758,525,929		
III. Profitability Ratios:																
(i)	Gross Margin Ratio (%)	=	Gross Profit	140,177,694	11.89%	270,646,030	14.07%	258,019,615	15.06%	653,028,007	27.45%	846,476,222	33.35%	291,142,185	18.64%	
			Sales	1,179,054,128		1,923,548,793		1,712,845,768		2,379,356,874		2,538,284,589		1,561,896,278		
(ii)	Operating Income Ratio (%)	=	Operating Profit	126,203,326	10.70%	243,281,330	12.65%	232,815,559	13.59%	628,024,068	26.39%	822,296,215	32.40%	265,633,282	17.01%	
			Sales	1,179,054,128		1,923,548,793		1,712,845,768		2,379,356,874		2,538,284,589		1,561,896,278		
(iii)	Net Income Ratio (%)	=	Profit after Tax	103,912,876	8.81%	193,322,025	10.05%	175,273,059	10.23%	489,000,194	20.55%	619,003,258	24.39%	603,622,408	38.65%	
			Sales	1,179,054,128		1,923,548,793		1,712,845,768		2,379,356,874		2,538,284,589		1,561,896,278		
(iv)	Return on Assets Ratio (%)	=	Profit after Tax	103,912,876	3.09%	193,322,025	5.63%	175,273,059	5.00%	489,000,194	14.69%	619,003,258	19.85%	603,622,408	21.88%	
			Average Total Assets	3,363,491,197		3,431,287,905		3,505,621,203		3,328,593,206		3,118,229,807		2,758,525,929		
(v)	Return on Equity Ratio (%)	=	Profit after Tax	103,912,876	3.43%	193,322,025	6.32%	175,273,059	5.75%	489,000,194	17.99%	619,003,258	28.61%	603,622,408	38.88%	
			Average Shareholder's Equity	3,031,738,467		3,058,633,517		3,049,848,475		2,717,711,848		2,163,710,122		1,552,397,289		
(vi)	Earning Per Share (Basic EPS)	=	Profit after Tax	103,912,876	0.74	193,322,025	1.38	175,273,059	1.25	489,000,194	3.48	619,003,258	8.82	603,622,408	8.60	
			Number of share	140,410,000		140,410,000		140,410,000		70,205,000		70,205,000				
(vii)	EBIDTA Margin	=	EBIDTA	204,147,412	0.17	407,854,263	0.21	348,811,291	0.20	754,293,049	0.32	931,302,247	0.37	385,477,355	0.25	
			Sales	1,179,054,128		1,923,548,793		1,712,845,768		2,379,356,874		2,538,284,589		1,561,896,278		
IV. Coverage Ratios:																
(i)	Debt to Total Asset Ratio	=	Total Debt	37,064,235	0.01	31,585,225	0.01	180,433,047	0.05	301,760,480	0.09	371,428,580	0.12	786,858,033	0.26	
			Total Assets	3,424,155,246		3,302,827,148		3,559,748,661		3,451,493,745		3,205,692,666		3,030,766,947		
(ii)	Debt Service Coverage Ratio	=	Net Operating Profit	204,147,412	-	407,854,263	3.69	348,811,291	2.52	754,293,049	5.58	931,302,247	4.94	385,477,355	3.44	
			Total Debt Service	-		110,466,074		138,199,277		135,179,905		188,712,716		111,898,434		
V. Cash Flow:																
(i)	Net Operating cash flow per share		Net operating cash flows	3,715,435	0.03	564,894,890	4.02	812,956,841	5.79	142,891,657	1.02	343,512,424	4.89	401,466,143	5.72	
			No. of outstanding Share	140,410,000		140,410,000		140,410,000		140,410,000		70,205,000		70,205,000		
(ii)	Net Operating cash flow per share/ EPS		NOCFPS	0.0265	0.036	4.02	2.92	5.79	4.64	1.02	0.29	4.89	1.11	5.72	1.33	
			Earnings per share	0.74		1.38		1.25		3.48		4.41		4.30		

Comparison ratios with the industry average ratios of the same periods:

M.L. Dyeing Limited		Industry Average ***	
Particulars	31.12.2016	2016	Remark/ Explanation
	Ratio		
<b>I. Liquidity Ratios:</b>			
(i) Current Ratio	6.16	5.95	MLDL's Current Ratio is satisfactory with the industry average current ratio.
(ii) Quick Ratio	3.55	4.52	MLDL's Ratio is satisfactory with the industry average ratio.
(iii) Times Interest Earned Ratio	30.07	6.99	MLDL's Ratio is satisfactory with the industry average ratio as operating profit is sufficient to pay for financial expense.
(iv) Debt to Equity Ratio	0.01	0.42	MLDL's Ratio is lower as debt burden is lower than equity.
<b>II. Operating Ratios:</b>			
(i) Accounts Receivable Turnover Ratio	1.58	0.75	MLDL's Ratio is satisfactory as collection period is shorter than the average industry.
(ii) Inventory Turnover Ratio	2.04	1.20	MLDL's Ratio is satisfactory as inventory is sold in shorter time than the average industry.
(iii) Asset Turnover Ratio	0.35	0.21	MLDL's Ratio is satisfactory with the average industry ratio.
<b>III. Profitability Ratios:</b>			
(i) Gross Margin Ratio	11.89%	23.78%	MLDL's Ratio is relatively lower than the industry average ratio as the nature of the company is different from the selected companies.



(ii) Operating Income Ratio	10.70%	17.30%	MLDL's Ratio is relatively lower than the industry average ratio as the nature of the company is different from the selected companies.
(iii) Net Income Ratio	8.81%	11.89%	MLDL's Ratio is relatively lower than the industry average ratio as the nature of the company is different from the selected companies.
(iv) Return on Assets Ratio	3.09%	2.27%	MLDL's Ratio is satisfactory with the industry average ratio.
(v) Return on Equity Ratio	3.43%	3.75%	MLDL's Ratio is satisfactory with the industry average ratio.
(vi) Basic Earnings Per Share (EPS)	0.74	0.47	MLDL's Ratio is satisfactory with the industry average ratio.
(vii) EBITDA Margin	17.31%	20.60%	MLDL's Ratio is satisfactory with the industry average ratio.
<b>IV. Coverage Ratios:</b>			
(i) Debt to total Assets Ratio	0.01	0.24	MLDL's Ratio is satisfactory as debt burden is lower than assets.
(ii) Debt Service Coverage Ratio	-	Not Available	MLDL's Ratio is null as there is no payment for interest and principal of long term debt.
<b>V. Cash Flow:</b>			
(i) Net Operating Cash Flow per Share	0.03	0.38	MLDL's Ratio is satisfactory as Net Operating Cash Flow is positive.
(ii) Net Operating Cash Flow per Share/EPS	0.04	0.74	MLDL's Ratio is satisfactory as Net Operating Cash Flow is positive.

\*\*\* The Industry average ratio is calculated through using the ratio of 3 listed similar companies namely Anlimayarn Deying Ltd., Dragon Sweater and Spinning Ltd. And Tung Hai Knitting and Dyeing Ltd. for the period ended December 31, 2016. (Source: 2nd Quarterly Financial Statement)

M.L. Dyeing Limited		Industry Average ***		
Particulars	30.06.2016		2016	Remark/ Explanation
	Ratio		Ratio	
I. Liquidity Ratios:				
(i) Current Ratio	5.68		5.88	MLDL's Current Ratio is satisfactory with the industry average current ratio.
(ii) Quick Ratio	3.33		4.44	MLDL's Ratio is satisfactory with the industry average ratio.
(iii) Times Interest Earned Ratio	14.84		5.68	MLDL's Ratio is satisfactory with the industry average ratio as operating profit is sufficient to pay for financial expense.
(iv) Debt to Equity Ratio	0.01		0.47	MLDL's Ratio is lower as debt burden is lower than equity.
II. Operating Ratios:				
(i) Accounts Receivable Turnover Ratio	1.58		1.61	MLDL's Ratio is satisfactory as collection period is shorter.
(ii) Inventory Turnover Ratio	2.04		2.16	MLDL's Ratio is satisfactory as inventory is sold in shorter time.
(iii) Asset Turnover Ratio	0.35		0.34	MLDL's Ratio is satisfactory with the average industry ratio.
III. Profitability Ratios:				
(i) Gross Margin Ratio	14.07%		22.71%	MLDL's Ratio is relatively lower than the industry average ratio as the nature of the company is different from the selected companies.
(ii) Operating Income Ratio	12.65%		16.46%	MLDL's Ratio is relatively lower than the industry average

			ratio as the nature of the company is different from the selected companies.
(iii) Net Income Ratio	10.05%	6.74%	MLDL's Ratio is satisfactory with the industry average ratio.
(iv) Return on Assets Ratio	5.63%	2.54%	MLDL's Ratio is satisfactory with the industry average ratio.
(v) Return on Equity Ratio	6.32%	4.91%	MLDL's Ratio is satisfactory with the industry average ratio.
(vi) Basic Earnings Per Share (EPS)	1.38	0.58	MLDL's Ratio is satisfactory with the industry average ratio.
(vii) EBITDA Margin	21.20%	24.99%	MLDL's Ratio is satisfactory with the industry average ratio.
<b>IV. Coverage Ratios:</b>			
(i) Debt to total Assets Ratio	0.01	1.23	MLDL's Ratio is satisfactory as debt burden is lower than assets.
(ii) Debt Service Coverage Ratio	3.69	Not Available	MLDL's Ratio is satisfactory as net operating profit is sufficient to pay interest and principal of long term debt.
<b>V. Cash Flow:</b>			
(i) Net Operating Cash Flow per Share	4.02	0.73	MLDL's Ratio is satisfactory as Net Operating Cash Flow is positive.
(ii) Net Operating Cash Flow per Share/EPS	2.92	-0.09	MLDL's Ratio is satisfactory as Net Operating Cash Flow is positive.

\*\*\* The Industry average ratio is calculated through using the ratio of 3 listed similar companies namely Anlimayarn Deying Ltd., Dragon Sweater and Spinning Ltd. And Tung Hai Knitting and Dyeing Ltd. for the year ended June 30, 2016. (Source: Annual Report)

M.L. Dyeing Limited		Industry Average ***		
Particulars	30.06.2015		2015	Remark/ Explanation
	Ratio		Ratio	
I. Liquidity Ratios:				
(i) Current Ratio	4.24		1.81	MLDL's Current Ratio is satisfactory with the industry average current ratio.
(ii) Quick Ratio	2.42		1.05	MLDL's Ratio is satisfactory with the industry average ratio.
(iii) Times Interest Earned Ratio	8.53		4.23	MLDL's Ratio is satisfactory with the industry average ratio as operating profit is sufficient to pay for financial expense.
(iv) Debt to Equity Ratio	0.06		0.38	MLDL's Ratio is lower as debt burden is lower than equity.
II. Operating Ratios:				
(i) Accounts Receivable Turnover Ratio	2.04		2.96	MLDL's Ratio is satisfactory as collection period is shorter.
(ii) Inventory Turnover Ratio	2.08		2.75	MLDL's Ratio is satisfactory as inventory is sold in shorter time.
(iii) Asset Turnover Ratio	0.49		0.53	MLDL's Ratio is satisfactory with the average industry ratio.
III. Profitability Ratios:				
(i) Gross Margin Ratio	15.06%		22.23%	MLDL's Ratio is relatively lower than the industry average ratio as the nature of the company is different from the selected companies.
(ii) Operating Income Ratio	13.59%		16.39%	MLDL's Ratio is relatively lower than the industry average

			ratio as the nature of the company is different from the selected companies.
(iii) Net Income Ratio	10.23%	10.52%	MLDL's Ratio is satisfactory with the industry average ratio.
(iv) Return on Assets Ratio	5.00%	5.52%	MLDL's Ratio is satisfactory with the industry average ratio.
(v) Return on Equity Ratio	5.75%	9.28%	MLDL's Ratio is satisfactory with the industry average ratio.
(vi) Basic Earnings Per Share (EPS)	1.25	1.32	MLDL's Ratio is satisfactory with the industry average ratio.
(vii) EBITDA Margin	20.36%	23.06%	MLDL's Ratio is satisfactory with the industry average ratio.
<b>IV. Coverage Ratios:</b>			
(i) Debt to total Assets Ratio	0.05	0.31	MLDL's Ratio is satisfactory as debt burden is lower than assets.
(ii) Debt Service Coverage Ratio	2.52	Not Available	MLDL's Ratio is satisfactory as net operating profit is sufficient to pay interest and principal of long term debt.
<b>V. Cash Flow:</b>			
(i) Net Operating Cash Flow per Share	5.79	1.83	MLDL's Ratio is satisfactory as Net Operating Cash Flow is positive.
(ii) Net Operating Cash Flow per Share/EPS	4.64	1.47	MLDL's Ratio is satisfactory as Net Operating Cash Flow is positive.

\*\*\* The Industry average ratio is calculated through using the ratio of 3 listed similar companies namely Anlimayarn Deying Ltd. for the year ended June 30, 2015, Dragon Sweater and Spinning Ltd. And Tung Hai Knitting and Dyeing Ltd. for the year ended December 31, 2015. (Source: Annual Report)

M.L. Dyeing Limited		Industry Average ***		
Particulars	30.06.2014		2014	Remark/ Explanation
	Ratio		Ratio	
<b>I. Liquidity Ratios:</b>				
(i) Current Ratio	4.84		4.91	MLDL's Current Ratio is satisfactory with the industry average current ratio.
(ii) Quick Ratio	2.58		3.54	MLDL's Ratio is satisfactory with the industry average ratio.
(iii) Times Interest Earned Ratio	13.36		2.69	MLDL's Ratio is satisfactory with the industry average ratio as operating profit is sufficient to pay for financial expense.
(iv) Debt to Equity Ratio	0.10		0.60	MLDL's Ratio is lower as debt burden is lower than equity.
<b>II. Operating Ratios:</b>				
(i) Accounts Receivable Turnover Ratio	2.60		2.96	MLDL's Ratio is satisfactory as collection period is shorter.
(ii) Inventory Turnover Ratio	2.57		2.53	MLDL's Ratio is satisfactory as inventory is sold in shorter time.
(iii) Asset Turnover Ratio	0.71		0.53	MLDL's Ratio is satisfactory with the average industry ratio.
<b>III. Profitability Ratios:</b>				
(i) Gross Margin Ratio	27.45%		22.75%	MLDL's Ratio is satisfactory with the industry average ratio.
(ii) Operating Income Ratio	26.39%		17.20%	MLDL's Ratio is satisfactory with the industry average ratio.

(iii) Net Income Ratio	20.55%	9.30%	MLDL's Ratio is satisfactory with the industry average ratio.
(iv) Return on Assets Ratio	14.69%	4.87%	MLDL's Ratio is satisfactory with the industry average ratio.
(v) Return on Equity Ratio	17.99%	8.87%	MLDL's Ratio is satisfactory with the industry average ratio.
(vi) Basic Earnings Per Share (EPS)	3.48	1.17	MLDL's Ratio is satisfactory with the industry average ratio.
(vii) EBITDA Margin	31.70%	15.42%	MLDL's Ratio is satisfactory with the industry average ratio.
<b>IV. Coverage Ratios:</b>			
(i) Debt to total Assets Ratio	0.09	0.33	MLDL's Ratio is satisfactory as debt burden is lower than assets.
(ii) Debt Service Coverage Ratio	5.58	Not Available	MLDL's Ratio is satisfactory as net operating profit is sufficient to pay interest and principal of long term debt.
<b>V. Cash Flow:</b>			
(i) Net Operating Cash Flow per Share	1.02	2.89	MLDL's Ratio is satisfactory as Net Operating Cash Flow is positive.
(ii) Net Operating Cash Flow per Share/EPS	0.29	2.44	MLDL's Ratio is satisfactory as Net Operating Cash Flow is positive.

\*\*\* The Industry average ratio is calculated through using the ratio of 3 listed similar companies namely Anlimayarn Deying Ltd. for the year ended June 30, 2014, Dragon Sweater and Spinning Ltd. And Tung Hai Knitting and Dyeing Ltd. for the year ended December 31, 2014. (Source: Annual Report)

M.L. Dyeing Limited		Industry Average ***		
Particulars	30.06.2013		2013	Remark/ Explanation
	Ratio		Ratio	
<b>I. Liquidity Ratios:</b>				
(i) Current Ratio	2.75		2.98	MLDL's Current Ratio is satisfactory with the industry average current ratio.
(ii) Quick Ratio	1.73		2.13	MLDL's Ratio is satisfactory with the industry average ratio.
(iii) Times Interest Earned Ratio	8.66		2.58	MLDL's Ratio is satisfactory with the industry average ratio as operating profit is sufficient to pay for financial expense.
(iv) Debt to Equity Ratio	0.15		0.92	MLDL's Ratio is lower as debt burden is lower than equity.
<b>II. Operating Ratios:</b>				
(i) Accounts Receivable Turnover Ratio	3.41		2.62	MLDL's Ratio is satisfactory as collection period is shorter.
(ii) Inventory Turnover Ratio	3.89		2.66	MLDL's Ratio is satisfactory as inventory is sold in shorter time.
(iii) Asset Turnover Ratio	0.81		0.56	MLDL's Ratio is satisfactory with the average industry ratio.
<b>III. Profitability Ratios:</b>				
(i) Gross Margin Ratio	33.35%		22.69%	MLDL's Ratio is satisfactory with the industry average ratio.
(ii) Operating Income Ratio	32.40%		17.41%	MLDL's Ratio is satisfactory with the industry average ratio.



(iii) Net Income Ratio	24.39%	9.30%	MLDL's Ratio is satisfactory with the industry average ratio.
(iv) Return on Assets Ratio	19.85%	4.99%	MLDL's Ratio is satisfactory with the industry average ratio.
(v) Return on Equity Ratio	28.61%	10.50%	MLDL's Ratio is satisfactory with the industry average ratio.
(vi) Basic Earnings Per Share (EPS)	8.82	1.90	MLDL's Ratio is satisfactory with the industry average ratio.
(vii) EBITDA Margin	36.69%	15.87%	MLDL's Ratio is satisfactory with the industry average ratio.
<b>IV. Coverage Ratios:</b>			
(i) Debt to total Assets Ratio	0.12	0.44	MLDL's Ratio is satisfactory as debt burden is lower than assets.
(ii) Debt Service Coverage Ratio	4.94	Not Available	MLDL's Ratio is satisfactory as net operating profit is sufficient to pay interest and principal of long term debt.
<b>V. Cash Flow:</b>			
(i) Net Operating Cash Flow per Share	4.89	2.13	MLDL's Ratio is satisfactory as Net Operating Cash Flow is positive.
(ii) Net Operating Cash Flow per Share/EPS	1.11	1.38	MLDL's Ratio is satisfactory as Net Operating Cash Flow is positive.

\*\*\* The Industry average ratio is calculated through using the ratio of 3 listed similar companies namely Anlimayarn Deying Ltd. for the year ended June 30, 2013, Dragon Sweater and Spinning Ltd. And Tung Hai Knitting and Dyeing Ltd. for the year ended December 31, 2013. (Source: Annual Report)

M.L. Dyeing Limited		Industry Average ***	
Particulars	30.06.2012	2012	Remark/ Explanation
	Ratio	Ratio	
I. Liquidity Ratios:			
(i) Current Ratio	1.82	1.65	MLDL's Current Ratio is satisfactory with the industry average current ratio.
(ii) Quick Ratio	0.73	1.14	MLDL's Ratio is satisfactory with the industry average ratio.
(iii) Times Interest Earned Ratio	4.12	2.62	MLDL's Ratio is satisfactory with the industry average ratio as operating profit is sufficient to pay for financial expense.
(iv) Debt to Equity Ratio	0.42	1.13	MLDL's Ratio is lower as debt burden is lower than equity.
II. Operating Ratios:			
(i) Accounts Receivable Turnover Ratio	3.51	3.11	MLDL's Ratio is satisfactory as collection period is shorter.
(ii) Inventory Turnover Ratio	2.81	2.83	MLDL's Ratio is satisfactory as inventory is sold in shorter time.
(iii) Asset Turnover Ratio	0.57	0.58	MLDL's Ratio is satisfactory with the average industry ratio.
III. Profitability Ratios:			
(i) Gross Margin Ratio	18.64%	22.98%	MLDL's Ratio is satisfactory with the industry average ratio.
(ii) Operating Income Ratio	17.01%	17.73%	MLDL's Ratio is satisfactory with the industry average ratio.

(iii) Net Income Ratio	38.65%	8.57%	MLDL's Ratio is satisfactory with the industry average ratio.
(iv) Return on Assets Ratio	21.88%	4.69%	MLDL's Ratio is satisfactory with the industry average ratio.
(v) Return on Equity Ratio	38.88%	10.28%	MLDL's Ratio is satisfactory with the industry average ratio.
(vi) Basic Earnings Per Share (EPS)	8.60	1.71	MLDL's Ratio is satisfactory with the industry average ratio.
(vii) EBITDA Margin	24.68%	16.12%	MLDL's Ratio is satisfactory with the industry average ratio.
<b>IV. Coverage Ratios:</b>			
(i) Debt to total Assets Ratio	0.26	0.49	MLDL's Ratio is satisfactory as debt burden is lower than assets.
(ii) Debt Service Coverage Ratio	3.44	Not Available	MLDL's Ratio is satisfactory as net operating profit is sufficient to pay interest and principal of long term debt.
<b>V. Cash Flow:</b>			
(iii) Net Operating Cash Flow per Share	5.72	0.90	MLDL's Ratio is satisfactory as Net Operating Cash Flow is positive.
(iv) Net Operating Cash Flow per Share/EPS	1.33	0.51	MLDL's Ratio is satisfactory as Net Operating Cash Flow is positive.

\*\*\* The Industry average ratio is calculated through using the ratio of 3 listed similar companies namely Anlimayarn Deying Ltd. for the year ended June 30, 2012, Dragon Sweater and Spinning Ltd. And Tung Hai Knitting and Dyeing Ltd. for the year ended December 31, 2012. (Source: Annual Report)

- (d) Auditors report under Section 135(1), Para 24(1) of PartII of Schedule III of the কোম্পানি আইন, ১৯৯৪. The report shall include comparative income statements and balancesheet and aforementioned ratios for immediate preceding five accounting years of the issuer. If the issuer has been in commercial operation for less than five years, the above mentioned inclusion and submission will have to be made for the period since commercial operation;

**Auditors' report Under Section-135 (1) and Para-24(1) of Part-II of Schedule-III of the Companies Act 1994**

We have examined the Financial Statements of M.L. Dyeing Limited for the period ended December 31, 2016 and for the year ended June 30, 2016 were audited by us and for the year ended June 30, 2015 and 2014 were audited by Ahmed & Akthar and for the year ended June 30, 2013 and 2012 were audited by Shiraz Khan Basak & Co. In pursuance of Section-135 (1) and Para-24 (1) of Part-II of Schedule-III of the Companies Act 1994, our report is as under:

**A) Statements of Assets and Liabilities of the Company is as under:**

Particulars	6 Months	For the year				
	31-Dec-16	30-Jun-16	30-Jun-15	30-Jun-14	30-Jun-13	30-Jun-12
<b>Assets:</b>						
<b>Non-Current Assets</b>	<b>2,030,589,217</b>	<b>2,096,501,988</b>	<b>2,183,357,581</b>	<b>1,655,996,105</b>	<b>1,761,826,072</b>	<b>1,500,649,022</b>
Property, Plant & Equipment	1,826,389,217	1,892,301,988	1,966,402,617	1,451,796,105	1,557,626,072	1,296,449,022
Investment in Associate company	204,200,000	204,200,000	204,200,000	204,200,000	204,200,000	204,200,000
Capital work-in-progress	-	-	12,754,964	-	-	-
<b>Current Assets</b>	<b>1,393,566,029</b>	<b>1,206,325,160</b>	<b>1,376,391,080</b>	<b>1,795,497,640</b>	<b>1,443,866,594</b>	<b>1,530,117,925</b>
Inventories	556,755,419	463,206,216	575,615,098	824,925,150	520,872,205	348,425,823
Trade and Other Receivable	795,429,761	694,126,688	743,497,940	936,497,235	893,347,535	594,704,902
Advance, Deposit & Prepayments	34,320,713	34,898,190	14,099,829	11,885,295	13,250,071	33,590,128
Advances to other Company	-	-	-	-	-	530,920,000
Cash & Bank Balances	7,060,136	14,094,066	43,178,213	22,189,960	16,396,783	22,477,072
<b>Total Assets</b>	<b>3,424,155,246</b>	<b>3,302,827,148</b>	<b>3,559,748,661</b>	<b>3,451,493,745</b>	<b>3,205,692,666</b>	<b>3,030,766,947</b>
<b>Shareholders' Equity &amp; Liabilities</b>						
<b>Shareholders' Equity</b>	<b>3,083,694,905</b>	<b>2,979,782,029</b>	<b>3,137,485,004</b>	<b>2,962,211,945</b>	<b>2,473,211,751</b>	<b>1,854,208,493</b>
Share Capital	1,404,100,000	1,404,100,000	1,404,100,000	1,404,100,000	702,050,000	702,050,000
Retained Earnings	1,679,594,905	1,575,682,029	1,733,385,004	1,558,111,945	1,771,161,751	1,152,158,493
<b>Non-Current liabilities</b>	<b>114,342,485</b>	<b>110,625,432</b>	<b>97,662,656</b>	<b>118,180,669</b>	<b>207,487,623</b>	<b>335,625,478</b>
Long Term Loan from Bank	-	-	-	112,542,876	207,487,623	335,625,478
Deferred Tax Liabilities	114,342,485	110,625,432	97,662,656	5,637,793	-	-

<b>Current Liabilities</b>	<b>226,117,856</b>	<b>212,419,687</b>	<b>324,601,002</b>	<b>371,101,131</b>	<b>524,993,292</b>	<b>840,932,976</b>
Trade and Other Payable	136,378,239	140,310,624	103,764,359	76,515,740	204,285,540	253,047,352
Current portion of Long Term Loan	-	-	101,619,025	108,000,000	108,000,000	108,000,000
Short term Loan from Bank	37,064,235	31,585,225	78,814,022	81,217,604	55,940,957	343,232,555
Creditors & Accrues	7,541,779	6,585,880	12,086,271	11,162,906	9,624,171	7,758,301
Provision for Income tax	45,133,603	33,937,958	28,317,324	94,204,881	147,142,624	128,894,768
<b>Total Liabilities</b>	<b>340,460,341</b>	<b>323,045,119</b>	<b>422,263,658</b>	<b>489,281,800</b>	<b>732,480,915</b>	<b>1,176,558,454</b>
<b>Total Shareholders' Equity &amp; Liabilities</b>	<b>3,424,155,246</b>	<b>3,302,827,148</b>	<b>3,559,748,661</b>	<b>3,451,493,745</b>	<b>3,205,692,666</b>	<b>3,030,766,947</b>
<b>Net Assets Value per share (NAVPS)</b>	<b>21.96</b>	<b>21.22</b>	<b>22.35</b>	<b>21.10</b>	<b>35.23</b>	<b>26.41</b>

B) The statements of operating results of the Company is as follow:

Particulars	6 Months	For the year				
	31-Dec-16	30-Jun-16	30-Jun-15	30-Jun-14	30-Jun-13	30-Jun-12
Sales	1,179,054,128	1,923,548,793	1,712,845,768	2,379,356,874	2,538,284,589	1,561,896,278
Cost of Sales	1,038,876,434	1,652,902,763	1,454,826,153	1,726,328,867	1,691,808,367	1,270,754,093
<b>Gross Profit</b>	<b>140,177,694</b>	<b>270,646,030</b>	<b>258,019,615</b>	<b>653,028,007</b>	<b>846,476,222</b>	<b>291,142,185</b>
Operating Expenses	13,974,368	27,364,700	25,204,056	25,003,939	24,180,007	25,508,903
<b>Operating Profit</b>	<b>126,203,326</b>	<b>243,281,330</b>	<b>232,815,559</b>	<b>628,024,068</b>	<b>822,296,215</b>	<b>265,633,282</b>
Non-Operating Expenses	4,197,060	16,388,875	27,283,948	46,991,366	94,900,178	64,530,964
Financial Expenses	4,197,060	16,388,875	27,283,948	46,991,366	94,900,178	64,530,964
Non-Operating Income	319,308	712,980	878,754	1,216,305	1,146,604	457,417,500
Other Income	319,308	712,980	878,754	1,216,305	1,146,604	457,417,500
<b>Net Profit before Tax</b>	<b>122,325,574</b>	<b>227,605,435</b>	<b>206,410,365</b>	<b>582,249,007</b>	<b>728,542,641</b>	<b>658,519,818</b>
Income tax expenses	18,412,698	34,283,410	31,137,306	93,248,813	109,539,383	54,897,410
Current Tax	14,695,645	21,320,634	5,077,589	87,611,020	109,539,383	54,897,410
Deferred Tax	3,717,053	12,962,776	26,059,717	5,637,793	-	-
<b>Net Profit after Tax</b>	<b>103,912,876</b>	<b>193,322,025</b>	<b>175,273,059</b>	<b>489,000,194</b>	<b>619,003,258</b>	<b>603,622,408</b>
Earnings Per Share (EPS)	0.74	1.38	1.25	3.48	8.82	8.60

C) **Dividend declared:**

Particulars	6 Months	For the year				
	31-Dec-16	30-Jun-16	30-Jun-15	30-Jun-14	30-Jun-13	30-Jun-12
Cash Dividend	Nil	Nil	25%	Nil	Nil	Nil
Stock Dividend (Bonus Share)	Nil	Nil	Nil	Nil	100%	Nil

- D) M.L. Dyeing Limited was incorporated in Bangladesh as a Private Limited Company with the issuance of Certificate of incorporation bearing Reg. No. C- 42701(2060)/2001 dated on March 21, 2001 by the Registrar of Joint Stock Companies & Firms. The Company Converted into public Limited Company on June 02, 2010.
- E) The Company started its commercial operation in July 01, 2002.
- F) The Company has no subsidiary as on the balance sheet date.
- G) No proceeds or part of the proceeds of the issue of shares would be applied directly by the company in the purchase of any business.
- H) The Company did not prepare any statement of accounts for the period subsequent to December 31, 2016.
- I) Figures related to previous years have been re-arranged whenever considered necessary.

**Place:** Dhaka  
**Date:** February 28, 2017

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Chartered Accountants

(e) Financial spread sheet analysis for the latest audited financial statements;

**M.L. Dyeing Limited**  
Statement of Financial Position  
As at December 31, 2016

Particulars	Amount	Percentage on Total Asset	Grand Total
<b>PROPERTY &amp; ASSETS</b>			
<b>NON-CURRENT ASSETS</b>	<b>2,030,589,217</b>		<b>59.30%</b>
<b>Property, Plant and Equipment</b>	<b>1,826,389,217</b>	<b>53.34%</b>	
Land & Land Development	20,149,436	0.59%	
Factory Building	423,418,959	12.37%	
Plant & Machinery	1,176,555,933	34.36%	
Power Generator Set	67,132,710	1.96%	
Electrical Installation	41,735,168	1.22%	
Boiler	31,455,813	0.92%	
Compressor	14,649,474	0.43%	
Fork lift	2,648,246	0.08%	
ETP Plant	34,813,967	1.02%	
Gas Installation	4,087,765	0.12%	
Air Condition Installation	3,754,631	0.11%	
Telephone Installation	646,396	0.02%	
Office Equipment	2,243,134	0.07%	
Furniture & Fixture	1,724,622	0.05%	
Motor Car	1,372,963	0.04%	
<b>Investment in Associate Company</b>	<b>204,200,000</b>		<b>5.96%</b>
<b>CURRENT ASSETS</b>	<b>1,393,566,029</b>		<b>40.70%</b>
<b>Inventories</b>	<b>556,755,419</b>	<b>16.26%</b>	
Raw Materials - Yarn	372,900,925	10.89%	
Raw Materials - Chemicals	64,205,261	1.88%	
Work in process	8,542,691	0.25%	
Packing Materials	2,541,052	0.07%	
Finished goods	105,412,841	3.08%	
Store items	3,152,649	0.09%	
<b>Trade and Other Receivable</b>	<b>795,429,761</b>	<b>23.23%</b>	
Accounts Receivables	795,429,761	23.23%	
<b>Advances, Deposits and Pre-payments</b>	<b>34,320,713</b>	<b>1.00%</b>	
Titas Gas	1,868,000	0.05%	
Electricity	278,920	0.01%	
Sundry Advances	2,768,515	0.08%	
Advance Income Tax	29,405,278	0.86%	
<b>Cash and Cash Equivalents</b>	<b>7,060,136</b>	<b>0.21%</b>	
<b>Total Assets</b>	<b>3,424,155,246</b>		<b>100.00%</b>
<b>SHAREHOLDERS' EQUITY &amp; LIABILITIES</b>			
<b>SHAREHOLDERS EQUITY</b>	<b>3,083,694,905</b>		<b>90.06%</b>
Share Capital	1,404,100,000	41.01%	
Retained Earnings	1,679,594,905	49.05%	



<b>NON CURRENT LIABILITY</b>	<b>114,342,485</b>		<b>3.34%</b>
Deferred Tax Liabilities	114,342,485	3.34%	
<b>CURRENT LIABILITY</b>	<b>226,117,856</b>		<b>6.60%</b>
Trade and other payables	136,378,239	3.98%	
Short term Loan from Bank	37,064,235	1.08%	
Creditors & Accrues	7,541,779	0.22%	
Gas Bill	1,710,547	0.05%	
Electricity Bill	32,518	0.001%	
Water Bill	12,543	0.00%	
Rent	2,200	0.000%	
Salary & Wages	4,297,371	0.126%	
Director Remuneration and Fees	25,000	0.00%	
Sundry Creditors	1,311,600	0.04%	
Audit and Professional Fees	150,000	0.00438%	
Provision for Income Tax	45,133,603	1.32%	
<b>Total Liabilities &amp; Shareholders Equity</b>	<b>3,424,155,246</b>		<b>100%</b>

**M.L. Dyeing Limited**  
Statement of Profit and Loss and other Comprehensive Income  
For the period from July 01, 2016 to December 31, 2016

Particulars	Period ended December 31, 2016	Percentage on Total Turnover	Grand Percentage
<b>Turnover</b>	<b>1,179,054,128</b>		<b>100%</b>
Sales	1,179,054,128		
<b>Less: Cost of Goods Sold</b>	<b>1,038,876,434</b>		<b>88.11%</b>
Raw materials consumed-Yarn	844,512,873	71.63%	
Raw materials consumed-Chemicals	76,438,032	6.48%	
Packing materials consumed	2,858,362	0.24%	
	<b>923,809,267</b>		
Add: Opening Work in process	9,152,481		
Less: Closing Work in process	8,542,691		
<b>Total consumption</b>	<b>924,419,057</b>		
Add: Manufacturing Overhead	47,818,268	4.06%	
Add: Depreciation	77,008,757	6.53%	
<b>Cost of production</b>	<b>1,049,246,082</b>		
Add: Opening stock of finished Goods	95,218,619		
<b>Cost of Goods Available for Sale</b>	<b>1,144,464,701</b>		
Less: Closing stock of finished Goods	105,412,841		
Less: Sample Distribution	175,426	0.01%	
<b>Cost of Goods Sold</b>	<b>1,038,876,434</b>		
<b>Gross Profit</b>	<b>140,177,694</b>		<b>11.89%</b>
<b>Less: Operating Expenses</b>	<b>13,974,368</b>		<b>1.19%</b>
Administrative Expenses	8,515,782	0.72%	
Selling & Distribution Expenses	5,458,586	0.46%	
<b>Operating Profit</b>	<b>126,203,326</b>		<b>10.70%</b>
<b>Less: Financial Expenses</b>	<b>4,197,060</b>		<b>0.36%</b>
Financial Expenses	4,197,060	0.36%	
Add: Other non-operation Income	319,308		<b>0.03%</b>
<b>Profit Before Tax</b>	<b>122,325,574</b>		
Less: Provision for Tax	18,412,698		1.56%
Current Tax	14,695,645	1.25%	
Derrered Tax	3,717,053	0.32%	
<b>Net Profit after Tax</b>	<b>103,912,876</b>		<b>8.81%</b>

**M.L. Dyeing Limited**  
**Financial Worksheet Analysis**  
For the period from July 01, 2016 to December 31, 2016

Particulars	Trial Balance		Adjustment		Adjusted Trial balance		Statement of Profit or Loss and Other Comprehensive Income		Statement of Changes in Equity(Retained Earnings)		Statement of Financial Position	
	Dr	Cr	Dr	Cr	Dr	Cr	Dr	Cr	Dr	Cr	Dr	Cr
Property, Plant & Equipment	2,786,849,158				2,786,849,158						2,786,849,158	
Accumulated Depreciation		882,515,855		77,944,086		960,459,941						960,459,941
Investment in Associate Company	204,200,000				204,200,000						204,200,000	
Inventories	556,755,419				556,755,419						556,755,419	
Trade and Other Receivable	795,429,761				795,429,761						795,429,761	
Advances, Deposits & Prepayments	29,405,278		4,915,435		34,320,713						34,320,713	
Cash & Cash Equivalent	7,060,136				7,060,136						7,060,136	
Share Capital		1,404,100,000				1,404,100,000						1,404,100,000
Opening Retained Earnings		1,575,682,029				1,575,682,029			1,575,682,029			
Deferred Tax Liabilities		114,342,485				114,342,485					114,342,485	
Trade and other payables		136,378,239				136,378,239					136,378,239	
Short term Loan from Bank		37,064,235				37,064,235					37,064,235	
Creditors & Accrues		-		7,541,779		7,541,779					7,541,779	
Liability for Current Tax		45,133,603				45,133,603					45,133,603	
Sales Revenue		1,179,054,128				1,179,054,128	1,179,054,128					
Cost of Goods Sold (Excluding Depreciation)	955,536,554		6,331,123		961,867,677		961,867,677					
Administrative Expenses (Excluding Depreciation)	12,129,393		647,094	4,915,435	7,861,052		7,861,052					
Selling & Distribution Expenses (Excluding Depreciation)	4,614,425		563,562		5,177,987		5,177,987					
Depreciation Expense		-	77,944,086		77,944,086		77,944,086					
Financial Expenses	4,197,060				4,197,060		4,197,060					
Other non-operation Income		319,308				319,308		319,308				
Current Tax	14,695,645				14,695,645		14,695,645					
Derrered Tax	3,717,053				3,717,053		3,717,053					
	5,374,589,882	5,374,589,882	90,401,300	90,401,300	5,460,075,747	5,460,075,747	1,075,460,560	1,179,373,436				
Net Profit							103,912,876			103,912,876		
							1,179,373,435	1,179,373,435		-	1,679,594,905	
Closing Retained Earnings									1,679,594,905			1,679,594,905
									1,679,594,905	1,679,594,905		
											4,384,615,187	4,384,615,187

- (f) Earnings Per Share (EPS) on fully diluted basis (with the total existing number of shares) in addition to the weighted average number of shares basis. Future projected Net Income should not be considered while calculating the weighted average EPS;

*Audited financial statement for the year ended June 30, 2016*

Particulars	Amount in Taka
Net Profit after Tax	193,322,025
Total existing number of Share	140,410,000
Weighted average number of Share	140,410,000
<b>Earnings per Share (EPS)-Fully Diluted Basis</b>	<b>1.38</b>
<b>Earnings per Share (EPS)-Weighted average no. of Share basis</b>	<b>1.38</b>

- (g) All extra-ordinary income or non-recurring income coming from other than core operations should be shown separately while showing the Net Profit as well as the Earnings Per Share;

*Audited financial statement for the year ended June 30, 2016*

Particulars	Amount in Taka
<b>Net Profit before Tax</b>	<b>227,605,435</b>
Less: Other Income	712,980
<b>Profit before Tax except Other Income</b>	<b>226,892,455</b>
Less: Income Tax Expenses	34,283,410
<b>Net Profit after Tax</b>	<b>192,609,045</b>
No. of shares	140,410,000
<b>Earnings per Share (EPS)</b>	<b>1.37</b>

- (h) Quarterly or half-yearly EPS should not be annualized while calculating the EPS;

This information is not applicable for MLDL.

- (i) Net asset value (with and without considering revaluation surplus/reserve) per unit of the securities being offered at the date of the latest audited statement of financial position.

The Company has not revalued any of its assets.

*Audited financial statement for the period ended December 31, 2016*

Particulars	Amount in Taka
Share Capital	1,404,100,000
Retained Earnings	1,679,594,905
<b>Total Shareholders' Equity (without revaluation reserve)</b>	<b>3,083,694,905</b>
Total Number of Ordinary Share	140,410,000
<b>Net Assets Value (NAV) (without revaluation reserve) at BDT 10.00 per share</b>	<b>21.96</b>

- (j) The Commission may require the issuer to re-audit the audited financial statements, if any deficiency/anomaly is found in the financial statements. In such a case, cost of audit should be borne by the concerned issuer.

This information is not applicable for MLDL.

(k) Following statements for the last five years or any shorter period of commercial operation certified by the auditors:-

- (i) Statement of long term and short term borrowings including borrowing from related party or connected persons with rate of interest and interest paid/accrued;

After due verification, we certify that the Long Term and Short Term Borrowings Including Borrowing from Related Party or Connected Persons of M.L Dyeing Limited. for the last five years made up as follows:

**For the period from 1st July, 2016 to December 31, 2016**

Name of Parties	Nature of Relationship	Nature of Borrowings	Balance as on December 31, 2016	Rate of Interest	Interest Paid (BDT)	Interest Accrued (BDT)
Islami Bank BD Ltd.	Lender	Short Term	37,064,235	12.00%	4,197,060	4,197,060
<b>Grand Total</b>			<b>37,064,235</b>		<b>4,197,060</b>	<b>4,197,060</b>

**For the year ended June 30, 2016**

Name of Parties	Nature of Relationship	Nature of Borrowings	Balance as on June 30, 2016	Rate of Interest	Interest Paid (BDT)	Interest Accrued (BDT)
Islami Bank BD Ltd.	Lender	Long Term	-	12.00%	3,016,037	3,016,037
Islami Bank BD Ltd.	Lender	Short Term	31,585,225	12.00%	3,422,049	3,422,049
Social Islami Bank Ltd.	Lender	Long Term	-	13.00%	5,831,012	5,831,012
Social Islami Bank Ltd.	Lender	Short Term	-	12.50%	4,119,777	4,119,777
<b>Grand Total</b>			<b>31,585,225</b>		<b>16,388,875</b>	<b>16,388,875</b>

**For the year ended June 30, 2015**

Name of Parties	Nature of Relationship	Nature of Borrowings	Balance as on June 30, 2015	Rate of Interest	Interest Paid (BDT)	Interest Accrued (BDT)
Social Islami Bank Ltd.	Lender	Long Term	101,619,025	15.00%	19,275,426	19,275,426
Social Islami Bank Ltd.	Lender	Short Term	78,814,022	13.00%	8,008,522	8,008,522
<b>Grand Total</b>			<b>180,433,047</b>		<b>27,283,948</b>	<b>27,283,948</b>

**For the year ended June 30, 2014**

Name of Parties	Nature of Relationship	Nature of Borrowings	Balance as on June 30, 2014	Rate of Interest	Interest Paid (BDT)	Interest Accrued (BDT)
Social Islami Bank Ltd.	Lender	Long Term	220,542,876	15.00%	40,235,158	40,235,158
Social Islami Bank Ltd.	Lender	Short Term	81,217,604	13.00%	6,756,208	6,756,208
<b>Grand Total</b>			<b>301,760,480</b>		<b>46,991,366</b>	<b>46,991,366</b>

**For the year ended June 30, 2013**

Name of Parties	Nature of Relationship	Nature of Borrowings	Balance as on June 30, 2013	Rate of Interest	Interest Paid (BDT)	Interest Accrued (BDT)
Social Islami Bank Ltd.	Lender	Long Term	315,487,623	17.50%	60,574,861	60,574,861
Social Islami Bank Ltd.	Lender	Short Term	55,940,957	18.00%	34,325,317	34,325,317
<b>Grand Total</b>			<b>371,428,580</b>		<b>94,900,178</b>	<b>94,900,178</b>

**For the year ended June 30, 2012**

Name of Parties	Nature of Relationship	Nature of Borrowings	Balance as on June 30, 2012	Rate of Interest	Interest Paid (BDT)	Interest Accrued (BDT)
Social Islami Bank Ltd.	Lender	Long Term	443,625,478	17.00%	54,429,865	54,429,865
Social Islami Bank Ltd.	Lender	Short Term	343,232,555	17.00%	10,101,099	10,101,099
<b>Grand Total</b>			<b>786,858,033</b>		<b>64,530,964</b>	<b>64,530,964</b>

**For the year ended June 30, 2011**

Name of Parties	Nature of Relationship	Nature of Borrowings	Balance as on June 30, 2011	Rate of Interest	Interest Paid (BDT)	Interest Accrued (BDT)
Social Islami Bank Ltd.	Lender	Long Term	501,094,047	13.00%	56,742,590	56,742,590
Social Islami Bank Ltd.	Lender	Short Term	74,000,380	13.00%	13,633,706	13,633,706
<b>Grand Total</b>			<b>575,094,427</b>		<b>70,376,296</b>	<b>70,376,296</b>

Place: Dhaka;  
Date: February 28, 2017

Sd/-  
**Mahfel Huq & Co.**  
Chartered Accountants

- (ii) Statement of principal terms of secured loans and assets on which charge have been created against those loans with names of lenders, purpose, sanctioned amount, rate of interest, primary security, collateral/other security, re-payment schedule and status;

Particulars	31-12-2016	30-06-2016	30-06-2015	30-06-2014	30-06-2013	30-06-2012
Name of Lender	Islami Bank BD Ltd.	Islami Bank BD Ltd.	Islami Bank BD Ltd.	Islami Bank BD Ltd.	Islami Bank BD Ltd.	Islami Bank BD Ltd.
Purpose	Working capital	Working capital	N/A	N/A	N/A	N/A
Sanctioned Amount	65 Crore	65 Crore				
Rate of Interest	12.00%	12.00%				
Primary Security	Land, Building & Machinery	Land, Building & Machinery				
Collateral/Other Security	Inventory, Export Bill	Inventory, Export Bill				
Re-payment Schedule	From Export Proceeds	From Export Proceeds				
Status (Funded Loan balance) in Taka.	37,064,235	31,585,225				

Particulars	31-12-2016	30-06-2016	30-06-2015	30-06-2014	30-06-2013	30-06-2012
Name of Lender	Social Islami Bank Ltd.	Social Islami Bank Ltd.	Social Islami Bank Ltd.	Social Islami Bank Ltd.	Social Islami Bank Ltd.	Social Islami Bank Ltd.
Purpose	Working capital	Working capital	Working capital	Working capital	Working capital	Working capital
Sanctioned Amount	N/A	N/A	95 Crore	95 Crore	95 Crore	95 Crore
Rate of Interest			13.00%	15.00%	18.00%	17.00%
Primary Security			Land, Building & Machinery	Land, Building & Machinery	Land, Building & Machinery	Land, Building & Machinery
Collateral/Other Security			Inventory, Export Bill	Inventory, Export Bill	Inventory, Export Bill	Inventory, Export Bill
Re-payment Schedule			From Export Proceeds	From Export Proceeds	From Export Proceeds	From Export Proceeds
Status (Funded Loan balance) in Taka.	0	0	78,814,022	81,217,604	55,940,957	343,232,555

Particulars	31-12-2016	30-06-2016	30-06-2015	30-06-2014	30-06-2013	30-06-2012
Name of Lender	Social Islami Bank Ltd.	Social Islami Bank Ltd.	Social Islami Bank Ltd.	Social Islami Bank Ltd.	Social Islami Bank Ltd.	Social Islami Bank Ltd.
Purpose	N/A	N/A	Project Expansion	Project Expansion	Project Expansion	Project Expansion
Sanctioned Amount			56 Crore	56 Crore	56 Crore	56 Crore
Rate of Interest			15.00%	15.00%	17.50%	17.00%
Primary Security			Land, Building & Machinery	Land, Building & Machinery	Land, Building & Machinery	Land, Building & Machinery
Collateral/Other Security			Inventory, Export Bill	Inventory, Export Bill	Inventory, Export Bill	Inventory, Export Bill
Re-payment Schedule			From Export Proceeds	From Export Proceeds	From Export Proceeds	From Export Proceeds
Status (Outstanding balance) in Taka.	0	0	101,619,025	220,542,876	315,487,623	443,625,478

Place: Dhaka;  
Date: February 28, 2017

Sd/-  
**Mahfel Huq & Co.**  
Chartered Accountants



**(iii) Statement of unsecured loans with terms & conditions;**

**Certification on unsecured loan with terms and conditions of M.L. Dyeing Limited.**

This is to certify that M.L Dyeing Limited did not take any unsecured loan from any source during the period from July 01, 2011 to December 31, 2016

Place: Dhaka;  
Date: February 28, 2017

Sd/-  
**Mahfel Huq & Co.**  
Chartered Accountants

**(iv) Statement of inventories showing amount of raw material, packing material, stock-in-process and finished goods, consumable items, store & spares parts, inventory of trading goods etc.;**

**Certification on statement of inventories raw material, dyes & chemical, packing material, work-in process, stores & spares and finished goods inventory etc.**

After due verification, we certify that the statement of inventories showing amount of raw material, dyes & chemical, packing material, work-in process, stores & spares and finished goods inventory of M.L. Dyeing Limited for the last five years were as follows:

***Amount in Taka***

Particulars	31-12-2016 (6 Month)	30-06-2016	30-06-2015	30-06-2014	30-06-2013	30-06-2012
Raw Materials	372,900,925	277,900,924	339,275,878	562,154,874	335,264,975	182,568,746
Chemicals	64,205,261	75,428,715	115,214,942	128,542,106	82,458,167	72,954,267
Work in process	8,542,691	9,152,481	9,521,540	8,124,568	6,523,154	6,187,594
Packing Materials	2,541,052	2,754,196	2,430,137	2,210,543	1,925,487	1,429,864
Finished goods	105,412,841	95,218,619	106,520,589	121,257,643	92,935,174	83,659,874
Store items	3,152,649	2,751,281	2,652,012	2,635,416	1,765,248	1,625,478
Total	556,755,419	463,206,216	575,615,098	824,925,150	520,872,205	348,425,823

Place: Dhaka;  
Date: February 28, 2017

Sd/-  
**Mahfel Huq & Co.**  
Chartered Accountants

(v) Statement of trade receivables showing receivable from related party and connected persons;

**Certification on statement of trade receivables showing receivable from related party and connected persons of M.L. Deying Limited.**

After due verification, we certify that Statement of trade receivables showing receivables from related party and connected persons of M.L. Dyeing Ltd for last five years were as follows:

Particulars	Amount in Taka.					
	31-12-2016	30-06-2016	30-06-2015	30-06-2014	30-06-2013	30-06-2012
General	795,429,761	694,126,688	743,497,940	936,497,235	893,347,535	594,704,902
From Related Party	-	-	-	-	-	-
From Connected Person	-	-	-	-	-	-
<b>Total</b>	<b>795,429,761</b>	<b>694,126,688</b>	<b>743,497,940</b>	<b>936,497,235</b>	<b>893,347,535</b>	<b>594,704,902</b>

Place: Dhaka;  
Date: February 28, 2017

Sd/-  
**Mahfel Huq & Co.**  
Chartered Accountants

- (vi) Statement of any loan given by the issuer including loans to related party or connected persons with rate of interest and interest realized/accrued;

**Certification on statement of any Loan Given by the issuer including loan to Related Party or Connected Persons with rate of interest and interest realized/accrued by the M.L. Dyeing Limited.**

						Amount in Taka.
Particulars	31-12-2016	30-06-2016	30-06-2015	30-06-2014	30-06-2013	30-06-2012
General	-	-	-	-	-	-
To Related Party	-	-	-	-	-	530,920,000
From Connected Person	-	-	-	-	-	-
Total	-	-	-	-	-	530,920,000

The above balance was resulted from temporary investment to other company which were interest free.

Place: Dhaka;  
Date: February 28, 2017

Sd/-  
**Mahfel Huq & Co.**  
Chartered Accountants

- (vii) Statement of other income showing interest income, dividend income, discount received, other nonoperating income;

After due verification, we certify that the other income showing interest income, dividend income, discount received and other non-operating income of M.L. Dyeing Ltd. for the last five years were as follows;

						Amount in Taka.
Particulars	31-12-2016 (6 Month)	30-06-2016	30-06-2015	30-06-2014	30-06-2013	30-06-2012
Interest Income	-	-	-	-	-	-
Dividend Income	-	-	-	-	-	456,240,000
Discount Received	-	-	-	-	-	-
Sales of Wastage	319,308	712,980	878,754	1,216,305	1,146,604	1,177,500
Total	319,308	712,980	878,754	1,216,305	1,146,604	457,417,500

Place: Dhaka;  
Date: February 28, 2017

Sd/-  
**Mahfel Huq & Co.**  
Chartered Accountants

(viii) Statement of turnover showing separately in cash and through banking channel;

**Certification on Statement of Turnover showing separately in cash and through banking channel of M.L. Dyeing Limited.**

After due verification, we certify that the turnover showing separately in cash and through banking channel of M.L. Dyeing Limited. during last five years were as follows;

Amount in Taka.						
Particulars	31-12-2016 (6 Month)	30-06-2016	30-06-2015	30-06-2014	30-06-2013	30-06-2012
In Cash	-	-	-	-	-	-
Through Banking Channel	1,179,054,128	1,923,548,793	1,712,845,768	2,379,356,874	2,538,284,589	1,561,896,278
<b>Total</b>	<b>1,179,054,128</b>	<b>1,923,548,793</b>	<b>1,712,845,768</b>	<b>2,379,356,874</b>	<b>2,538,284,589</b>	<b>1,561,896,278</b>

Place: Dhaka;  
Date: February 28, 2017

Sd/-  
**Mahfel Huq & Co.**  
Chartered Accountants

(ix) Statement of related party transaction;

**Certification on Statement of Related Party Transaction of M.L. Dyeing Limited.**

After due verification, we certify that the status of related party transactions of M.L. Dyeing Ltd. for the last five years were as follows;

**Amount in Taka.**

Particulars	Relationship	Nature of Transaction	31-12-2016 (6 Month)	30-06-2016	30-06-2015	30-06-2014	30-06-2013	30-06-2012
R.N Spinning Mills Ltd.	Common Management & Investment	Import	709,541,231	498,754,131	754,186,914	1,405,142,783	1,375,418,623	652,854,753
		Bills payable balance	92,375,570	92,003,545	12,574,691	32,012,548	115,248,760	156,547,811
Far Chemical Industries Ltd.	Common Management	Import	72,415,691	99,256,219	98,542,106	60,459,438	51,876,509	50,352,148
		Bills payable balance	12,688,689	33,542,108	75,396,876	3,268,541	32,301,241	34,256,875
Lee Jung Kook	Director & Managing Director	Director Remuneration & Fees	141,967	301,500	301,200	301,200	600	600
Mr. Abdul Kader Faruk	Director & Managing Director	Director Remuneration & Fees	-	-	-	-	-	301,200
Ms. Shirin Faruk	Director		-	-	-	-	-	1,200
Mr. Rezaur Rahman Rajon	Director & Managing Director	Director Remuneration & Fees	900	1,200	1,200	600	301,200	
Al-Haj Mustafizur Rahman	Director	Fees	-	-	-	-	900	1,200
Mr. Faiaz Kader	Director	Fees	900	1,500	900	1,200	1,200	-
Mr. Abid Mustafizur Rahman	Director	Fees					600	-
Mr. Golam Azam Chowdhury	Director & Managing Director	Director Remuneration & Fees	9,233	1,500	1,200	600	-	-

Place: Dhaka;  
Date: February 28, 2017

Sd/-  
**Mahfel Huq & Co.**  
Chartered Accountants

(x) Reconciliation of business income shown in tax return with net income shown in audited financial statements;

**Certification regarding Reconciliation of Business Income Shown in Tax Return with Net Income Shown in Audited Financial Statements  
M.L Dyeing Ltd for the last five years.**

Particulars	2016-2017	2015-2016	2014-2015	2013-2014	2012-2013
Income Shown in Audited Financial Statement	227,605,435	206,410,365	582,249,007	728,542,641	658,519,818
Less: Other Income	712,980	878,754	1,216,305	1,146,604	457,417,500
Add: Accounting Depreciation	164,572,933	115,995,732	126,268,981	109,006,032	119,844,073
Add: Inadmissible Item	-	-	-	-	-
	391,465,388	321,527,343	707,301,683	836,402,069	320,946,391
Less: Admissible expenses	-	-	-	-	-
Less: Tax base Depreciation	250,991,445	289,727,176	191,006,691	200,828,575	168,304,883
Add: Other Income	712,980	878,754	1,216,305	1,146,604	457,417,500
Income shown in Tax return	141,186,923	32,678,921	517,511,297	636,720,098	610,059,008

Place: Dhaka;  
Date: February 28, 2017

Sd/-  
**Mahfel Huq & Co.**  
Chartered Accountants

(xi) Confirmation that all receipts and payments of the issuer above Tk. 5,00,000/- (five lac) were made through banking channel;

**Certification on receipts and payments above Tk. 5,00,000 (Five lac) were made through banking channel of M.L. Dyeing limited.**

This is to certify that all receipts and payments of M.L. Dyeing Limited above Tk. 500,000 (Five lac) were made through banking channel from July 01, 2011 to December 31, 2016.

Place: Dhaka;  
Date: February 28, 2017

Sd/-  
**Mahfel Huq & Co.**  
Chartered Accountants

(xii) Confirmation that Bank Statements of the issuer are in conformity with its books of accounts;

**Certification on books of accounts of M.L. Dyeing Limited are in conformity with bank statements**

This is to certify that the books of accounts of M.L Dyeing Limited from January 01, 2011 to December 31, 2016 are in conformity with bank statements.

Place: Dhaka;  
Date: February 28, 2017

Sd/-  
**Mahfel Huq & Co.**  
Chartered Accountants

(xiii) Statement of payment status of TAX, VAT and othertaxes/duties; and

**Certification on status of payment of Tax, VAT and Other Taxes / Duties of M.L. Dyeing Ltd.**

After due verification, we certify that the status of Tax, VAT, and Other Taxes/Duties payment of M.L. Dyeing Ltd for the last five years were as follows:

Particulars	Payment Status					
	31-12-2016 (6 Month)	30-06-2016	30-06-2015	30-06-2014	30-06-2013	30-06-2012
Tax	10,612,518	27,527,541	15,465,219	140,548,763	62,444,814	28,846,713
VAT	Exempted	Exempted	Exempted	Exempted	Exempted	Exempted
Other Tax / Duties	N/A	N/A	N/A	N/A	N/A	N/A

Place: Dhaka;  
Date: February 28, 2017

Sd/-  
**Mahfel Huq & Co.**  
Chartered Accountants



## CHAPTER (XXVII): PUBLIC ISSUE APPLICATION PROCEDURE

### Step-1 (Applicant)

1. An applicant for public issue of securities shall submit application/buy instruction to the Stockbroker/ Merchant Banker where the applicant maintains customer account, within the cut-off date (i.e. The subscription closing date), which shall be the **25<sup>th</sup> (twenty fifth) working day** from the date of publication of abridged version of prospectus.
2. The application/buy instruction may be submitted in prescribed paper or electronic form, which shall contain the Customer ID, Name, BO Account Number, Number of Securities applied for, Total Amount and Category of the Applicant. At the same time:
  - a. Other than non-resident Bangladeshi (NRB) and Foreign applicants shall make the application money and service charge available in respective customer account maintained with the Stockbroker/Merchant Banker. No margin facility, advance or deferred payment is permissible for this purpose. In case the application is made through a margin account, the application money shall be deposited separately and the Stockbroker/Merchant Banker shall keep the amount segregated from the margin account, which shall be refundable to the applicant, if become unsuccessful.
  - b. Non-resident Bangladeshi (NRB) and Foreign applicants shall submit bank drafts (FDD), issued in favor of the Issuer for an amount equivalent to the application money, with their application to concerned Stockbroker/Merchant Banker. The draft (FDD) shall be issued by the Bank where the applicant maintains NITA/Foreign Currency account debiting the same account. No banker shall issue more than two drafts from any NITA/Foreign Currency account for any public issue. At the same time, the applicant shall make the service charge available in respective customer account maintained with the Stockbroker/Merchant Banker.

### Step-2 (Intermediary)

3. The Stockbroker/Merchant Banker shall maintain a separate bank account only for this purpose namely “Public Issue Application Account”. The Stockbroker/Merchant Banker shall:
  - a. post the amount separately in the customer account (other than NRB and Foreign applicants), and upon availability of fund, block the amount equivalent to the application money;
  - b. accumulate all the application/buy instructions received up to the cut-off date, deposit the amount in the “Public Issue Application Account” maintained with its bank within the **first banking hour of next working day** of the cut-off date. In case of application submitted by the Stock-dealer or the Merchant Banker’s own portfolio, the application amount should also be transferred to the “Public Issue Application Account”;
  - c. instruct the banker to block the account for an amount equivalent to the aggregate application money and to issue a certificate in this regard.

4. Banker of the Stockbroker/Merchant Banker shall block the account as requested for, issue a certificate confirming the same and handover it to the respective Stockbroker/Merchant Banker.
5. For Non-resident Bangladeshi (NRB) and Foreign applicants, the Stockbroker/Merchant Banker shall hold the bank drafts (FDD) submitted by the applicants in their custody with a list containing the draft information against the respective applicant's particulars.
6. The Stockbroker/Merchant Banker shall prepare category wise lists of the applicants containing Customer ID, Name, BO Account Number and Number of Securities applied for, and within **03 (three) working days** from the cut-off date, send it to the respective Stock Exchange in electronic (text format with tilde '~' separator ) format and the certificate(s) issued by its banker.
7. **On the next working day**, the stock exchanges shall provide the Issuer with the information received from the Stockbroker/Merchant Bankers. Stock Exchanges shall verify and preserve the bankers' certificates in their custody.
8. The application/buy instructions shall be preserved by the Stockbroker/Merchant Bankers **up to 6 months** from listing of the securities with exchange.

### Step-3 (Issuer)

9. The Issuer shall prepare consolidated list of the applications and send the applicants' BOIDs in electronic (text) format in a CDROM to CDBL for verification. The Issuer shall post the consolidated list of applicants on its website. CDBL shall verify the BOIDs as to whether the BO accounts of the applicants are active or not.
10. **On the next working day**, CDBL shall provide the Issuer with an updated database of the applicants containing BO Account Number, Name, Addresses, Parents' Name, Joint Account and Bank Account Information along with the verification report.
11. After receiving verification report and information from CDBL, the Issuer shall scrutinize the applications, prepare category wise consolidated lists of valid and invalid applications and submit report of final status of subscription to the Commission and the stock exchanges **within 10 (ten) working days** from the date of receiving information from the stock exchanges.
12. The Issuer and the issue managers shall conduct category wise lottery with the valid applications **within 03 (three) working days** from the date of reporting to the Commission and the Stock Exchanges, if do not receive any observation from the Commission or the Stock Exchanges.
13. The Issuer and issue managers shall arrange posting the lottery result on their websites **within 06 (six) hours** and on the websites of the Commission and Stock Exchanges **within 12 (twelve) hours** of lottery.
14. **Within 02 (two) working days** of conducting lottery, the Issuer shall:
  - a. Send category wise lists of the successful and unsuccessful applicants in electronic (text format with tilde '~' separator) format to the respective Stock Exchange.
  - b. send category wise lists of unsuccessful applicants who are subject to penal provisions as per conditions of the Consent Letter issued by the Commission in

electronic (text format with tilde '~' separator) format to the respective Stock Exchange mentioning the penalty amount against each applicant.

- c. issue allotment letters in the names of successful applicants in electronic format with digital signatures and send those to respective Stock Exchange in electronic form.
- d. send consolidated allotment data (BOLD and number of securities) in electronic text format in a CDROM to CDBL to credit the allotted shares to the respective BO accounts.

#### **Step-4 (Intermediary)**

15. **On the next working day**, Stock Exchanges shall distribute the information and allotment letters to the Stockbroker/Merchant Bankers concerned in electronic format and instruct them to:
  - a. remit the amount of successful (other than NRB and Foreign) applicants to the Issuer's respective Escrow Account opened for subscription purpose, and unblock the amount of unsuccessful applicants;
  - b. send the penalty amount of other than NRB and Foreign applicants who are subject to penal provisions to the Issuer's respective Escrow Accounts along with a list and unblock the balance application money;
16. **On the next working day** of receiving the documents from the Stock Exchanges, the Stockbrokers/Merchant Bankers shall request its banker to:
  - a. release the amount blocked for unsuccessful (other than NRB and Foreign) applicants;
  - b. remit the aggregate amount of successful applicants and the penalty amount of unsuccessful (other than NRB and foreign) applicants who are subject to penal provisions to the respective 'Escrow' account of the Issuer opened for subscription purpose.
17. **On the next working day** of receiving request from the Stockbrokers/Merchant Bankers, their bankers shall unblock the amount blocked in the account(s) and remit the amount as requested for to the Issuer's 'Escrow' account.
18. **Simultaneously**, the Stockbrokers/Merchant Bankers shall release the application money in the customer accounts; inform the successful applicants about allotment of securities and the unsuccessful applicants about releasing their blocked amounts. The unblocked amounts of unsuccessful applicants shall be placed as per their instructions. The Stockbroker/Merchant Banker shall be entitled to recover the withdrawal charges, if any, from the applicant who wants to withdraw the application money, up to an amount of Tk. 5.00 (five) per withdrawal.
19. **On the same day**, Stock Exchanges shall send the drafts submitted by successful NRB and Foreign applicants and also by unsuccessful NRB and Foreign applicants who are subject to penal provisions, to the Issuer.
20. In case of drafts (FDD) submitted by successful NRB or Foreign applicant for any amount excess to the value of securities to be allotted or by unsuccessful NRB and Foreign applicants who are subject to penal provisions, refund of the balance amount

shall be made by the Issuer to the applicant through bank drafts issued in the same currency **within 7 (seven) working days** of receiving the drafts from Stock Exchange.

**Miscellaneous:**

21. The Issuer and Issue Manager(s) shall jointly ensure compliance of the above.
22. The bank draft (FDD) shall be issued considering TT Clean exchange rate of Sonali Bank Ltd. on the date of publication of abridged version of prospectus.
23. Amount deposited and blocked in the “Public Issue Application Account” shall not be withdrawn or transferred during the blocking period. Amount deposited by the applicants shall not be used by the Stockbrokers/Merchant Bankers for any purpose other than public issue application.
24. The Issuer shall pay the costs related to data transmission, if claimed by the Stock Exchange concerned.
25. The Stockbrokers/Merchant Bankers shall be entitled to a service charge of 5.00 (taka five) only per application irrespective of the amount or category. The service charge shall be paid by the applicant at the time of submitting application.
26. The Stockbroker/Merchant Banker shall provide the Issuer with a statement of the remittance and drafts sent.
27. The Issuer shall accumulate the penalty amount recovered and send it to the Commission through a bank draft/payment order issued in favor of the Bangladesh Securities and Exchange Commission.

**All eligible Stock Brokers and Merchant Bankers shall receive the IPO subscription.**

The IPO subscription money collected from successful applicants (other than NRB applicants) by the Stockbrokers/Merchant Bankers will be remitted to the Company’s **Account No. 0021360002882** with Social Islami Bank Limited, Principal Branch, Dhaka, Bangladesh for this purpose.

The IPO subscription money collected from successful NRB applicants in US Dollar or UK Pound Sterling or EURO shall be deposited to three FC accounts opened by the Company for IPO purpose are as follows:

SI	Name of the A/C	Account No.	Type of A/C	Currency	Bank & Branch
1	M.L. Dyeing Limited	0021680000018	FC A/C	USD	Social Islami Bank Limited, Principal Branch, Dhaka
2		0021690000019		GBP	
3		0021700000011		EURO	

## Application Form

পুঁজিবাজারে বিনিয়োগ ঝুঁকিপূর্ণ। জেনে ও বুঝে বিনিয়োগ করুন।

Interested persons are entitled to a prospectus, if they desire, and that copies of prospectus may be obtained from the issuer and the issue manager.

### M.L. DYEING LIMITED

#### APPLICATION FOR PUBLIC ISSUE

Date:

Name of applicant	:																
Client Code	:																
BO ID No.	:																
Category of applicant	:																
Name of the Company/Fund	:																
Number of Shares/Units	:	..... Shares of Tk. .... each															
Total amount in Tk.	:																
Amount in word	:																
Mode of payment	:																
Cheque/Draft information	:																

\_\_\_\_\_  
Signature of  
Applicants

\_\_\_\_\_  
Signature of  
Authorized  
Officer

## CHAPTER (XXVIII): OTHERS

Date: February 28, 2017

### STATEMENT REGARDING COST AUDIT

This is to certify that, as per provision of the Companies Act 1994, Cost Audit by Professional Accountant is not applicable for “M.L. Dyeing Limited”.

Sd/-  
**Golam Azam Chowdhury**  
Managing Director  
M.L. Dyeing Limited

Sd/-  
**Topon Kumar Paul**  
Chief Financial Officer  
M.L. Dyeing Limited

Sd/-  
**Kamrun Naher**  
Chief Executive Officer  
NBL Capital & Equity Management Limited

Sd/-  
**Md. Mamunur Rashid**  
Chief Executive Officer  
Rupali Investment Limited