



Since 1963

Pioneer of home textile in Bangladesh

THE DACCA DYEING & MANUFACTURING COMPANY LIMITED

Head Office

Sharif Mansion (4th Floor), 56-57 Motijheel C/A, Dhaka-1000, Bangladesh

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www.dacca-dyeing.com



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ANNUAL REPORT 2014



THE DACCA DYEING & MANUFACTURING COMPANY LIMITED

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Transmittal Letter

To,
All Share Holders,
Bangladesh Securities and Exchange Commission,
Registrar of Joint Stock Companies & Firms,
Dhaka Stock Exchange Limited,
Chittagong Stock Exchange Limited.

Subject: Annual Report for the year ended June 30, 2014.

Dear Sir (s),

Enclosed please find a copy of Annual Report together with the Audited Financial Statements including Statement of Profit or Loss and other Comprehensive Income, Statement of Cash Flow and Statement of Changes in Equity for the year ended June 30, 2014 along with notes thereon of The Dacca Dyeing & Manufacturing Company Limited, for your kind information and records.

Thank you.

Sincerely yours,



Md. Majibur Rahman, FCMA
Company Secretary



Notice

of The 36th Annual General Meeting

Notice is hereby given that the 36th Annual General Meeting of The Dacca Dyeing & Manufacturing Company Limited will be held on Friday, the 12th December 2014 at 11.30 a.m. at Factory Premises, QC Nagar, Pagar, Tongi, Gazipur to transact the following business:

AGENDA

- 1) To receive, consider and adopt the Audited Financial Statements of the Company for the year ended 30th June 2014 together with the Report of the Auditors' thereon and the Directors' Report for the year ended on that date.
- 2) To declare dividend as recommended by the Board of Directors.
- 3) To elect Directors as per Articles of Association and confirm the appointment of Independent Director.
- 4) To appoint Auditors for the year ending 30th June 2015 and to fix their remuneration.
- 5) To transact any other business of the Company with the permission of the Chair.

BY ORDER OF THE BOARD



Dated, Dhaka
13 November, 2014

Md. Majibur Rahman, FCMA
Company Secretary

NOTES:

- i. Shareholders whose names appeared at the record date i.e. 25th November 2014 in the Share Register of the Company or in the Depository Register on that date will be eligible to attend and vote in the Annual General Meeting and to receive dividend as approved in the AGM.
- ii. A member entitled to attend and vote in the General Meeting may appoint a proxy to attend and vote in his/her behalf. The Proxy Form duly stamped and signed, must be deposited at the Registered Office of the Company not later than 48 hours before the time fixed for the meeting.
- iii. Admission into the meeting venue will be allowed on production of the Attendance Slip attached with the Proxy Form.
- iv. Annual Report, Attendance Slip and Proxy Form along with the Notice are being sent to all the Members by Courier Service/Post. The Members may also collect the Proxy Form from the Registered Office of the Company.
- v. No gift or benefit in cash or kind shall be paid to the holders of equity securities in terms of Clause (c) of the Notification No. SEC/SRMI/2000-953/1950 dated 24 October 2000 for attending the AGM of the company.



Corporate Directories



BOARD OF DIRECTORS

Saifuddin Quader Chowdhury
Chairman

Giasuddin Quader Chowdhury
Managing Director & CEO

Sameer Quader Chowdhury
Deputy Managing Director

Mrs. Meena Parveen Quader Chowdhury
Director

Samihah Quader Chowdhury
Director

Kazi Sanaul Hoq
Director
(Nominated by BDBL)

Md. Nurul Haque, MBA
Director
(Nominated by Agrani Bank Ltd.)

Md. Amirul Islam, FCS, FCA
Independent Director

G.M Fahim Hussain
Independent Director

MANAGEMENT TEAM

Giasuddin Quader Chowdhury
Managing Director

Sameer Quader Chowdhury
Deputy Managing Director

Ali Ahsan Mohubub
CFO

Md. Majibur Rahman, FCMA
GM (Acc. & Fin.)

Birendra Chandra Saha
DGM (Fin & Admin)

Mohammad. Nasir Uddin
Asstt. General Manager (Marketing)

Abdullah Shiblei
Asstt. General Manager (Com. & Fin)

Mir Ibrahim Kabir
Asstt. General Manager (Commercial)

OTHER INFORMATION

Company Secretary

Md. Majibur Rahman, FCMA

Deputy Company Secretary

Abdullah Shiblei

Auditors

MABS & J Partners

Chartered Accountants
21, Purana Paltan Line
(4th & Top Floor), Dhaka-1000.

Audit Committee

i) Md. Amirul Islam, FCS, FCA

Chairman
(Independent Director)

ii) Md. Nurul Haque

Member
Nominated by Agrani Bank Ltd.

iii) Sameer Quader Chowdhury

Member

Legal Advisors

i) S.M Atikur Rahman

Barrister-at-Law
The Lawyers
Room# 112 (1st floor)
Eastern Commercial Complex
73, Kakrail, Dhaka-1000

ii) The Law Society

Ispahani Building (1st floor)
14-15, Motijheel C/A, Dhaka-1000

Bankers

i) Agrani Bank Ltd.

Principal Branch, Dhaka.

ii) Sonali Bank Ltd.

Local Office, Dhaka

iii) Dutch-Bangla Bank Ltd.

Motijheel Foreign Ex. Br. Dhaka.

Registered Office

QC Nagar, Pagar, Tongi, Gazipur.

Factory

QC Nagar, Pagar, Tongi, Gazipur.

Company Information

The Dacca Dyeing & Manufacturing Company Limited was incorporated on 31.12.1963 as a public limited company with an authorized capital of Tk.1.25 crore divided into 12.50 lac shares of Tk.10.00 each. The Company was nationalized in 1972 and again returned back to previous shareholders in 1977. The Company is taken over by the present sponsors on 8th August 1995 by share transfer. Subsequently, the authorized capital was increased on July 26, 1996 to Tk.100.00 crore, comprising 10.00 crore ordinary shares of Tk.10.00 each. As on 30.06.2008 the paid-up capital of the Company had stood at Tk. 23.00 crore comprising 2.30 crore ordinary shares of Tk.10.00 each that includes 30.00 lac bonus shares of Tk 10.00 each. Then the company issued 50.00 lac right shares of Tk.10.00 each amounting to Tk.5.00 crore on July 10, 2008 among its existing shareholders. Finally, the company raised paid-up capital through IPO; issued 1.70 crore ordinary shares of Tk. 10.00 each (at par) amounting to Tk. 17.00 crore on 30.09.2009. The Company declared 12%, 16%, 12% & 10% bonus share for the year 2009 – 2010, 2010-2011, 2011-2012 & 2012-2013 respectively to the existing shareholders. Considering the above events, the present paid-up capital of the Company stood at Tk.72.027 crore. Considering the probable further increase of paid-up capital the company has increased its Authorised capital from Taka 100.00 crore to Taka 300.00 crore on 23rd March 2011. The shares of the company was listed in October 2009 with Dhaka Stock Exchange Limited and Chittagong Stock Exchange Limited which now is under "A" category.

The Company is now operating under The Companies Act 1994. The head office of the company is situated at Sharif Mansion, 56-57 Motijheel C/A (4th floor), Dhaka-1000 and the factory is located at QC Nagar, Pagar, Tongi, Gazipur on 11 acres of land and the total covered area is approximately 500,000 sft.

The Dacca Dyeing is the pioneer and one of the successful venture in home textile sector of the country and the recipient of the President Award for quality export in 1969-70, 1977-78 and the Prestigious International Award in 1980. The Dacca Dyeing is an ISO 9001-2000 certified company issued by Moody International. The scopes of certificate are manufacturer and exporter of home textile products i.e. bed linen, bath linen and curtain items. The Dacca Dyeing also is an Oeko-Tex Standard 100 certified company.





গোবিন্দ
স্বাক্ষর

O D M C L



Chairman's Statement

Dear Shareholders,

Assalamu Alaikum

I, on behalf of the Board of Directors The Dacca Dyeing & Manufacturing Company Limited, am delighted to welcome you to 36th Annual General Meeting of the company being held for the 5th time after IPO. It is my pleasure and privilege to place before you the Annual Report along with the audited financial statements of the company for the year ended 30th June, 2014.

Operation

You are very much aware that the company has passed last 4 years with a severe gas and power crisis, which seriously affected the production as well as the turnover of the company. For shortage of gas in the Tongi industrial area most of the machinery were idle at daytime and we could not maintain the shipment schedule resulting good number of our foreign buyers had cut their orders with us. To overcome the situation the management had conveyed the matter to appropriate authorities in time and trying their best to improve the gas pressure and diversity its product by different ways.

However, the company earns revenue Tk. 95.05 crore with net profit Tk.7.36 crore for the financial year 2013- 2014 as against Tk. 90.47 crore and Tk. 6.66 crore respectively in the previous year. In spite of the above fact the company has recommended 10% stock dividend to our shareholders for the year 2013-2014.

Marketing & Sales

I would like to mention here that the company is continuously pressing hard for expanding its export sale. I also inform you that each year we participate in different international home textile fairs where we meet directly with our existing valued customers and new potential customers. We have been participating world's biggest home textile fair Heimtex at Frankfurt, Germany for more than eleven years. You are aware that we have good number of institutional buyers in the local market like The Pan Pacific Sonargaon Hotel, Rupashi Bangla Hotel, The Westin, Radisson Water Garden Hotel, Dhaka Regency, Best Western Premier Dhaka, Apollo Hospitals, Square Hospitals Ltd. United Hospital, BSMMU (PG Hospital), BIRDEM Hospital etc. The company's strong brand and excellent customer relationship helped us to keep our sales volume at a satisfactory level. You will be happy to know that the number of institutional buyers, dealers and distributors are increasing day by day.

Balancing Modernization Rehabilitation & Expansion (BMRE)

It is for kind information of all the valued shareholders that due to non-getting the permission for issuing rights shares

the company was not in a position to start the expansion program as approved by you in the Annual General Meeting held on December 27, 2013. You are aware that we had taken a complete program of BMRE with adding a Spinning mill, Weaving capacity and some essential machinery, which is essential for a strong backward linkage support. We are confident that with your active support and co-operation, management will meet all the adverse situations and be able to start the BMRE.

Working environment

We believe that the best working environment can lead to success of the organization. The management of our company always tries to fulfill the compliances prescribed by the various authorities. We are committed to maintaining a healthy and fair work environment, free from discrimination based on gender, age, race, national origin, religion, marital status, or any other basis not prohibited by law. In short, the aim is to maintain the place of work and surrounding conditions in a manner that permits employees to work to the highest effectiveness and to their full potentials. However, in combination of male & female, the working atmosphere about 850 persons at the company by the grace of Almighty Allah is quite satisfactory.

Dear Shareholders

In the end, we are thankful and grateful to you, shareholders, for keeping trust and confidence on us. It is required to mention here that your valued suggestions, advices and continuous support definitely work crucially for the continuous development and growth of the business. We want to express our recognition providing thanks to the commitment, dedication and hard work on the employees of Dacca Dyeing & Manufacturing Company Limited who are core strength of our success.

On behalf of the Board of Directors, I would also like to take this opportunity to express my sincere thanks and gratitude to all our customers, suppliers, bankers, financial institutions, BSEC, DSE, CSE, CDBL, other government agencies & regulatory bodies and everyone the company has interacted with in conducting its business.

Wish all the best for the better and more productive future for our shareholders, employees and the country. May Allah shower his blessings on all of us for living a harmonious and healthy life.

Sincerely yours,



Saifuddin Quader Chowdhury
Chairman

Dated, Dhaka
13 November, 2014

Profile of The Directors



SAIFUDDIN QUADER CHOWDHURY

Chairman

Mr. Saifuddin Quader Chowdhury is Chairman of the company. He was born in 1951 at Chittagong. He is the second son of Late A.K.M. Fazlul Quader Chowdhury, a former Speaker of erstwhile Pakistan National Assembly. Minister of the Central Government and Acting President of Pakistan and Late Selima Quader Chowdhury. Mr. Saifuddin Quader Chowdhury obtained B.Sc from University of Chittagong. After completion of his education, Mr. Chowdhury absorbed himself in his family business, which includes QC Shipping Ltd., QC Container Line Ltd., QC Petroleum Ltd., QC Enterprise Ltd., QC Trading Ltd., Eastern Maritime Ltd. and The Dacca Dyeing & Manufacturing Company Limited.

GIASUDDIN QUADER CHOWDHURY

Managing Director & CEO

Mr. Giasuddin Quader Chowdhury is Director of the company and also entrusted with the responsibility of Managing Director. He was born in 1953 at Chittagong. He is the third son of late A.K.M. Fazlul Quader Chowdhury. Mr. Giasuddin Quader Chowdhury obtained his Secondary and Higher Secondary Education from Fauzderhat Cadet College, Chittagong and then he got himself admitted into the University of Dhaka as a student of Political Science and obtained his Honours Degree in Political Science in 1977. After completion of his education, Mr. Chowdhury absorbed himself in his family business, which includes QC Shipping Ltd., QC Container Line Ltd., QC Petroleum Ltd., QC Enterprise Ltd., QC Trading Ltd., Eastern Maritime Ltd., The Dacca Yarn Dyeing Ltd. and The Dacca Dyeing & Manufacturing Company Limited.



MEENA PARVEEN QUADER CHOWDHURY

Director

Mrs. Meena Parveen Quader Chowdhury was born in February 21, 1962. She has acquired Hon's and Masters in Public Administration in 1983 and 1985 respectively from the University of Dhaka. She is a widely traveled woman. She engaged herself in the family business for a long time and gathered huge knowledge and experience relating business. She is the honorable Director of QC Petroleum Ltd., The Dacca Yarn Dyeing Ltd. and The Dacca Dyeing & Manufacturing Company Limited.

SAMEER QUADER CHOWDHURY

Deputy Managing Director

Mr. Sameer Quader Chowdhury, eldest son of Mr. & Mrs. Giasuddin Quader Chowdhury, is a Director of the company. He acquired his BBA in International Business from American Intercontinental University, London. His educational and family background has helped him for acquiring the needed skill in managing business affairs of export-oriented industries. He is a widely traveled and energetic young man who has been able to demonstrate his talent in conducting impressive dialogues in fruitful business negotiations. He engaged himself in the family business, which includes The Dacca Yarn Dyeing Ltd. and The Dacca Dyeing & Manufacturing Company Limited.



SAMIAH QUADER CHOWDHURY

Director

Ms. Samiah Quader Chowdhury is the eldest daughter of Mr. & Mrs. Giasuddin Quader Chowdhury. She obtained BA Honours, MA Degree in Fashion designing and Marketing from American Intercontinental University, London. She is a widely traveled young, energetic, skilled, dynamic & self motivated lady who has been able to demonstrate her talent skill and experience in fruitful business. She engaged herself in the family business which includes The Dacca Yarn Dyeing Ltd. and The Dacca Dyeing & Manufacturing Co. Limited.



KAZI SANAUL HOQ

Director (Nominated by BDBL)

Mr. Kazi Sanaul Hoq, General Manager of Bangladesh Development Bank Limited (BDBL) co-opted the Board of The Dacca Dyeing & Manufacturing Company Limited on 29th August 2013 as Director nominated by BDBL. Mr. Hoq obtained B.Com (Hons), M. Com (Accounting) from Dhaka University. He started his Banking career as a class-1 officer in Investment Corporation of Bangladesh (ICB) in 1984. During his long Banking career he worked in different divisions in ICB and demonstrated outstanding performance in the respective area of operations. He served as Secretary to the Board of ICB from 23rd March, 2005 to 30th June 2008. He was also the Chief Executive Officer (CEO) of ICB Securities trading company Ltd. from 1st July, 2008 to 20th March 2011. As a General Manager he worked in Rajshahi Krishi Unnoyon Bank from 21st March 2011 to 27th April, 2011. Mr. Kazi Sanaul Hoq joined Bangladesh Development Bank Limited as General Manager on 2nd May, 2011.



MD. AMIRUL ISLAM, FCS, FCA

Independent Director

Mr. Md. Amirul Islam FCS, FCA joined the Board of Directors of the company as an Independent Director in April 2013. Before joining as the Independent Director he was a Director of the Company (Nominated by the Bangladesh Development Bank Limited). Mr. Md. Amirul Islam is a highly experienced professional executive who had been serving in BDBL a Development Financing Institutions since 1983 and specialization in the Management, Accounts Finance and Administration. He is involved in 3 numbers of listed Companies as an Independent Director. Mr. Md. Amirul Islam has completed his Honours and Masters degree in Management from the University of Dhaka. He is a Fellow member of the Institute of Chartered Accountants of Bangladesh and the Institute of Chartered Secretaries and Managers of Bangladesh.



MD. NURUL HAQUE, MBA

Director (Nominated by Agrani Bank Ltd.)

Mr. Md. Nurul Haque, Deputy Managing Director of Sonali Bank Limited. Ex General Manager (Operation) of Agrani Bank Limited is a highly experienced professional executive who had been serving in Agrani Bank Limited since 1983. Mr. Md. Nurul Haque has completed his honours and Masters degree in Soil Science Dept. from the University of Dhaka. He is also an MBA from IBA, University of Dhaka.



G.M. FAHIM HUSSAIN

Independent Director

Mr. G.M. Fahim Hussain joined the Board of Directors of the company as an Independent Director in November 2014. He is Managing Director of Robin Printing & Packages Limited. He acquired his Diploma in Printing Management in London, UK. In 1978. He is a widely traveled and energetic man who has been able to demonstrate his talent in conducting impressive dialogues in fruitful business negotiations.





Report of the Directors to the Shareholders

Dear Shareholders,

Assalamualaikum,

On behalf of the Board of Directors I welcome you all to the 36th Annual General Meeting. The Board of Directors is pleased to take the opportunity to present their report on the performances of the Company to the shareholders the audited financial statements of the company for the year ended 30th June, 2014 along with the auditors' report thereon and other matters in terms of Companies Act 1994, the guideline issued by Bangladesh Securities and Exchange Commission.

INDUSTRY OUTLOOK AND POSIBLE FUTURE DEVELOPMENTS IN THE INDUSTRY

The Bangladesh economy against all probability remained positive with GDP growing at 6% in 2013. Reasonable growth and robust foreign remittances surpassed the fall in agricultural and service sector contributions to GDP and helped to achieve his growth despite the weakening of a number of other key micro-economic fundamentals. The inflation rate remained more or less stable, point-to-point inflation being reported at 7.35% in December 2013 as against 7.14 in December 2012. Strong inflow of remittances coupled with decline in payment for import including capital machinery resulted in a record high foreign exchange reserve that crossed USD 20 billion. This in turn helped the appreciation of the taka against all major currencies and specifically the US dollar.

The political crisis, mostly centering on the national election, persisted throughout 2013 and reached its worst at the end of the year, disrupting overall business activities. Turbulence caused by frequent strikes and blockades swept throughout the economy particularly hitting the supply-chain of the country, which in turn hampered production, dampened the demand for goods and services.

During the past three decades textile emerged as the biggest manufacturing sub-sector and achieved remarkable growth. The sector fulfills almost cent percent domestic demand apart from fulfilling the external demand of our clothing and apparels to a large extent. Export earning from Textile Clothing and Apparels in 2010-11 is over 17.9 billion US\$ which is about 78% of total export earnings of the country. Around 40% value addition of manufacturing sector comes from Textile and contributes around 12% to GDP. Provides around 5 million jobs out of which 80% are women. The sector also creates huge clientele base for Banking, Insurance, Transportation, Hotel, Tourism & many other services.

Textile industries in Bangladesh are now seeing the infinite prospect. In anyhow the sector is seeking to overcome the gas and power crisis. Positive decisions of the Government thereon along with to reduce bank interest and tax rate, enhancement of the cash assistance rate will develop the industry. There is a good sign for the sector that significant numbers of textile graduate are

being coming from the different textile college and university of the country the crisis of the textile expert will be solved manifold.

PERFORMANCE

Though the company passed the year with some adverse situations the Dyeing and Printing department produces about 156.21 lac yards of printed and dyed fabric as against 154.53 lac yards in the previous year. The Weaving department produces about 69.29 lac yards of gray fabric as against 68.28 lac yards in the previous year. The stitching department also stitches about 129.15 lac yards of fabric as against 128.43 lac yards in the previous year. We could not increase the production up to the level of our expectation due to non-availability of adequate Gas supply and Political crisis imbalance of the machinery.

However, during the year 2013-14 the company could earn revenue of Tk. 95.05 crore. The gross profit of the company is Tk. 36.65 crore after deduction of Tk 58.40 crore as cost of goods sold. The net profit is Tk. 7.36 crore which is 7.74 % to sales as against 7.36% in the previous year.

RISKS AND CONCERNS

Any investment always associates with risks. Among those risks some can be averted, others are beyond control, which may cause loss. Major such factors are described in brief as under:

(a) Interest Rate Risk

Interest/financial charges are paid against any kind of borrowed fund. Volatility in money market and increased demand for loan presses on interest rate structure to be fixed in high. Rising of interest rate increases the cost of fund for a company, which have borrowed fund, and consequently profit is squeezed.

Management Perception:

The management of the Company is always aware of interest rate, which is concerned to the cost of fund of the Company. The Management prefers in procuring of the long-term fund with minimum fixed interest rate and the short-term fund with reasonable competitive rate. On the other hand management of the Company is emphasizing on equity based financing.

(b) Exchange Rate Risk:

The Company is 80% export oriented. The products of the company are sold against foreign currency and payments for raw material are also made in foreign currency. If exchange rate is increased against local currency opportunity is created for getting more revenue against sale in local currency. On the other hand if exchange rate goes down margin is squeezed in local currency.

Management Perception:

The exchange rate of the country is traditionally witnessed of upward trends, which makes ample opportunity of export. On the other hand, management perceives revaluation of local currency i. e. down trend of exchange rate will have little impact on profitability of the Company.

(c) Industry Risk

Textile is the largest industrial sub-sector in Bangladesh. It contributes highest in the country's total export earnings, gives employment to over four million people meets the second basic need for clothing of the country and contributes around 50% of the industrial value addition. But, after phasing out of the MFA, the global textile trade is now free from quota restriction. The phasing out of MFA has created a tough competitive environment, where Bangladesh is now competing the countries like China, India, Pakistan, Indonesia, and Thailand, Vietnam etc. that are very strong in production of textile goods.

Management Perception:

The textile industry has successfully coped with the post MFA competitive situation. The force, which is helping the sector for its strong existence, is emergence of backward linkage industry. Backward linkage industries are supporting for minimizing lead-time and cost of production.

(d) Market and technology related Risk

i) Market Risk:

Among the functional areas in a textile company, marketing exerts the sheer part of the importance. Proper implementation of the marketing tools as well as identifying new clients will ensure the success of the project. The continuous changes on preference in the yarn market will force the company to catch the trend. For which the company has to produce goods for international demand.

Management Perception:

The company set its focus only export market through inland back-to-back letter of credits. The management is trying to sell through direct contact with the customers in the selected regions understanding their needs. The company also has established relationship with potential buyers across the world and expects to find market for its capacity despite competition prevailing in the sector. Further, the commercial banks and financial institutions provide a thrust in the textile sector as they provide credit facilities to textile industries to acquire the yarn for their final products.

ii) Technology related Risk:

The production facilities of textile sectors are based on high –tech machineries. So any invention of new and more cost effective technology may cause functional obsolescence resulting in further substantial capital investment.

Management Perception:

The Dacca Dyeing and Manufacturing Company Limited are equipped with the most modern technologies. As per previous experience no frequent technological change has taken place in this industry so far. Furthermore according to feasibility study report as well as in practice this projects earning capacity is satisfactory and pay back period is short. So investment in the machineries will be recovered before any major technological change becomes commercially effective. In addition the project is capable to absorb any small technological changes.

(e) Potential or existing government regulations:

The Company operates under companies act, taxation policy adopted by NBR, Bangladesh Securities and Exchange Commission (BSEC)'s rules and rules adopted by other regulatory organizations. Any abrupt changes of the policies formed by those bodies will impact the business of the Company adversely.

Management Perception:

Unless any adverse policies are taken, which may materially affect the industry as a whole; the business of the Company will not be affected. Government emphasizes on the growth of Textile Industry to boost up the export of home textile goods. Yet the promoters and the sponsors have endeavor to convince the policy makers for adopting favorable terms & conditions, which will eventually help the home textile manufacturers of Bangladesh to compete with the low cost locations in the global arena.

(f) Potential changes in global or national policies

The performance of the company may be affected by the political and economical instability both in Bangladesh and worldwide. Any instance of political turmoil and disturbance in the country may adversely affect the economy in general.

Management Perception:

The company can prosper in a situation of political stability and a congenial business environment. Political turmoil and the disturbance are bad for the economy and so also for us.

(g) Operational risk

Shortage of power supply, labor unrest, unavailability or price increase of raw material, natural calamities like flood, cyclone, earth quack etc. may disrupt the production of the Company and can adversely impact the profitability of the Company.

Management Perception:

The compensation as well the benefit package will restrain the employees to leave their assignment and go for any employee movement for higher benefit packages. The factory of the Company is situated at a high land where less record of flood. The factory building has strong RCC foundation, RCC floor, pre-fabricated steel structure to withstand wind, storm, rain etc. along with good drainage facility. The risks from these factors are also covered through Insurance. The company is also facilitated to keep a rational reserve for any future price escalation of the raw materials.



RELATED PARTY TRANSACTIONS

During the period the company didn't carried out any of transactions with related party in the normal course of business and on arms' length basis. The names of the related parties, the nature of these transactions and their total value has been set out below:

Name of the parties	Relationship	Nature of transaction	Value of Transaction	Closing Balance
The Dacca Yarn Dyeing Ltd.	Equity Investor	Short Term Loan (interest free)	-	499,401

SIGNIFICANT VARIANCE BETWEEN QUARTERLY FINANCIAL PERFORMANCE AND ANNUAL FINANCIAL STATEMENT

We could not operate the factory in full swing during the 4th quarter due to severe crisis of gas, which affected our total production line as well as the turnover of that quarter. Sales had been decreased significantly in that quarter with decrease of the expected Net Profit for the year. However, the management is trying their best to overcome the situation very shortly.

REMUNERATION OF DIRECTORS

The Directors including Independent Director of the company have been getting Tk.10,000.00 each as attending fees for every Board of Directors and Committee meeting.

In addition to that Mr. Giasuddin Quader Chowdhury, Managing Director (CEO) and Mr. Sameer Quader Chowdhury, Deputy Managing Director have been getting Tk. 150,000.00 and 140,000.00 respectively per month for their full time service.

CORPORATE & FINANCIAL REPORTING FRAMEWORK

- The Financial Statements prepared by the management of the Company present fairly its state of affairs, the result of its operation, cash flows and changes in equity.
- Proper books of account have been maintained by the Company.
- Appropriate accounting policies have been consistently applied in preparation of the financial statements and that the accounting estimates are based on reasonable and prudent judgment.
- International Accounting Standards, as applicable in Bangladesh, has been followed in preparation of the financial statements.



- The Company maintains internal control system, which is sound in design and has been effectively implemented and monitored.
- There is no significant doubt upon the Company's ability as a going concern.

SIGNIFICANT DEVIATIONS FROM THE LAST YEAR'S IN OPERATING RESULTS

Taka in million

Particulars	2012-2013	2013-2014
Sales	904.74	950.50
Operational Profit	82.25	90.86
Net Profit after provision for Tax	66.59	73.55

Profit for the year 2013-2014 has increased i.e. about 10.44 % only. The deviations are not that significant.

KEY OPERATING & FINANCIAL DATA

The summarized key operating and financial data for the last five years is set out in the annexure-3

DIRECTORS MEETING & ATTENDANCE

Nine meetings of the Board of Directors were held during the year ended on 30th June, 2014. The attendance records of the Directors are given below:

Name of the Director	Meeting Attended
Mr. Saifuddin Quader Chowdhury	2
Mr. Giasuddin Quader Chowdhury	9
Mrs. Meena Parveen Quader Chowdhury	3
Mr. Sameer Quader Chowdhury	6
Ms. Samihah Quader Chowdhury	4
Mr. Md. Amirul Islam	9
Mr. Md. Nurul Haque	5
Mr. Kazi Sanaul Hoq	4

SHAREHOLDING INFORMATION

The shareholding position of the company as on 30th June, 2014 with other related information are set out in Annexure-2.

AUDIT COMMITTEE OF BOARD

The Audit committee is consist of 3 members headed by Mr. Md. Amirul Islam FCS, FCA, the Independent Director, having vast knowledge in corporate management and also in his professional arena, Mr. Md. Nurul Haque MBA,



Director nominated by Agrani Bank Limited, is a senior banker of the country. Other member is Mr. Sameer Quader Chowdhury, Director. This committee assists the board in ensuring that the financial statements reflect true and fair view of the state of affairs of the Company. Audit committee is responsible to the Board of Directors and its roles and responsibilities are clearly set forth. The role of the Audit committee has been stated in the audit committee report.

CORPORATE SOCIAL RESPONSIBILITY

Broadly under two categories we are focusing our commitment towards the society:

Social Compliance

We strictly follow the Special Restriction on child labour, maintains child care room within the factory premises; daily doctor is available in our factory.

Environment Compliance

The company has completed the installation of a biological Effluent Treatment Plant (ETP) having 180 cm capacity per hour. Apart from this we maintain Special Protected Zone for the hazardous items.

STATUS OF COMPLIANCE

According to the condition No. 7 (ii) of the Securities and Exchange Commission's Notification No.SEC/CMRRCD/2006-158/134/Admin/44 dated 07 August 2012 corporate governance compliance report is attached in the Annexure No. 1.

DECLARATION OF DIVIDEND

The Board of Directors has recommended 10% Stock Dividend i.e. 10 shares for every 100 shares for the shareholders for the year ended June 30, 2014 (subject to the approval in the forthcoming AGM) whose names will appear in the share register of company and/or Depository Register of CDBL as on Record date, i.e November 25, 2014.

BUSINESS EXPANSION BY ISSUING RIGHTS SHARES

Considering positive market of home textiles items and existing strong brand name of the company the management had taken a complete program of BMRE by issuing rights share as approved by you in the last General Meeting, which could not be started due to the inability of the Bangladesh Securities and Exchange Commission to accord consent for the Rights issue of our Company. However, the Board of Directors is ready to take further decision if the shareholders are interested about the BMRE.

HUMAN RESOURCES MANAGEMENT

As a pioneer in Home Textile, The Dacca Dyeing & Manufacturing Company Limited is continuously emphasizing on the development of human resources and making reasonable investment for acquisition, development and retention of talented and dynamic professionals. Though we have reduced our number of employees this year, your company believes that its best investment is in the human resources, as the company believes that human resource is the edifice on which the company's performance and productivity are standing on. All our plans are dependent on the commitment, experience and hard work of our people. We aim to nurture this talent by creating a work environment conducive to greater productivity and by continuous up gradation of skills. On the other hand, the company has employed talented and dynamic professionals from home and abroad. Under their direct supervision skilled manpower are being developed to level up to the sophistication and intricacies of advance modern technology. In addition to that to develop and equip the employees with key skills, the company places great emphasis on the development of its people and hence regular training program are arranged by the company along with their participation in other workshops and training program arranged by various institutions.



FINANCIAL RESULTS AND APPROPRIATION OF PROFIT

The financial results and recommended appropriations are stated below:

	Taka
Sales	950,503,414
Gross Profit	366,450,041
Net Profit before Income Tax	86,530,930
Net Profit after Tax	73,551,290
Profit brought forward	4,860,516
Profit available for appropriation	78,411,806

The Directors recommended the following appropriations:

Stock dividend (Bonus share) @ 10%	72,027,648
Profit carried forward	6,384,158

CLARIFICATION ON THE AUDITORS' QUALIFIED OPINION

The Auditors of the company has opined in their report as under:

1. A fixed asset register is maintained for property, plant equipment valued Tk. 2,589,077,144; but the same does not contain information that normally kept in such registered by section 181, Company Act 1994.
2. The management is of the view that the treatment of depreciation on revalued assets has been carried out in the light of relevant provision of BAS-1 as amended upto date and made effective from 01 January, 2013 in Bangladesh, and accordingly the depreciation on revalued asset has been shown as under the group 'Other Comprehensive Income' in the 'Statement of Profit or Loss and Other Comprehensive Income'; as Para 7 of the aforesaid BAS-1 says that 'Other comprehensive income' is to be shown separately and total comprehensive income shall comprise profit or loss items and other comprehensive income.

The management however did not calculate EPS on net profit after deduction of item of depreciation expense on revalued asset shown in other comprehensive income.

3. The cumulative balance of Workers Profit Participation & Welfare Fund of Tk. 26,339,453 has been remaining undistributed since its inception and the company did not follow provision of Chapter XV of Bangladesh Labor Act, 2013 for the distribution and creation of trust/ welfare fund.

Management clarification in this respect is stated below:

- 1) The Board of Directors instructed the management at their meeting held on 13th November, 2014 to prepare a comprehensive Fixed Assets Register as per section 181 of the Company Act 1994 and to place before the Board within January 2015.

- 2) a) A revaluation of Land, Buildings and Plant & Machinery had been carried out during the financial year 2010-2011 by M/S G.K Adjusters, a professional valuer and the surplus amount on revaluation of these assets were transferred to Revaluation Reserve Account as per paragraph 39 of BAS-16 "Property, Plant & Equipment"
- b) The revaluation amount has been shown in Fixed Assets schedule separately and depreciation charged thereof has been shown under 'Other Comprehensive Income', which is not to be recognized in profit or loss as per Para 7 of BAS 1 "Related deferred tax is also shown in other comprehensive income as per paragraph BAS-1 "Presentation of Financial Statement". No dividend is payable out of revaluation surplus following notification-SEC/CMRRCD/2009-193/150/Admin dated 18th August 2013 of Bangladesh Security Exchange Commission.
- c) Items of income and expenses (including reclassification adjustment) shown under other Comprehensive income are not recognized in profit or loss as required or permitted by BFRS, therefore not considered for calculating earning per share (EPS).
- 3) The management of the company has already taken initiative to form a committee for management of the workers profit participation fund as per labour Act, 2006 as amended in 2013.

APPOINTMENT OF DIRECTORS

Mr Saifuddin Quader Chowdhury and Mrs. Meena Parveen Quader Chowdhury retires from the Board of Directors by rotation in accordance with the provision of article 128(a) of the Articles of Association of the company and, being eligible, offer themselves for re-election as per article 128(b).

APPOINTMENT OF AUDITORS

Our existing Auditors, M/s MABS & J Partners, Chartered Accounts has completed their three year terms. They are not eligible for reappointment as per condition No. (b) of the Securities and Exchange Commission's order No. SEC/CMRRCD/2009-193/104/Admin/dated July 27, 2011. Therefore, another auditor will be appointed and their remuneration will be fixed for the year 2014-2015 by the Shareholders in the 36th Annual General Meeting as per recommendation of the Audit Committee.

APPOINTMENT OF INDEPENDENT DIRECTOR

The Board of Directors in its meeting held on November 13, 2014 appointed Mr. G.M Fahim Hussain as another Independent Director in addition to Mr. Md. Amirul Islam FCS, FCA which required final approval by the shareholders as per corporate governance guidelines.

ACKNOWLEDGEMENT

I take this opportunity, on behalf of the Board of Directors, to express my heartfelt gratitude to all of our valued clients, shareholders and well wishes home and aboard for their wholehearted co-operation and active support in discharging the responsibilities respond on me and the Board during the year under review.

I also thank business associates including our foreign and local customers, dealers, suppliers, government agencies, bankers, financial institutions, and auditors, office of the Registrar of Joint Stock Companies and Firms, Bangladesh Securities and Exchange Commission, Dhaka Stock Exchange Limited, Chittagong Stock Exchange Limited and Central Depository Bangladesh Limited for their co-operation, wholehearted support and faith reposed in the Company.

I, on behalf of the Board, also put on record my deep appreciation for the services and loyalty of the executives, officers, and employees of the company at all levels without which we could not have achieved this result.

Thanks are also due to all directors, all executives, officers, staffs and workers of the company for their excellent, sincere, dedicated efforts in achieving company's target during the year under review.

We look forward for your continuous support and best wishes for meeting the future challenges awaiting us in the competitive market and satisfying ever increasing expectation of our customers partners and well wishers.

With best regards

On behalf of the Board of the Directors



Saifuddin Quader Chowdhury
Chairman

Dated, Dhaka
13 November, 2014

SHAREHOLDING INFORMATION

Annexure-2

As on 30th June, 2014

	Name of Shareholders	No. of Shares	% of Share-holding
A	Parent/Subsidiary/ Associate Companies	-	-
B	Board of Directors:		
	1. Mr. Saifuddin Quader Chowdhury, Chairman	1,443,972	2.00
	2. Mr. Giasuddin Quader Chowdhury, Managing Director (CEO)	5,094,404	7.07
	3. Mr. Sameer Quader Chowdhury, Dy. Managing Director	3,005,724	4.17
	4. Mrs. Meena Parveen Quader Chowdhury, Director	1,443,834	2.00
	5. Ms. Samihah Quader Chowdhury, Director	1,730,901	2.40
	6. Bangladesh Development Bank Limited Represented by Mr. Kazi Sanaul Hoq	8,963,440	12.44
	7. Agrani Bank Limited Represented by Mr. Md. Nurul Haque MBA	89,409	0.12
	Share of the Other Directors, Chief Financial Officer, Company Secretary, Head of Audit and their spouses and minor children	-	-
C	Share of Executives	1024	-
D	Shareholders holding 10% and above Bangladesh Development Bank Limited	8,963,440	12.44

Certificate of Compliance with the Conditions of Corporate Governance Guidelines to the Shareholders of The Dacca Dyeing Manufacturing Company Limited.

We have reviewed the compliance of conditions of the Corporate Governance Guidelines of the Bangladesh Securities and Exchange Commission ("BSEC") by The Dacca Dyeing Manufacturing Company Limited as stipulated in clause 7(i) of the BSEC notification no SEC/CMRRCD/2006-158/134/Admin/44 dated 7 August 2012.

The compliance of conditions of the Corporate Governance Guidelines as stated in the aforesaid notification and reporting of the status of compliance is the responsibility of the management of the Company. Our review for the purpose of issuing this certificate was limited to the verification of procedures and implementations thereof, adopted by the Company for ensuring the compliance of conditions of the Corporate Governance Guidelines and proper reporting of compliance status on the attached statement on the basis of evidences obtained and representation received thereon from the management of the company. It is neither an audit nor expression of opinion on the financial statements of the company.

To the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of the corporate Governance Guidelines as stipulated in the above mentioned notification dated 7 August 2012 of Bangladesh Securities and Exchange Commission.



SHAFIQ MIZAN RAHMAN AND AUGUSTINE
CHARTERED ACCOUNTANTS

Dated, Dhaka
13 November, 2014



ETP, TO HELP/PROTECT ENVIRONMENT BY TREATING EFFLUENT

COMPLIANCE REPORT ON SEC'S NOTIFICATION

Annexure-1

Status of compliance with the conditions imposed by the Commission's Notification No. SEC/CMRRCD/2006-158/134/Admin/44 dated 07 August 2012 issued under section 2CC of the Securities and Exchange Ordinance, 1969:

Condition	Title	Compliance States		Remarks
		Complied	non-Complied	
1	Board of Directors			
1.1	Board's Size: Board members shall not be less than 5 and more than 20	√		
1.2	Independent Director			
1.2 (i)	Appointment of independent Director (At least 1/5th)	√		
1.2 (ii)	For the purpose of this clause "independent director" means a director	√		
1.2(ii) a	Independent directors do not hold any share or hold less than one percent (1%) shares	√		
1.2(ii) b	Independent directors do not connected with the company's sponsor or director or shareholder who holds 1% or more shares	√		
1.2(ii) c	Independent directors do not have any other relationship, whether pecuniary or otherwise, with the company or its subsidiary/associated company	√		
1.2(ii) d	Independent directors are not the members, directors or offers of any stock exchange	√		
1.2(ii) e	Independent directors are not the members, directors or officers of any stock exchange or an intermediary of the capital market	√		
1.2(ii) f	Independent directors are/were not the partners or executives during preceding 3 (three) years of any statutory audit firm	√		
1.2(ii) g	They are not the Independent directors in more than 3 listed companies	√		
1.2(ii) h	They are not 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	They are not been convicted for a criminal offence involving moral turpitude	√		
1.2(iii)	The independent directors shall be nominated by the board of directors and approved by the shareholders in the AGM	√		Subject to approval in the AGM
1.2(iv)	The post of independent directors cannot remain vacant for more than 90 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 directors shall be for a period of 3 (three) years which may be extended for 1 (one) term only.	√		
1.3	Qualification of Independent Director (ID)			
1.3 (i)	Independent Director shall be knowledgeable individual with integrity	√		
1.3 (ii)	The independent director must have at least 12 (twelve) years of corporate management/ professional experience	√		
1.3 (iii)	In special cases above qualification may be relaxed by the commission			N/A
1.4	Positions of Chairman of the Board and Chief Executive Officer shall be filled by different individuals	√		
1.5	Directors' Report to Shareholders			
1.5(i)	Industry outlook and possible future developments in the industry	√		
1.5(ii)	Segment-wise or product-wise performance	√		

Condition	Title	Compliance States		Remarks
		Complied	non-Complied	
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			No extra ordinary gain or loss
1.5(vi)	Basis for related party transaction- a statement of all related party transactions should be disclosed in the annual report	√		
1.5(vii)	Utilization of proceeds from public issues, right issues and/ or through any others instruments.			No such matters
1.5(viii)	An explanation if the financial results deteriorate after the company goes for IPO, RPO, Rights Offer, Direct Listing etc.			No such matters
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	√		
1.5(x)	Remuneration to directors including independent directors	√		
1.5(xi)	The financial statements prepared by the management of the issuer company present fairly its state of affairs, the results of its operation, 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 there-from has been adequately disclosed.	√		
1.5(xv)	The system of internal control is sound in design and has been effectively implemented and monitored.	√		
1.5(xvi)	There are no significant doubts upon the issuer company's ability to continue as a going concern. If the issuer company's 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 there of should be explained.	√		
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 there of shall be given.			N/A
1.5(xx)	The number of Board meetings held during the year and attendance by each director shall be disclosed.	√		
1.5(xxi)	The pattern of shareholding shall be reported to disclose the aggregate number of shares (along with name wise details where stated below) held by:	√		
1.5(xxi) a	Parent/Subsidiary/Associated Companies and other related parties (name wise details);	√		
1.5(xxi) b	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	Executives;			
1.5(xxi) d	Shareholders holding ten percent (10%) or more voting interest in the company (name wise details).	√		

Condition	Title	Compliance States		Remarks
		Complied	non-Complied	
1.5(xxii)	In case of appointment/re-appointment of a director the company shall disclose the following information to the shareholders:	√		
1.5(xxii) 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.	√		
2.0	Chief Financial Officer, Head of Internal Audit & Company Secretary			
2.1	Appointment of CFO, Head of Internal Audit and Company Secretary and defining of their respective roles, responsibilities and duties	√		
2.2	Attendance of CFO and Company Secretary in the Board meeting	√		
3	Audit Committee			
3 (i)	Audit Committee shall be the 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.	√		
3.1	Constitution of the Audit Committee			
3.1(i)	The Audit Committee shall be composed of at least 3 Members	√		
3.1(ii)	Constitution of Audit Committee with Board Members including 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)	Filling of Casual Vacancy in 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.	√		
3.2	Chairman of the Audit Committee			
3.2 (i)	Chairman of the Audit Committee shall be an Independent Director	√		
3.2(ii)	Chairman of the audit committee shall remain present in the Annual General Meeting (AGM).	√		
3.3	Role of Audit Committee			
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	√		

Condition	Title	Compliance States		Remarks
		Complied	non-Complied	
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 financial results.			N/A
3.4	Reporting of the Audit Committee			
3.4.1	Reporting to the Board of Directors			
3.4.1 (i)	The Audit Committee shall report on its activities to the Board of Directors.	√		
3.4.1 (ii)	The Audit Committee shall immediately report to the Board of Directors on the following findings, if any:-			
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
3.4.2	Reporting to the Authorities	√		
3.5	Reporting to the Shareholders and General Investors	√		
4	External/Statutory Auditors:			
4 (i)	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.	√		
5	Subsidiary Company			
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

Condition	Title	Compliance States		Remarks
		Complied	non-Complied	
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
6	Duties of Chief Executive Officer(CEO) and Chief Financial Officer (CFO):			
6 (i)	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 transactions entered into by the company during the year which are fraudulent, illegal or violation of the company's code of conduct.	√		
7	Reporting and Compliance of Corporate Governance:			
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 the directors' report whether the company has complied with these conditions.	√		



FINANCIAL HIGHLIGHTS

As on June 30

Annexure-3

Operating Data (Taka in million):

Particulars	2014	2013	2012	2011	2010
Turnover	950.50	904.74	941.16	865.92	824.26
Cost of Revenue	584.05	563.42	627.34	587.17	568.41
Gross Profit	366.45	341.32	313.82	278.74	255.84
Selling & Distribution Expenses	10.73	16.77	18.43	15.91	25.02
Administrative Expenses	31.74	47.46	37.71	35.88	38.21
Financial Charges	233.13	194.84	170.60	126.77	125.33
Net Profit after Tax	73.55	66.59	70.51	81.19	54.71

Balance Sheet data (Taka in million):

Particulars	2014	2013	2012	2011	2010
Paid up Capital	720.28	654.80	584.64	504.00	450.00
Shareholders Equity	1914.18	1,862.56	1,820.19	1795.24	648.91
Total Outside Debt (NCL)	799.06	795.17	797.79	790.24	643.05
Current Assets	1171.29	1,190.02	1,091.85	1017.76	828.70
Current Liabilities	1041.43	876.69	709.46	721.73	586.75
Total Assets	3,771.47	3,551.22	3,344.25	3324.02	1,895.50
Total Outside Liabilities	1,840.49	1,671.85	1,507.25	1511.97	1,229.80

Financial ratios

Particulars	2014	2013	2012	2011	2010
Current Ratio	1.12	1.36	1.54	1.41	1.41
Gross profit ratio (%)	38.55	37.72	33.34	32.19	31.04
Net profit ratio (%)	7.74	7.36	7.49	9.38	6.64
Return on total assets (%)	8.13	7.36	7.21	6.26	9.50
Return on Equity (%)	3.84	3.57	3.87	4.52	8.43
Net Assets Value per Share	26.58	28.44	31.13	35.62	14.42
Debt Equity ratio	29.71	30 : 70	30 : 70	23 : 77	49 : 51

Other data

Particulars	2014	2013	2012	2011	2010
Earning Per Share (Taka)	1.02	1.02	1.21	1.61	1.34
Face Value per share	10.00	10.00	10.00	10.00	10.00
Net Operating Cash Flow per share	4.64	2.87	2.70	1.34	0.06
Stock Dividend (%)	10.00	10.00	12.00	16.00	12.00
Total No of shares outstanding	72,027,648	65,479,680	58,464,000	50,400,000	45,000,000
No. of Shareholders	12,258	10,723	8,209	8,137	12,124

INTERNAL CONTROL SYSTEM OF THE COMPANY

The aim of internal control is to provide reasonable assurance, by means of system of processes and procedures implemented by Dacca Dyeing, that the following activities may be achieved:

- The reliability and integrity of information; (i.e. evaluating the internal control systems and the integrity of financial and operating information produced by those systems);
- Compliance of policies, procedures, laws, and regulations;
- Safeguarded assets and liabilities and verify the existence of those assets;
- Review operations or programs for consistency with established management goals and objectives;
- Assist members of our organization in the effective and successful performance of their responsibilities by providing them with analyses, appraisals, recommendations, and other pertinent information concerning the activities being reviewed.

As in the case with any control system, the Company's internal system cannot guarantee that all risk of error or fraud is fully eliminated or controlled.

Internal control procedure

The Dacca Dyeing & Manufacturing Company Limited believes on the principle of decentralization of authority and responsibility. Consequently, responsibility for the implementation of appropriate internal control procedures governing risk management, financial control and compliance with legislation is delegated to the managers of each department of the Company.

To ensure the consistency of Company's procedures with each department, senior management relies on the functional department to draw up the procedures necessary for the proper operation of controls, issue instructions regarding their

implementation and ensure compliance with the said instructions.

The key operations and the internal control procedures applicable to them are described below:

Internal control procedures in respect of financial and accounting information

Financial and accounting information is prepared centrally on the basis of financial statements generated from the software application that is used by different departments and is in compliance with the IAS and IFRS as adopted by the ICAB and as per the rules and regulations issued by regulatory bodies.

Reports are produced monthly and prepared in the following month to which they relates whereas full accounting consolidation are produced quarterly and prepared within the following month to which they relate. The preparation of the annual financial statements is the responsibility of the Management under the control of the Audit Committee and Company's Auditor. The Management under the control of Audit Committee prepares the quarterly & half-yearly Financial Statements.

Cash position and financing

Responsibility for cash management is delegated to the treasury wing of the finance department by means of well-defined procedures and delegation.

The finance & accounts department is responsible for working capital management and monitoring of financial transactions.

Short term and long term loan are monitored on the monthly basis by means of report produced by the treasury and finance & accounts department and submitted to Senior Management.

Procedures and inspections

With the objectives of producing high quality financial and accounting information, Dacca Dyeing has introduced procedures and instructions tailored to every section. These

procedures are grouped by topic and deal mainly with accounting, treasury, and regulatory and reporting issues.

The internal control & compliance department is independent from management. It audits the activities and systems of different departments in accordance with an audit plan, particularly in order to assess and improve the accuracy and reliability of the accounting and financial information.

The internal control & compliance department co-ordinates relations with external auditors.

Customer relation

With the aims of specifying and formalizing certain practices regarding contractual relations with its foreign and local buyers, Dacca Dyeing has developed a procedure for managing client risk: limit in respect of credit, delegation of authority, security, insurance and documentation.

Human resources

The Human Resources department arranges career and skills development programs for those positions requiring a high level of responsibility. It carries out the performance evaluation program in each year. This department provides industry information to the management as to the emolument and benefits. It also ensures that information for management reports is obtained and circulated. Human Resources department is responsible for ensuring compliance with the service rules and regulations.

Information technology

The information technology department is responsible for integrating and ensuring the consistency of the hardware and software used. In Dacca Dyeing, most data processing is carried out by means of integrated software packages. Back up of the database is stored in a safe custody on daily basis at outside business premises.



CEO & CFO's Declaration to the Board of Directors

The Board of Directors
The Dacca Dyeing & Manufacturing Company Limited
Sharif Mansion (4th Floor)
56-57 Motijheel C/A, Dhaka- 1000

Subject: CEO & CFO's Declaration to the Board of Directors

Dear Sir,

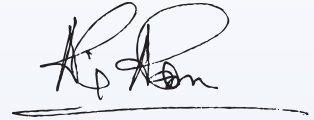
In compliance with the condition no. 6 imposed by the Bangladesh Securities & Exchange Commission's Notification No. SEC/CMRRCD/2006-158/134/Admin/44 dated August 07, 2012 issued under Section 2CC of the Securities & Exchange Ordinance, 1969, we do hereby certify to the Board of Directors that:

- (i) We have reviewed financial statements for the year ended on June 30, 2014 and that to the best of our knowledge and belief;
 - a) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - b) These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards and applicable laws.
- (ii) There are, to the best of knowledge and belief, no transaction entered into by the Company during the year which are fraudulent, illegal or violation of the Company's code of conduct.

Sincerely yours,



Giasuddin Quader Chowdhury
Managing Director & CEO



Ali Ahsan Mohbub
Chief Financial Officer

Dated, Dhaka
13 November, 2014



AUDIT COMMITTEE REPORT

For the Year 2013-2014

Constitution of Audit Committee:

The Audit Committee of The Dacca Dyeing & Manufacturing Company Limited has been constituted by the Board of Directors in its meeting held on 2nd June, 2013 with the following Directors:

Name of the member	Status in the Company	Status in the Committee
Mr. Md. Amirul Islam	Independent Director	Chairman
Mr. Sameer Quader Chowdhury	Director	Member
Mr. Md. Nurul Haque	Director	Member

Meeting of the Committee:

The Audit Committee held (five) meeting during the year 2013-2014 on the following dates:

Number of meetings	Date of Meetings
1st Meeting	27th September, 2013
2nd Meeting	30th October, 2013
3rd Meeting	12th November, 2013
4th Meeting	12th February, 2014
5th Meeting	27th April, 2014

Internal Control

- The Committee reviewed the internal control systems prevailing in the company to introduce the appropriate compliance culture and also to ensure that all employees have clear understanding of their respective roles and responsibilities.
- The committee reviewed the arrangements made by the management for developing a suitable Management Information System (MIS)

External Audit

- The committee reviewed with the management and the representative of external auditors the findings of external auditors and finalized the audit report and annual financial statements.

Financial Statements Reporting

- The committee reviewed with the management quarterly and half yearly financial statements before submission to the Board for approval.
- The committee reviewed with the management the annual financial statements before submission to the Board for approval.



Md. Amirul Islam
Chairman
Audit Committee

Dated, Dhaka
13 November, 2014

SENIOR EXECUTIVES



Ali Ahsan Mohbub
Chief Financial Officer



Md. Majibur Rahman, FCMA
General Manager (Accounts & Finance)
& Company Secretary



Birendra Chandra Saha
Deputy General Manager
(Finance & Admin)



Mohammad. Nasir Uddin
Asstt. General Manager (Marketing)



Abdullah Shiblei
Asstt. General Manager (Com. & Fin)



Mir Ibrahim Kabir
Asstt. General Manager (Commercial)



Profile of the Senior Executives

Ali Ahsan Mohbub

Chief Financial Officer

Mr. Ali Ahsan Mohbub is the CFO and joined the Dacca Dyeing in April 2008. Mr. Mohbub obtained his MBA degree from IBA under University of Dhaka. He has 16 years of professional experience, prior to joining in Dacca Dyeing. Mr. Mohbub held various important positions in different private organizations such as Chaiti Group, Noorani Group etc. and gathered wide range of professional experience relating to manufacturing concerns.

Md. Majibur Rahman, FCMA

General Manager (Accounts & Finance) & Company Secretary

Mr. Md. Majibur Rahman, FCMA has been working as head of accounts and company affairs and joined The Dacca Dyeing in November 2007. Mr. Rahman is a qualified Cost and Management Accountant. And he obtained his Masters of Commerce in Accounting from National University. He is a fellow member of The Institute of Cost and Management Accountants of Bangladesh (ICMAB). He has 12 years of professional experience including Dacca Dyeing. Mr. Rahman held various important position in various organization namely Anwar Group, Ranges Industries Ltd. and Thermax Textile etc.

Birendra Chandra Saha

Deputy General Manager (Finance & Admin)

Mr. Birendra Chandra Saha has been working in The Dacca Dyeing & Manufacturing Co. Ltd. since 1963 and one of The senior members of the Company. Before joining in The Dacca Dyeing he serves Dhaka vegetable oil and allied industries after obtaining graduation degree from University of Dhaka. He is fully conversant in Commercial, Custom Administration and Bank Financial matters.

Mohammad Nasir Uddin

Asstt. General Manager (Marketing)

Mr. Nasir Uddin has been serving in The Dacca Dyeing since 1996. He obtained B.Com (Hons) M.Com degree from University of Rajshahi. For enrich his carrier he also completed MBA major in Marketing from World University of Bangladesh. He has total 18 years experience in marketing for local whole sales and institutional sales in Bangladesh.

Abdullah Shiblei

Asstt. General Manager (Com. & Fin)

Mr. Abdullah Shiblei obtained B. Com (Hons) M.Com degree from University of Dhaka. He has also CA course completed from Ahmad & Ahmad, Chartered Accountants firm and he has total 16 years experience in The Dacca Dyeing mainly Commercial, Bank Financial and also acquired appreciable experience in managing the deferent of the textile business.

Mir Ibrahim Kabir

Asstt. General Manager (Commercial)

Mr. Mir Ibrahim Kabir obtained B. Sc. degree from Daulatpur College of Khulna. He has total 16 years experience in The Dacca Dyeing mainly Commercial, Custom administration and Bank Financial matters.



FINANCIAL

AUDITORS' REPORT

TO THE SHAREHOLDERS OF THE DACCA DYEING & MANUFACTURING COMPANY LIMITED

We have audited the accompanying financial statements of **THE DACCA DYEING & MANUFACTURING COMPANY LIMITED**, which comprise the statement of financial position as at 30 June 2014, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended 30 June 2014, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Bangladesh Financial Reporting Standards (BFRS), the Companies Act 1994, the Securities and Exchange Rules 1987 and other applicable laws and regulations. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatements, 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 (BSA). Those standards require that we comply with relevant ethical requirements and plan and perform the audit to obtain reasonable assurance 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 auditors' 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.

Basis for Qualified Opinion:

1. A fixed asset register is maintained for property, plant equipment valued Tk. 2,589,077,144; but the same does not contain information that normally are kept in such Register and as required by section 181, Company Act 1994.
2. The management is of the view that the treatment of depreciation on revalued asset has been carried out in the light of relevant provision of BAS -1 as amended upto date and made effective from 01 January 2013 in Bangladesh, and accordingly the depreciation on revalued asset has been shown under the group 'Other Comprehensive Income' in the 'Statement of Profit or Loss and Other Comprehensive Income'; as Para 7 of the aforesaid BAS-1 says that 'Other Comprehensive Income' is to be shown separately and total comprehensive income shall comprise profit or loss items and other comprehensive income.
The management however did not calculate EPS on net profit after deduction of item of depreciation expense on revalued asset shown in other comprehensive income.
3. The cumulative balance of Workers Profit Participation & Welfare Fund of Tk. 26,339,453 has been remaining undistributed since its inception and the company did not follow provision of Chapter XV of Bangladesh Labor Act, 2013 for the distribution and creation of trust/welfare fund.

In our opinion, **except for the possible effects of the matter described in the preceding paragraphs 1 to 3 (Basis for Qualified Opinion)** the financial statements prepared in accordance with Bangladesh Financial Reporting Standards (BFRSs), give a true and fair view of the state of the company's affairs as at 30 June 2014 and the results of its operations and cash flows for the year then ended and comply with the Companies Act 1994, the Securities and Exchange Rules 1987 and other applicable laws and regulations.

We also report that:

- a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit and made due verification thereof;
- b) In our opinion, proper books of account as required by law have been kept by the company so far as it appeared from our examination of those books;
- c) The statement of financial position and statement of comprehensive income dealt with by the report are in agreement with the books of account and returns; and
- d) The expenditure incurred was for the purposes of the company's business.


MABS & J Partners
Chartered Accountants
(Formerly Saha Mazumder & Co.)


Dated: Dhaka
13 November, 2014

Statement of Financial Position

As at 30 June 2014

Particulars	Notes	30 June, 14 Taka	30 June, 13 Taka
ASSETS:			
Non-Current Assets :			
Property, Plant and Equipment	3	2,154,752,432	2,151,432,715
Capital Work-in-Progress	3.01	435,381,817	199,718,875
Investment in Shares	4	10,050,000	10,050,000
Total non current assets		2,600,184,249	2,361,201,590
Current Assets :			
Inventories	5	459,742,456	444,726,069
Trade and Other Receivables	6	419,794,112	440,593,666
Advance, Deposit & Prepayments	7	290,072,588	303,853,105
Cash & Bank Balances	8	1,679,054	846,754
Total current assets		1,171,288,210	1,190,019,594
Total Assets		3,771,472,459	3,551,221,184
EQUITY AND LIABILITIES :			
Equity attributable to owners of the company			
Share capital	9	720,276,480	654,796,800
Capital reserve		44,636	44,636
Assets revaluation reserve	10	1,111,645,118	1,133,576,400
Tax holiday reserve		3,804,291	3,804,291
Retained earnings	11	78,411,806	70,340,196
Total equity		1,914,182,331	1,862,562,323
Non-Current Liabilities :			
Long term borrowings	12	535,271,050	535,271,050
Deferred tax liability	13	263,791,200	259,898,797
Loan from Directors	14	16,800,826	16,800,826
Total Non Current Liabilities		815,863,076	811,970,673
Current Liabilities :			
Trade and other payables	15	355,876,063	182,523,500
Current maturity of long term borrowings	16	287,733,802	296,847,278
Short term borrowings	17	389,151,220	383,849,157
Provision for current tax	18	7,256,418	12,058,704
Share application account	19	1,409,549	1,409,549
Total current liabilities		1,041,427,052	876,688,188
Total liabilities		1,857,290,128	1,688,658,861
Total Equity and Liabilities		3,771,472,459	3,551,221,184
Net Asset Value (NAV) per share (with revaluation reserve)		26.58	25.86
Net Asset Value (NAV) per share (without revaluation reserve)		11.13	10.12

The accounting policies and other notes form an integral part of these Financial Statements.



Managing Director



Director



Company Secretary

AUDITOR'S REPORT TO THE SHAREHOLDERS :

This is the Statement of Financial Position referred to in our annexed report :

21, Purana Paltan Line
(4th & Top Floor), Dhaka-1000

Dated : 13 November, 2014


MABS & J Partners
 Chartered Accountants

Statement of Profit or Loss and Other Comprehensive Income

For the Year ended 30 June 2014

Particulars	Notes	2014 Taka	2013 Taka
Revenue			
	20	950,503,414	904,735,551
Cost of revenue	21	(584,053,373)	(563,417,147)
Gross profit		366,450,041	341,318,404
Other income	22	11,578	9,759
Operating expenses:		(275,604,144)	(259,073,431)
Administrative expenses	23	(31,739,130)	(47,460,342)
Selling and distribution expenses	24	(10,734,536)	(16,769,064)
Financial charges	25	(233,130,478)	(194,844,025)
Operating profit		90,857,475	82,254,732
Contribution to WPPF & WWF	26	(4,326,546)	(3,916,892)
Profit before income tax		86,530,929	78,337,840
Provision for income tax		(12,979,639)	(11,750,676)
Current tax	27	(5,217,010)	(73,391)
Deferred tax	28	(7,762,629)	(11,677,285)
Net profit after tax		73,551,290	66,587,164
Other comprehensive income			
Depreciation on revalued amount of assets (details shown at note 3.00)		(25,801,508)	(28,495,980)
Deferred Tax on revaluation reserve		3,870,226	4,274,397
Total comprehensive income		51,620,008	42,365,581
Earning per share-EPS (Adjusted)	29	1.02	0.92

The accounting policies and other notes form an integral part of these Financial Statements.



Managing Director



Director



Company Secretary

AUDITOR'S REPORT TO THE SHAREHOLDERS :

This is the Statement of Profit or Loss and Other Comprehensive Income referred to in our annexed report :

Dated : 13 November, 2014



MABS & J Partners
Chartered Accountants

Statement of Changes in Equity

For the year ended 30 June 2014

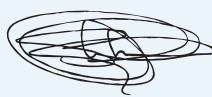
(Figure in Taka)

Particulars	Share Capital	Capital Reserve	Revaluation reserve	Tax Holiday Reserve	Retained Earnings	Total Equity
Balance at 1st July 2012	584,640,000	44,636	1,157,797,983	3,804,291	73,909,832	1,820,196,742
Issue of bonus share 2011-12	70,156,800	-	-	-	(70,156,800)	-
Net profit after tax	-	-	-	-	66,587,164	66,587,164
Adjustment for Depreciation on revalued assets	-	-	(28,495,980)	-	-	(28,495,980)
Adjustment for deferred tax on revaluation reserve	-	-	4,274,397	-	-	4,274,397
Balance at 30 June 2013	654,796,800	44,636	1,133,576,400	3,804,291	70,340,196	1,862,562,323
Particulars	Share Capital	Capital Reserve	Revaluation reserve	Tax Holiday Reserve	Retained Earnings	Total Equity
Balance at 1st July 2013	654,796,800	44,636	1,133,576,400	3,804,291	70,340,196	1,862,562,323
Issue of bonus share for 2012-2013	65,479,680	-	-	-	(65,479,680)	-
Net profit after tax	-	-	-	-	73,551,290	73,551,290
Adjustment for Depreciation on revalued assets	-	-	(25,801,508)	-	-	(25,801,508)
Adjustment for deferred tax on revaluation reserve	-	-	3,870,226	-	-	3,870,226
Balance at 30 June 2014	720,276,480	44,636	1,111,645,118	3,804,291	78,411,806	1,914,182,331

The accounting policies and other notes form an integral part of these Financial Statements.



Managing Director



Director



Company Secretary

AUDITOR'S REPORT TO THE SHAREHOLDERS :

This is the Statement of Changes in Equity referred to in our annexed report :

Dated : 13 November, 2014



MABS & J Partners
Chartered Accountants

Statement of Cash Flows

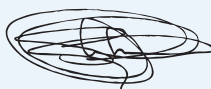
For the year ended 30 June 2014

Particulars	Notes	2014 Taka	2013 Taka
Cash flows from operating activities:			
Collection from Turnover & Others		971,314,546	873,386,658
Payment to suppliers and employees		(564,897,901)	(613,165,572)
Cash generated from operation		406,416,645	260,221,086
Interest(Short term loan) & bank charges paid		(69,372,613)	(67,977,459)
Income tax paid		(3,072,867)	(4,022,935)
Net cash flows / (used) in operating activities	30	333,971,165	188,220,692
Cash flows from investing activities:			
Purchase of Property, Plant and Equipment		(87,048,845)	(40,462,709)
Acquisition of capital work-in-progress		(235,662,942)	(155,545,355)
Net cash used in investing activities		(322,711,787)	(196,008,064)
Cash flows from financing activities:			
Increase /(Decrease) in short term loan		(1,302,502)	13,853,882
Interest & Bank charges paid (Long term loan)		(11,100)	(46,361,990)
Increase/Drecrease of Long term loan		(9,113,476)	29,143,249
Net cash flows in financing activities		(10,427,078)	(3,364,859)
Net increase / (Decrease) in cash and cash equivalents		832,300	(11,152,231)
Cash and cash equivalents at the beegining		846,754	11,998,985
Cash and cash equivalents at the end		1,679,054	846,754
Net operating cash flow per share of Tk. 10.00 each		4.64	2.39

The accounting policies and other notes form an integral part of these Financial Statement.



Managing Director



Director



Company Secretary

AUDITOR'S REPORT TO THE SHAREHOLDERS :

This is the Statement of Cash Flows referred to in our annexed report :

Dated : 13 November, 2014


MABS & J Partners
Chartered Accountants

The Dacca Dyeing & Manufacturing Company Limited

Notes to the Financial Statements

For the year ended 30 June 2014

FORMING AN INTEGRAL PART OF THE FINANCIAL STATEMENTS

A. Legal status and nature of the company – Disclosure under IAS 1 as adopted by The Institute of Chartered Accountants of Bangladesh as BAS 1 “Presentation of Financial Statements”

Domicile, Legal Form and Country of Incorporation

The Dacca Dyeing & Manufacturing Company Limited (“the company”) is a Public Limited Company incorporated on December 31, 1963 under the Companies Act, 1913, and now the Companies Act, 1994. The shares of the company were listed in October 2009 with Dhaka Stock Exchange Limited and Chittagong Stock Exchange Limited under “A” category.

Address of Registered Office and Principal Place of Business

The registered office of the company is situated at QC Nagar, Pagar, Tongi, Gazipur.

Principal Activities and Nature of Operations

The Company owns and operates one composite textile plant at Tongi, Gazipur having preparatory weaving, dyeing, finishing, and printing facilities producing high quality of bed sheet, napkin, table cloth, shirting fabrics, towel bath linen, kitchen linen, and all sorts of home textile products for marketing in Europe and North America. To some extent the company's products penetrate into the local market.

B. Compliance with the requirements of notification of the Securities and Exchange Commission dated 04.06.2008 under reference # SEC/CMMRPC/2008-181/53/Adm/03/28

1. Notes to the financial statements marked from C-1.1 to C-2.14 outlining the policies are unambiguous with respect to the reporting framework on which the accounting policies are based.
2. The accounting policies on all material areas have been stated clearly in the notes marked from C-1.1 to C-2.14.
3. 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:

SL. No.	Applicable Accounting Standards	Note reference
01.	IAS/BAS - 1	1.04
02.	IAS/BAS - 2	1.06
03.	IAS/BAS - 7	1.07 & 1.08
04.	IAS/BAS – 10	42.00
05.	IAS/BAS – 12	1.09
06.	IAS/BAS – 16	1.05
07.	IAS/BAS – 18	1.10
08.	IAS/BAS – 21	1.12
09.	IAS/BAS – 23	1.11
10.	IAS/BAS – 24	2.02
11.	IAS/BAS – 33	1.13
12.	IAS/BAS – 36	1.14
13.	IAS/BAS – 37	1.15

4. The financial statements are in compliance with the Bangladesh Financial Reporting Standards (BFRS), which are adapted from the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB).
5. The Standards and reporting framework used in the financial statements do not differ from IFRS (BFRS).

C. Notes to the Financial Statements:

1.01 Compliance with International Accounting Standards (IASs)

The financial statements have been prepared in compliance with requirements of IASs as adopted by the Institute of Chartered Accountants of Bangladesh (ICAB) and applicable in Bangladesh.

1.02 Compliance with local laws

The financial statements have been prepared in compliance with requirements of the Companies Act, 1994, the Securities and Exchange Rules, 1987 and other relevant local laws and rules, including compliance with Income Tax Ordinance 1984, Income Tax Rules 1984, VAT Act 1991 and VAT Rules 1991.

1.03 Measurement bases used in preparing the financial statements

The financial statements have been prepared based on the accrual basis of accounting following going concern assumption and prepared under the historical cost convention except for the revaluation of certain non-current assets.

The financial statements are prepared and presented for external users by the company in accordance with identified reporting framework. Presentation has been made in compliance with the standards adopted by the ICAB for reporting, BAS 1- Presentation of Financial Statements.

1.04 Components of the financial statements

According to the International Accounting Standard (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 (Balance Sheet) as at 30 June 2014;
- (ii) Statement of profit or loss and other comprehensive income for the year 30 June 2014;
- (iii) Statement of changes in equity for the year 30 June 2014;
- (iv) Statement of cash flows for the year 30 June 2014; and
- (v) Notes, comprising a summary of significant accounting policies and other explanatory notes.

1.05 Specific accounting policies selected and applied for significant transactions and events.

Recognition of Property, Plant & Equipment and Depreciation.

Property, plant & equipment are stated at cost less accumulated depreciation in accordance with BAS 16 "Property Plant & Equipment".

i) Recognition of property, plant & equipment

The cost of an item of property, plant and equipment shall be recognized as an asset when it is probable that future economic benefit associated with the item will flow to the entity and the cost of the item can be measured reliably. The cost of acquisition of an asset comprises its purchase price and any directly attributable cost of bringing the asset to its operating condition for its intended use inclusive of inward freight, duties, non-refundable taxes, construction, erection and capitalization of pre-production expenditure. Some fixed assets are re-valued by a professional valuer as stated note 3.

The gain or losses 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 / (loss) and reflected in the profit & loss account.

ii) Capital work-in-progress

Capital work in progress has been allocated and transferred to property, plant & equipment from the month when it is starting of commercial operation.

iii) Revaluation of property, plant and Equipment

A revaluation of Land, Buildings and Plant & Machinery had been carried out during the financial year 2010-2011 by M/S G.K Adjusters, a professional valuer and the surplus amount on revaluation of these assets were transferred to Revaluation Reserve Account as per paragraph 39 of BAS-16 "Property, Plant & Equipment"

The revaluation amount has been shown in Fixed Assets schedule separately and depreciation charged thereof has been shown under 'Other Comprehensive Income', which is not to be recognized in profit or loss as per Para 7 of BAS 1 Related deferred tax is also shown in other comprehensive income as per paragraph BAS-1 "Presentation of Financial Statement". No dividend has been recommended from out of revaluation surplus following notification-SEC/CMRRCD/2009-193/150/Admin dated 18th August 2013 of Bangladesh Security Exchange Commission.

iv) Depreciation of property, plant & equipment

Depreciation is charged on cost of fixed assets following diminishing balance method except land and land development. Depreciation on additions during the year is made from the date of acquisition. No depreciation has been charged on the assets disposed off during the year. The rates at which the assets are depreciated per annum are given below:

Name of the Assets	Rate of Depreciation (%)
Factory building & other construction	2.25
Plant & machinery	10
Electrical installation	15
Office and other equipment	15
Furniture & fixtures	6
Vehicles	20
Air conditioner & sundry assets	25
Telecommunication equipment	40
Sales center	20
Laboratory equipment (Lab)	15
Workshop machinery	10
Gas line	15
Generator	10

1.06 Inventories

Inventories are assets held for sale in the ordinary course of business, in the process of production for such sale or in the form of materials or supplies to be consumed in the production process. Inventories are stated at the lower of cost or net realizable value. Costs, including an appropriate portion of fixed and variable overhead expenses, are assigned to inventories by the method most appropriate to the particular class of inventory. Net realizable value represents the estimated selling price for the inventories less all estimated cost of completion and cost necessary to make the sale.

Category of Stocks	Basis of Valuation
Raw material of yarn, dyes, Chemical and store & spares	Weighted average cost
Work-in-process	Cost of raw materials consumed plus other direct charges
Finished goods	Lower of cost or net realizable value

1.07 Cash and cash equivalents

Cash and cash equivalents comprise of cash in hand, bank current accounts, other bank deposits free of encumbrance and having maturity dates of three months or less from respective dates of deposit.

1.08 Statement of cash flows

Statement of cash flows is prepared principally in accordance with BAS 7 "Statement of cash flows" and cash flows from operating activities has been presented under direct method as required by the Securities and Exchange Rules 1987 and a reconciliation between direct method and indirect method from operating activities has been shown in note - 30.

1.09 Taxation

The company is qualified as a "Public Limited Company". Provision for current tax has been made in the financial statements on taxable profit at the rate of 15% as per SRO No. 221-L/2011 dated 04.07.2011 of the National Board of Revenue.

Income tax assessment of the company has been completed up to the assessment year 2012-2013 except the assessment year 1995-1996 & 2006-2007 which is under writ petition and yet to judgment by the Hon'ble High Court Division and the assessment year 2009-10 & 2010-11 which is under process for submitting reference application before the same Court and the return for the assessment year 2012-2013 has been submitted under Universal Self Assessment. Considering the practices generally followed in Bangladesh the company has made provision for deferred tax assets or liabilities in accordance with BAS 12 "Income Tax".

1.10 Revenue recognition

In compliance with the requirements of BAS 18 "Revenue", revenue is recognized to the extent that it is probable that the economic benefits will flow to the entity and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable excluding discounts, rebates, and other sales taxes.

Revenue from the sale of goods is recognized when the following conditions are satisfied:

- i) The enterprise has transferred to the buyer the significant risk and rewards of ownership of the goods;
- ii) The enterprise retains neither continuing managerial involvement to the degree usually associated with ownership of the goods;
- iii) The amount of revenue can be measured reliably.
- iv) It is probable that the economic benefits associated with the transaction will flow to the entity; and
- v) The cost incurred or to be incurred in respect of the transaction can be measured reliably.

1.11 Borrowing costs

In compliance with the requirements of BAS 23 "Borrowing Costs" borrowing costs are directly attributable to the acquisition, construction or production of qualifying assets, necessary to take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Borrowing costs are recognized as expenses in the period in which they incurred and capitalized the same that incurred before commencement of commercial operation.

1.12 Foreign currency translation

Transactions in foreign currencies are translated into BDT at the rate of exchange ruling on date of transaction. Monetary assets and liabilities expressed in foreign currencies are translated into BDT at the rate of exchange ruling at the balance sheet date. Gain or losses resulting from foreign currency transitions are taken to the Statement of Comprehensive Income complying with BAS 21.

1.13 Earnings per share (EPS)

The company calculates Earnings per Share (EPS) in accordance with IAS 33 as adopted by ICAB as BAS 33 "Earnings per Share" which has been shown on the face of Comprehensive Income Statement and the computation of EPS is stated in Note -29.00.

Basic earnings

This represents earnings for the period attributable to ordinary shareholders. As there was no preference dividend, minority interest to extra ordinary items, the net profit for the period has been considered as fully attributable to the ordinary shareholders.

Basic earnings per share

This has been calculated by dividing the basic earnings by the weighted average number of ordinary shares outstanding during the period.

Diluted earnings per share

No diluted EPS is required to be calculated for the year as there was no scope for dilution during the period under review.

1.14 Impairment of assets

The carrying amounts of assets other than inventories and deferred tax assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated in order to determine the extent of impairment loss (if any).

1.15 Provision

In accordance with BAS 37 "Provision, Contingent Liabilities and Contingent Assets" requires management to make estimates and assumptions that affect of the reported amounts of revenue and expenses, assets and liabilities and the disclosure requirements for contingent assets and liabilities at the date of the financial statements.

In accordance with the guidelines as prescribed by BAS 37 provisions were recognized in the following situations:

- i) When the company has a present obligation as a result of past event;
- ii) When it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and
- iii) Reliable estimates can be made of the amount of obligation.

The provisions have been made in the accounts at an appropriate level with regard to an adequate risks and uncertainties. An amount recorded as a provision represents the best estimate of the probable expenditure required to fulfill the current obligation on the balance sheet date.

1.16 Workers profit participation fund

Provision for Workers Profit Participation Fund (WPPF) and Worker Welfare Fund (WWF) has been made @ 5% on net profit as per provision of The Companies Profits (Workers' Participation) Act, 2006 and payable to workers as defined in the said law.

1.17 Trade creditors and other current liabilities

Liabilities are recorded at the amount payable for settlement in respect of goods and services received by the company.

2.00 Additional Information**2.01 Responsibility for preparation and presentation of financial statements**

The Board of Directors is responsible for the preparation and presentation of financial statements under Section 183 of the Companies Act, 1994 and as per the provision of "the framework for the preparation and presentation of financial statements" issued by the International Accounting Standards Committee (IASC).

2.02 Transactions with related parties / associated undertakings

As per BAS - 24 parties are considered to be related if one of the parties has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions. The Company has carried out transactions in the ordinary course of business on an arm's length basis at commercial rates with related parties. Related parties are stated their actual value in note no 7.1.1 & 34.

2.03 Risk and uncertainties for use of estimates in preparation of financial statements

The preparation of financial statements in conformity with the International Accounting Standards requires management to make estimates and assumption that affect the report, amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and revenue and expenses during the period reported. Actual results could differ from those estimates. Estimates are used for accounting of certain terms such as long term contracts, provision for doubtful accounts, depreciation and amortization, employees benefit plan, tax reserves and contingencies.

2.04 Reporting currency and level of precision

The figures in the financial statements represent Bangladesh currency (Taka), which have been rounded off to the nearest integer.

2.05 Comparative information

Comparative information have been disclosed in respect of the year 30 June 2013 in relevance for understanding the current period's financial statements.

2.06 Turnover

Turnover comprises sales of the company, excluding VAT, supplementary duty, etc.

2.07 Receivables

Trade receivables are stated their real value and considered good. No provision has been made for doubtful debts and no amount was written off as bad.

2.02 Financial charges

Interest bearing bank loans and overdrafts are recorded at the proceeds received net of direct issue costs. Financial charges are accounted for on accrual basis.

2.09 Payment to Directors

The directors were not paid for any other facilities except the remuneration.

During the period the company has paid to its directors as follows:

SL No.	Name	Designation	Remuneration (BDT)	Total (BDT)
1	Mr. Giasuddin Quader Chowdhury	Managing Director	18,00,000	18,00,000
2	Mr. Sameer Quader Chowdhury	Deputy Managing Director	16,80,000	16,80,000
Total			34,80,000	34,80,000

2.10 Lease agreements

The company entered three lease agreements with Prime Finance & Investment Limited, Phoenix Finance & Investments Limited and International Leasing and Financial Services Limited for vehicles. The lease is classified as an operating lease as it dose not transfer substantial risks and rewards incident to the ownership consistent with the view laid down in BAS 17 "Leases". Lease payments (excluding cost for services such as insurance and maintenance are recognized as expense in the Statement of Comprehensive Income.

2.11 Acknowledgement of claims

There was no claim against the company acknowledged as debt as on 30 June 2014.

2.12 Going concern

There is no significant doubt upon the company's ability to continue as a going concern.

2.13 Reporting period

Financial statements of the company cover one financial year from 01 July 2013 to 30 June 2014.

2.14 Rearrange of figure

Comparative figures have been rearranged, if necessary.

3.00 Property, Plant and Equipment :

A) At Cost		(Amount in Tk.)				
Particulars	Cost		Depreciation			Written Down Value As on 30.06.14
	Balance as on 01.07.2013	Addition during the year	Adjustment during the year	Balance as on 01.07.2013	Addition during the year	Balance as on 30.06.14
Land & Land Development	84,665,197	27,855,241	-	-	-	112,520,438
Factory Building & Other Constr.	311,064,070	-	-	35,618,119	6,197,534	269,248,417
Sales Center	4,891,081	-	-	3,902,558	197,705	790,818
Plant & Machinery	856,625,954	58,849,974	-	444,174,859	46,096,174	425,204,895
Electrical Installation	6,102,867	-	-	4,114,612	298,238	1,690,017
Laboratory Equipment(Lab)	6,433,805	-	-	4,378,290	308,327	1,747,188
Workshop Machinery	9,308,225	-	-	4,972,065	433,616	3,902,544
Office Equipment	12,266,623	229,108	-	6,163,613	929,904	5,402,214
Furniture & Fixture	2,570,661	114,522	-	1,026,420	96,268	1,562,495
Software/Website Development	421,500	-	-	226,148	39,070	156,282
Vehicles	76,122	-	-	75,092	206	824
Airconditioner & Compressor	5,418,148	-	-	4,159,879	314,567	943,702
Gas Line	5,916,314	-	-	3,212,791	405,528	2,297,995
Generator	48,686,938	-	-	25,924,355	2,276,258	20,486,325
Telecommunication Equipment	868,646	-	-	831,675	14,788	22,183
Sundry Assets	3,669,268	-	-	2,391,519	319,437	958,311
Sub total (taka)	1,358,985,419	87,048,845	-	541,171,995	57,927,620	846,934,649
B) At Revaluation :						
Land & Land Development	977,484,803	-	-	-	-	977,484,803
Factory Building & Other Constr.	138,547,931	-	-	7,653,831	2,945,117	127,948,983
Plant and Machinery	269,006,942	-	-	62,006,101	20,700,084	186,300,757
Laboratory Equipment	1,762,187	-	-	584,495	176,654	1,001,038
Air Conditioner & Compressor	2,762,502	-	-	1,402,833	339,917	1,019,752
Gas Line	(695,169)	-	-	-	-	(695,169)
Generator	21,309,103	-	-	4,911,748	1,639,736	14,757,619
Sub total (taka)	1,410,178,299	-	-	76,559,008	25,801,508	1,307,817,783
As on 30.06.2014	2,769,163,718	87,048,845	-	617,731,003	83,729,129	2,154,752,432
As on 30.06.2013	2,623,672,406	145,491,312	-	530,523,482	87,207,521	2,151,432,715

Allocation of Depreciation :

Particulars	Taka
Manufacturing overhead	57,169,840
Administrative expenses	757,780
Assets revaluation reserve	25,801,508
Total	83,729,128

3.01 Capital work-in-progress :

Balance as on 1st July 2013

Add : Addition during the year

Less : Realised during the year

Balance as on 30th June 2014

2014 Taka	2013 Taka
199,718,875	149,202,123
235,662,942	155,545,355
435,381,817	304,747,478
-	105,028,603
435,381,817	199,718,875

4.00 Investment in shares :

The investment in the shares of The Dacca Yarn Dyeing Limited for 1,00,500 shares @ Tk. 100 each has been shown at cost price since the securities held are not tradable in the market. The project of the company is under construction and commercial operation has not been started till date.

5.00 Inventories :

Particulars	2014		2013	
	Quantity	Taka	Quantity	Taka
Raw material of yarn	1,81,892 lbs	41,122,849	1,44,679 lbs	47,934,738
Raw material of dyes	-	1,705,044	-	2,720,112
Raw material of chemical	-	5,403,755	-	11,739,077
Stores, spares, packing material & others	-	43,246,538	-	37,112,935
Work-in-process:				
Fabrics	3,77,629 mtr	148,229,212	2,59,354 mtr	83,611,440
Fabrics & Towel	1,70,453 pcs	83,317,275	71,934 pcs	36,352,672
Finished goods:				
Towel	27,058 pcs	14,443,306	60,725 pcs	34,961,338
Fabrics	5,615 mtr	3,472,462	9,632 mtr	3,353,154
Fabrics	1,57,144 set	118,802,015	2,56,639 set	186,940,603
Total		459,742,456		444,726,069

5.01 Total inventories of Raw material, Stores, Spares, Packing material are valued at average method and Finished goods valued at lower of cost or net realisable value as per IAS 2.

5.02 Work-in-process has been valued at material cost and 50% of conversion cost.

6.00 Trade and others receivables :

Export sales receivables

Cash assistance receivables

Receivable from general customers

Notes

2014
Taka2013
Taka

6,421,318

19,729,804

6.01

19,479,009

25,469,884

393,893,785

395,393,978

419,794,112**440,593,666****6.01 Cash assistance receivables :**

Balance as on 1st July 2013

Add : Addition during the year

Less : Realised during the year

Balance as on 30th June 2014

25,469,884

22,409,628

1,363,725

9,083,426

26,833,609**31,493,054**

7,354,600

6,023,170

19,479,009**25,469,884**

There is no amount due from directors, managers and officers of the company.

Ageing schedule of receivables

Particulars	2014		2013	
	Bellow six month	Above six month	Bellow six month	Above six month
Receivable from export	-	6,421,318	15,289,850	4,439,954
Receivable from cash	-	19,479,009	14,964,670	10,505,214
Receivable from general customers	353,713,977	40,179,808	364,312,059	31,081,919

All debts are considered as good and recoverable.

	Notes	2014 Taka	2013 Taka
7.00 Advance, deposits & prepayments :			
Advance and prepayments	7.01	264,890,874	271,652,597
Deposits	7.02	25,181,714	32,200,508
		290,072,588	303,853,105
7.01 Advance and prepayments :			
Suppliers & Others		255,122,761	265,122,721
Employees		8,777,712	5,455,475
Office rent		491,000	575,000
The Dacca Yarn Dyeing Ltd.	7.01.01	499,401	499,401
		264,890,874	271,652,597
7.01.01 The Dacca Yarn Dyeing Ltd. :			
Balance as on 1st July		499,401	499,401
Add : Addition during the year		-	-
Balance as on 30th June		499,401	499,401
7.02 Deposits :			
Income tax deducted at source	7.02.01	14,776,758	21,723,187
Advance income tax	7.02.02	2,916,740	2,916,740
Deposit with DDGL		23,500	23,500
Athena Enterprise		157,109	157,109
Refundable deposits		461,705	461,705
Security deposit with Titas Gas T&D Co. Ltd.		4,728,150	4,728,150
Security deposit against telephone line		59,895	59,895
Margin deposits for bank guarantee (DBBL)		1,448,296	1,423,296
Deposit with CDBL		400,000	400,000
VAT current account		209,561	306,926
		25,181,714	32,200,508

7.02.01 Income tax deducted at source :

Financial Year	Taka
2005-2006	3,118,425
2008-2009	3,309,738
2009-2010	4,697,529
2012-2013	2,278,662
2013-2014	1,372,404
Total	14,776,758

7.02.02 Advance income tax :

Financial Year	Taka
1995-1996	2,816,740
2005-2006	100,000
Total	2,916,740

	Notes	2014 Taka	2013 Taka
8.00 Cash & bank balances :			
Cash in hand	8.01	817,301	381,601
Cash at bank	8.02	861,753	465,153
		1,679,054	846,754
8.01 Cash in hand :			
At head office		802,856	349,565
At sales center		10,000	10,000
At factory		4,445	22,036
		817,301	381,601

8.02 Cash at Bank :

Bank Name	Br. Name	A/C No.	2014 Taka	2013 Taka
Agrani Bank Ltd.	BB Avenue Corp	Cash Subsidy	5,200	5,200
Agrani Bank Ltd.	Pr. Branch	CD # 14425-8	-	1,131
Agrani Bank Ltd.	Tongi Branch	CD # 1590-5	674	674
Agrani Bank Ltd.	BB Avenue Corp	CD # 10288	38,446	3,114
Dutch Bangla Bank Ltd.	Motijheel F.Exc.	FC # 053	-	7,224
Dutch Bangla Bank Ltd.	Motijheel F.Exc.	FBPAR # 050	324,749	-
Dutch Bangla Bank Ltd.	Motijheel F.Exc.	A/C # 11671	465	2,156
Dutch Bangla Bank Ltd.	Motijheel F.Exc.	A/C # 8500	19,181	19,181
Dutch Bangla Bank Ltd.	Uttara	STD # 392	12,657	46,673
Dutch Bangla Bank Ltd.	Motijheel F.Exc.	STD # 951	2,213	5,478
Dutch Bangla Bank Ltd.	Motijheel F.Exc.	CD # 1796	11,994	22
Com Bank of Cylon Ltd.	Motijheel	CD # 91000	15,762	15,762
National Bank Ltd.	Malibag	FC # 017	286,376	286,376
National Bank Ltd.	Malibag	FC # 033	19,493	19,493
National Bank Ltd.	Malibag	FC # 025	26,095	26,095
Uttara Bank Ltd.	Motijheel	CD # 7934	14,991	14,991
IFIC Bank Ltd.	Motijheel	CD # 114144-001	8,175	8,175
Islami Bank BD Ltd.	H/O Complex Corp. Br.	CD # 78412	75,282	3,408
Total			861,753	465,153

	Notes	2014 Taka	2013 Taka
9.00 Share capital :			
Authorised Capital			
300,000,000 Ordinary shares @ of Tk. 10 each		3,000,000,000	3,000,000,000
		3,000,000,000	3,000,000,000
Issued, subscribed and paid-up capital			
72,027,648 Ordinary shares @ of Tk. 10 each		720,276,480	654,796,800
		720,276,480	654,796,800
20,000,000 shares @ Tk. 10 each fully paid-up in cash		200,000,000	200,000,000
3,000,000 Bonus shares @ Tk. 10 each (Issued in 2008)		30,000,000	30,000,000
5,000,000 Right shares @ Tk. 10 each fully paid-up in cash		50,000,000	50,000,000
17,000,000 Shares @ Tk. 10 each fully paid-up in cash (IPO)		170,000,000	170,000,000
54,00,000 Bonus shares @ 10 each (Issued in 2010)		54,000,000	54,000,000
80,64,000 Bonus Shares @ 10 each (Issued in 2011)		80,640,000	80,640,000
70,15,680 Bonus Shares @ 10 each (Issued in 2012)		70,156,800	70,156,800
65,47,968 Bonus Shares @ 10 each (Issued in 2013)		65,479,680	-
		720,276,480	654,796,800

The position of share holding :

Particulars	2014		2013	
	Number of Shares	% of Holding	Number of Shares	% of Holding
Sponsors & Directors	21,771,684	30.23	19,792,443	30.23
Government	89	0.00	81	0.00
Corporate Bodies	15,981,836	22.19	15,550,778	23.75
General Investors:				
Local-Individual	33,445,308	46.43	29,651,220	45.28
NRB	828,731	1.15	485,158	0.74
Total	72,027,648	100.00	65,479,680	100.00

Share distribution schedule :

The number of shareholders and shareholding position as at June 30, 2014 are given below :

Range of holding	2014		2013	
	Number of Shareholders	% of Holding	Number of Shareholders	% of Holding
Less than 500 shares	4,088	0.87	3,280	1.03
501 to 5,000 shares	6,916	14.36	6,321	10.04
5,001 to 10,000 shares	620	6.21	506	6.97
10,001 to 20,000 shares	326	6.45	287	7.41
20,001 to 30,000 shares	119	4.09	96	3.62
30,001 to 40,000 shares	52	3.46	66	4.20
40,001 to 50,000 shares	28	0.82	54	4.31
50,001 to 100,000 shares	54	7.39	56	5.73
100,001 to 1,000,000 shares	45	15.25	48	21.92
over 1,000,000 shares	10	41.10	9	34.76
Total	12,258	100.00	10,723	100.00

	Notes	2014 Taka	2013 Taka
10.00 Assets revaluation reserve :			
Assets revaluation reserve	10.02	1,111,645,118	1,133,576,400
		1,111,645,118	1,133,576,400
10.01 Capital reserve :			
Capital gain:			
Sale of fixed assets in 1993-94		25,000	25,000
Sale of fixed assets in 1994-95		19,636	19,636
		44,636	44,636
10.02 Assets revaluation reserve :			
Balance as on 1st July 2013		1,133,576,400	1,157,797,983
Add : Addition during the year		-	-
		1,133,576,400	1,157,797,983
Adjustment for depreciation	3.00	(25,801,508)	(28,495,980)
Add: Adjustment for deferred tax	13.00	3,870,226	4,274,397
Balance as on 30th June 2014		1,111,645,118	1,133,576,400
11.00 Retained earnings :			
Balance as on 1st July 2013		70,340,196	73,909,832
Less : Issue of bonus share (Year 2013)		65,479,680	70,156,800
		4,860,516	3,753,032
Add : Net profit after tax for the year		73,551,290	66,587,164
Balance as on 30th June 2014		78,411,806	70,340,196
12.00 Long term borrowings :			
Agrani Bank Ltd.	12.01	369,571,842	369,571,842
Sonali Bank Ltd.	12.02	151,479,244	151,479,244
Dutch-Bangla Bank Ltd.	12.03	14,219,964	14,219,964
		535,271,050	535,271,050
12.01 Agrani Bank Ltd. :			
Balance as on 1st July 2013		574,733,830	534,085,295
Add : Addition (Interest & Bank charges) during the year		1,100	40,648,535
		574,734,930	574,733,830
Less : Payment made during the year		3,256,000	-
Balance as on 30th June 2014		571,478,930	574,733,830
Current Portion		201,907,088	205,161,988
Long Term Portion		369,571,842	369,571,842
		571,478,930	574,733,830

This loan is secured by land, building, machinery, equipment and directors personal guarantee. The loan is repayable in 27 quarterly installment, commencing from June 2011. The loan bears 16% interest which is changeable from time to time.

	Notes	2014 Taka	2013 Taka
12.02 Sonali Bank Ltd. :			
Project loan	12.02.01	151,479,244	151,479,244
		151,479,244	151,479,244
12.02.01 Sonali Bank Ltd. (Project loan) :			
Balance as on 1st July 2013		229,429,913	229,419,913
Add : Interest during the year		10,000	10,000
		229,439,913	229,429,913
Less : Payment made during the year		-	-
Balance as on 30th June 2014		229,439,913	229,429,913
Current Portion		77,960,669	77,950,669
Long Term Portion		151,479,244	151,479,244
		229,439,913	229,429,913

This loan is secured by land, building, machinery, equipment and directors personal guarantee. The loan is repayable in 12 half yearly installment, commencing from november 2011. The loan bears 16% interest which is changeable from time to time.

12.03 Dutch-Bangla Bank Ltd. :			
Project Loan	12.03.01	14,219,964	14,219,964
Loan for ETP	12.03.02	-	-
		14,219,964	14,219,964
12.03.01 Dutch-Bangla Bank Ltd. (Project loan) :			
Balance as on 1st July 2013		24,811,964	32,522,546
Add : Interest during the year		-	4,763,180
		24,811,964	37,285,726
Less : Payment made during the year		4,547,178	12,473,762
Balance as on 30th June 2014		20,264,786	24,811,964
Current Portion		6,044,822	10,592,000
Long Term Portion		14,219,964	14,219,964
		20,264,786	24,811,964

This loan is secured by land, building, machinery, equipment and directors personal guarantee. The loan is repayable in 16 half yearly installment, commencing from June 2009. The loan bears 16% interest which is changeable from time to time.

12.03.02 Dutch-Bangla Bank Ltd. (Long term) :			
Balance as on 1st July 2013		3,142,621	6,947,325
Add : Interest during the year		-	940,275
		3,142,621	7,887,600
Less : Payment made during the year		1,321,398	4,744,979
Balance as on 30th June 2014		1,821,223	3,142,621
Current Portion		1,821,223	3,142,621
Long Term Portion		-	-
		1,821,223	3,142,621

The loan was availed to set-up an Effluent Treatment Plant (ETP) at factory sight. This loan is secured by land, building, machinery, equipment and directors personal guarantee. The loan is repayable in 60 monthly installments commencing from December 2008. The loan bears 16% interest, which is changeable from time to time.

	Notes	2014 Taka	2013 Taka
13.00 Deferred tax liability:			
a) For normal operation			
Balance as on 1st July 2013		59,855,904	48,178,619
Add : Amount provided for the year	28.00	7,762,629	11,677,285
Balance as on 30th June 2014		67,618,533	59,855,904
b) For revaluation reserve			
Balance as on 1st July 2013		200,042,893	204,317,290
Less: Adjustment for depreciation on revalued assets		(3,870,226)	(4,274,397)
Balance as on 30th June 2014		196,172,667	200,042,893
Total Deferred tax liability (a+b)		263,791,200	259,898,797
14.00 Loan from Directors (Unsecured) :			
Mr. Giasuddin Quader Chowdhury		13,182,826	13,182,826
Mr. Jamaluddin Quader Chowdhury		2,500,000	2,500,000
Mr. Sameer Quader Chowdhury		1,118,000	1,118,000
		16,800,826	16,800,826
The above loan is interest free			
15.00 Trade and other payables :			
Liabilities for goods purchases		6,796,624	5,514,145
Liability for letter of trust receipts (LTR)		7,988,561	16,276,223
Liabilities for expenses-trade & advance		2,420,730	3,399,019
Provision for bank liability		283,371,945	119,625,180
Liabilities for others expenses		28,908,412	15,645,688
Workers profit participation fund		26,389,791	22,063,245
		355,876,063	182,523,500
16.00 Current maturity of long term borrowings :			
Agrani Bank Ltd.	12.01	201,907,088	205,161,988
Sonali Bank Ltd.			
Project loan	12.02.01	77,960,669	77,950,669
Dutch-Bangla Bank Ltd.			
Project Loan	12.03.01	6,044,822	10,592,000
Loan for ETP	12.03.02	1,821,223	3,142,621
		287,733,802	296,847,278
17.00 Short term loan :			
Cash Credit (Hypo loan)	17.01	361,287,798	361,287,798
Bank Overdraft	17.02	27,863,422	22,561,359
		389,151,220	383,849,157
17.01 Cash Credit (Hypo loan) :			
Agrani Bank Ltd.	17.01.01	174,494,215	174,494,215
Sonali Bank Ltd.	17.01.02	186,793,583	186,793,583
		361,287,798	361,287,798

	Notes	2014 Taka	2013 Taka
17.01.01 Agrani Bank Ltd. (CC A/c # 051425) :			
Balance as on 1st July 2013		174,494,215	154,744,123
Add : Interest during the year		-	19,750,092
		174,494,215	174,494,215
Less : Payment made during the year		-	-
Balance as on 30th June 2014		174,494,215	174,494,215
17.01.02 Sonali Bank Ltd. (A/c # 09977) :			
Balance as on 1st July 2013		186,793,583	186,793,583
Add : Interest during the year		-	-
		186,793,583	186,793,583
Less : Payment made during the year		-	-
Balance as on 30th June 2014		186,793,583	186,793,583
17.02 Bank Overdraft :			
Dutch Bangla Bank Ltd.OD A/c # 122		27,863,422	22,561,359
		27,863,422	22,561,359

Cash credit facilities and overdrawn secured by the hypothecation of raw materials, work in process, finished goods, sundry debtors etc. The loan bears 16% Sonali bank, 16% Dutch bangla bank and 16% Agrani bank interest which is changeable from time to time.

18.00 Provision for income tax :			
Balance as on 1st July 2013		12,058,704	13,729,586
Add : Addition during the year	27.00	5,217,010	73,391
		17,275,714	13,802,977
Less: Adjustment / Payment during the year 2013-2014		(10,019,296)	(1,744,273)
Balance as on 30th June 2014		7,256,418	12,058,704

Financial Year	Tax Provision as per Accounts
2005-2006	170,098
2008-2009	5,000
2009-2010	1,790,919
2012-2013	73,391
2013-2014	5,217,010
Total	7,256,418

19.00 Share Application Account :			
Balance as on 1st July 2013		1,409,549	1,409,549
Balance as on 30th June 2014		1,409,549	1,409,549
20.00 Revenue :			
Export sales	20.01	40,754,451	181,668,576
Incentive *		1,363,725	9,083,426
Local sales, net of VAT	20.02	908,385,238	713,983,549
		950,503,414	904,735,551

* Incentive in the form of cash subsidy has been allowed by Bangladesh Bank against export at the rate of 5%.

20.01 Export sales :

Particulars	(Amount in TK.)	
	2014	2013
Fabrics, Bed set, Towel	40,754,451	181,668,576
	40,754,451	181,668,576

20.02 Local sales, net of VAT :

Particulars	2014		2013	
	Quantity	Taka	Quantity	Taka
Towel	3,25,421 pcs	71,931,174	2,86,813 pcs	57,930,761
Fabrics	37,14,383 mtr	507,177,350	31,75,521 mtr	418,676,772
Fabrics	3,89,318 set	329,276,714	3,49,212 set	237,376,016
		908,385,238		713,983,549

	Notes	2014 Taka	2013 Taka
21.00 Cost of revenue :			
Cost of yarn consumption	21.01	261,194,553	347,273,198
Cost of dyes & chemical consumption	21.02	175,151,286	113,204,514
Cost of spare & store consumption	21.03	14,620,940	22,798,923
Manufacturing overhead	21.04	156,131,657	191,320,048
		607,098,436	674,596,683
Inventory adjustment			
Changes in work-in process		(111,582,375)	38,186,346
Changes in stock of finished goods		88,537,312	(149,365,882)
		(23,045,063)	(111,179,536)
Total cost of revenue		584,053,373	563,417,147
21.01 Cost of yarn consumption :			
Opening inventory		47,934,738	120,825,272
Add : Purchased during the year		254,382,664	274,382,664
		302,317,402	395,207,936
Less :Closing Inventory		41,122,849	47,934,738
Cost of yarn consumption		261,194,553	347,273,198
21.02 Cost of dyes & chemical consumption :			
Opening Inventory		14,459,189	18,851,821
Add : Purchased during the year		167,800,896	108,811,882
		182,260,085	127,663,703
Less :Closing Inventory		7,108,799	14,459,189
Cost of dyes & chemical consumption		175,151,286	113,204,514
21.03 Cost of spare & store consumption :			
Opening Inventory		37,112,935	38,364,976
Add : Purchased during the year		20,754,543	21,546,882
		57,867,478	59,911,858
Less :Closing Inventory		43,246,538	37,112,935
Cost of spare & store consumption		14,620,940	22,798,923

	Notes	2014 Taka	2013 Taka
21.04 Manufacturing overhead :			
Salaries & wages		58,481,495	82,141,624
Electricity Expenses		2,357,455	1,748,701
Gas bill		32,863,638	31,473,624
Repairs & maintenance		1,159,995	456,112
Insurance		-	2,821,137
Carriage inward		444,475	685,335
Traveling & conveyance		838,935	940,328
Entertainment		818,520	1,320,741
Postages, telegram & telephone		393,861	194,203
Printing & stationary		428,356	377,108
Vehicles-fuel & maintenance		490,309	766,530
General expenses		559,312	1,139,930
Processing charge		125,466	9,439,011
Depreciation	3.00	57,169,840	57,815,664
		156,131,657	191,320,048
22.00 Others income :			
Interest received		11,578	9,759
		11,578	9,759
23.00 Administrative expenses :			
Salaries & allowances		21,733,162	21,769,887
Electricity expenses		1,070,325	1,081,164
Office rent		1,831,200	1,716,750
Repairs & maintenance		224,035	86,250
Traveling & conveyance		388,947	697,193
Postages,telegram & telephone		540,751	114,862
Entertainment		749,355	847,109
Lease rent		1,736,080	17,368,400
Vehicles fuel & maintenance		633,351	555,302
Donation & subscription		600	1,160
Printing & stationary		723,454	549,604
Legal & professional fees		193,250	150,000
Documentation		32,340	70,098
AGM Expenses		208,445	550,023
Audit Fees		184,000	115,000
License fees		178,460	269,480
Directors fees & expenses		528,595	470,000
Advertisement		25,000	152,184
Depreciation (Note - 3)		757,780	895,876
		31,739,130	47,460,342

	Notes	2014 Taka	2013 Taka
24.00 Selling and distribution expenses :			
Salaries & wages		5,973,014	7,776,038
Office Rent		1,031,639	1,060,776
Electricity Expenses		35,005	69,084
Repairs & maintenance		69,465	89,586
Carriage outward		40,010	27,308
Freight & forwarding		632,152	5,227,618
Traveling & conveyance		55,000	49,542
Entertainment		108,028	98,392
Postages,telephone & news paper		98,316	612,190
Business development (sales promotion)		2,095,226	1,144,228
Printing & stationary		173,243	103,545
Fair & exhibition		335,000	498,757
Advertisement		88,438	12,000
		10,734,536	16,769,064
25.00 Financial charges :			
Bank interest	25.01	231,687,718	194,032,647
Bank charges		1,442,760	811,378
		233,130,478	194,844,025
25.01 Bank interest :			
Working capital (C.C Hypo)		72,647,674	62,391,521
Project loans & others		156,937,118	126,726,517
Interest on LTR		1,641,003	4,774,560
Exchange gain/loss		461,923	140,049
		231,687,718	194,032,647
26.00 Contribution to WPPF & WWF :			
Provision for contribution to WPPF & WWF		4,326,546	3,916,892
		4,326,546	3,916,892
This represents 5% of Net Income before charging Income Tax as per provisions of the Labour Law - 2006, Chapter - 15 and it shall be allocated among eligible workers as defined in the said act.			
27.00 Provision for income tax :			
Profit before tax as per financial accounts		86,530,929	78,337,840
Less : Depreciation as per tax base financial accounts		(109,678,481)	(136,560,106)
Add; Depreciation as per financial statement		57,927,620	58,711,541
Profit / (Loss) before tax as per tax base		34,780,068	489,275
Tax rate		15%	15%
Provision for income tax		5,217,010	73,391
28.00 Provision for deferred tax:			
Depreciation charge as per tax base		109,678,481	136,560,106
Depreciation charge as per financial accounts		57,927,620	58,711,541
Temporary difference at the end of the year 2013-2014		51,750,861	77,848,565
Tax rate		15%	15%
Deferred tax liability for the year		7,762,629	11,677,285

	Notes	2014 Taka	2013 Taka
29.00 Earning per share:			
Net profit after tax		73,551,289	66,587,156
Divided by number of weighted average ordinary share		72,027,648	65,479,680
Earning per share		1.02	1.02
Weighted average share after adjusted bonus share -2013		-	72,027,648
Earning per share (adjusted)			0.92
30.00 Cash flow from operating activities under indirect method:			
Net profit after tax for the year		73,551,290	66,587,164
Add back: Depreciation on fixed assets		57,927,620	58,711,541
Adjusted Profit		131,478,910	125,298,705
Adjustment for working capital			
(Increase) /Decrease in inventories		(15,016,387)	(32,644,329)
(Increase) / Decrease in trade and others receivable		20,799,554	(31,358,652)
(Increase) / Decrease in advance, deposits and prepayments		13,780,517	(45,317,241)
Increase/(Decrease) in trade and other payables		17,893,460	(3,751,370)
Increase/(Decrease) in provision for income tax		(4,802,286)	(1,670,882)
Increase/(Decrease) in accrued expenses		162,063,667	119,625,186
Long term interest charged in Financing Activity		11,100	46,361,990
Increase in deferred tax		7,762,629	11,677,285
		333,971,165	188,220,692

31.00 Contingent liability :

There was no sum for which the company is contingently liable as on 30th June 2014.

32.00 Claim against the company :

There was no claim against the company yet acknowledged as debt as on 30th June 2014.

33.00 Payment / Perquisites to directors:

The aggregate amounts paid / provided during the period in respect of directors are disclosed below :

Managerial remuneration	3,480,000	3,480,000
Board Meeting fees	460,000	470,000
	3,940,000	3,950,000

Managerial remuneration paid to the directors for their full time services, rendered are :

Mr. Giasuddin Quader Chowdhury, Managing Director	1,800,000	1,800,000
Mr. Sameer Quader Chowdhury, Deputy Managing Director	1,680,000	1,680,000
	3,480,000	3,480,000

- No compensation was made to the MD of the company except as stated in (33) above.
- No amount was spent by the company for compensating any member of the Board of Directors except as stated in (33) above.

34.00 Related party transactions :

The names and nature of the related parties, the nature of these transactions and their total value are as follows:

Name of the parties	Relationship	Nature of transaction	Value of Transaction	Closing Balance
The Dacca Yarn Dyeing Ltd.	Equity Investor	Short Term	- Loan (interest free)	499,401

There is no other related party except as stated in (34) above

35.00 Capacity utilization :

Particulars	Licensed Capacity (for one year)	Installed Capacity (for one year)	Actual Production (for one year)	Utilisation (%)
Weaving	158.97 yds.	151.75 yds.	69.29 yds.	46
Dyeing	270.00 yds.	262.61 yds.	156.21 yds.	59
Printing	270.00 yds.	262.61 yds.	156.21 yds.	59
Stitching	No Mention	218.85 yds.	129.15 yds	59

The production capacity could not be fully utilized due to non-availability of adequate Gas supply, imbalance of machinery and also constrain of working capital.

36.00 Operating lease obligation :

The future annual rentals are as follows :

Lease Rental Payable	Amount in Tk.
Not later than one year	
Later than one year and not later than five years	4,845,320
Later than five years	-
	4,845,320

37.00 Foreign exchange earned :

Export of goods calculated on FOB basis is US\$ 5,22,493

38.00 Payments in foreign currency :

a) During the year, the value of imports of raw material has been calculated on CIF basis in respect of :

Name of Items	In USD	In EURO	C.I.F Value in Tk.
Chemical & Dyes	14,800	-	1,164,997

b) No payment was made during the year in foreign currency on account of royalty, know-how, professional consultation fees, interest and other matters.

39.00 Value of material consumption:

Value of consumption of raw materials, spare parts and components and percentage of consumption are as follows :

Particular	Yarn	Dyes & Chemical	Spares & Store	Total
Opening Stock	47,934,738	14,459,189	37,112,935	99,506,862
Purchase-(Foreign L/C)	-	1,164,997	-	1,164,997
Purchase-(Local L/C)	16,714,813	3,390,251	2,268,660	22,373,724
Purchase-(Local Cash)	237,667,851	163,245,648	18,485,883	419,399,382
Closing Stock	(41,122,849)	(7,108,799)	(43,246,538)	(91,478,186)
Consumption	261,194,553	175,151,286	14,620,940	450,966,779
% of Consumption	57.92%	38.84%	3.24%	100.00%

40.00 Number of employees :

The company paid an aggregate amount more than Taka 3,000 per month to all the 873 employees who were in employment for the period.

41.00 Tax Status

Financial Year	Assessment Year	Tax Provision as per Accounts	Advance Tax			Demand as per Assessment Order	Status
			TDS	Challan	Total		
1995-1996	1996-1997	-	-	2,816,740	2,816,740	-	"Stay order under writpetition no 1846 of 2001 High court division"
2005-2006	2006-2007	170,098	3,118,425	100,000	3,218,425	2,152,583	Under writ petition on 38 of 2009 High court division
2008-2009	2009-2010	5,000	3,309,738	-	3,309,738	3,632,412	Under process for writ petition of High court division
2009-2010	2010-2011	1,790,919	4,697,529	-	4,697,529	(484,911)	Order completed in Tribunal
2012-2013	2013-2014	73,391	2,278,662	-	2,278,662	-	Assessment not completed
2013-2014	2014-2014	5,217,010	1,372,404	-	1,372,404	-	Not yet submitted
Total		7,256,418	14,776,758	2,916,740	17,693,498		

42.00 Event after the balance sheet date:

42.01 The Board of Directors in its meeting held on 13 November, 2014 recommended 10% stock dividend for the shareholders which is subject to approval by the shareholders at the forthcoming Annual General Meeting and authorise the financial statements for issue.

42.02 Except the fact stated above, no circumstances have arisen since the balance sheet date, which would require adjustment to or disclosure in the financial statements or notes thereto.