

***Dear Shareholders***

***Dated: 12<sup>th</sup> February 2014***

***We are pleased to present the un-audited half year ended 31 December Financial Report 2013 of the Company and separate Statement of Financial Position as at December 31, 2013, Statement of Comprehensive Income, Statements of changes in equity and Statement of Cash Flows for the half year ended 31 December, 2013***



***Giasuddin Quader Chowdhury  
Managing Director***



***Half yearly Un-Audited Report, 2013  
For the period July to December, 2013***

# The Dacca Dyeing & Manufacturing Company Limited

## Statement of Financial Position ( Un-audited )

As at 31 December, 2013

	31.12.13 Taka	30.06.13 Taka
<b>Assets</b>		
<b>Non-Current Assets :</b>		
Property, plant and equipment	2,369,452,723	2,351,151,590
Investment in shares	10,050,000	10,050,000
<b>Total non current assets</b>	<b>2,379,502,723</b>	<b>2,361,201,590</b>
<b>Current Assets :</b>		
Inventories	488,981,535	444,726,069
Trade and other receivables	421,277,569	440,593,666
Advance, deposits & prepayments	306,635,236	303,853,105
Cash & bank balances	6,546,167	846,754
<b>Total current assets</b>	<b>1,223,440,507</b>	<b>1,190,019,594</b>
<b>Total Assets</b>	<b>3,602,943,230</b>	<b>3,551,221,184</b>
<b>Equity and Liabilities :</b>		
Equity attributable to owners of the company		
Share capital	720,276,480	654,796,800
Tax holiday reserve	3,804,291	3,804,291
Assets revaluation reserve	1,122,610,759	1,133,576,400
Other Capital reserve	44,636	44,636
Retained earnings	70,353,627	70,340,196
<b>Total equity</b>	<b>1,917,089,793</b>	<b>1,862,562,323</b>
<b>Non-Current Liabilities :</b>		
Long term borrowings	535,271,050	535,271,050
Deferred tax liability	262,210,183	259,898,797
Loan from Directors	16,800,826	16,800,826
<b>Total non current liabilities</b>	<b>814,282,059</b>	<b>811,970,673</b>
<b>Current Liabilities :</b>		
Trade and other payables	174,670,485	182,523,500
Current maturity of long term borrowings	294,723,498	296,847,278
Short term borrowings	383,142,306	383,849,157
Provision for current tax	17,625,540	12,058,704
Share application account	1,409,549	1,409,549
<b>Total current liabilities</b>	<b>871,571,378</b>	<b>876,688,188</b>
<b>Total liabilities</b>	<b>1,685,853,437</b>	<b>1,688,658,861</b>
<b>Total Equity and Liabilities</b>	<b>3,602,943,230</b>	<b>3,551,221,184</b>

**Net Asset Value ( NAV ) Per Share of Tk 10.00 each**  
( With revaluation reserve )

26.62

25.86

**Net Asset Value ( NAV ) Per Share of Tk 10.00 each**  
( Without revaluation reserve )

11.03

10.12

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



**Md. Majibur Rahman**  
Company Secretary



**Giasuddin Quader Chowdhury**  
Managing Director

**The Dacca Dyeing & Manufacturing Company Limited**  
**Statement of Comprehensive Income ( Un-audited )**  
**for the half year ended 31 December, 2013**

Particulars	Half Year Ended		Quarter Ended	
	Dec 31, 2013	Dec 31, 2012	Dec 31, 2013	Dec 31, 2012
	Taka	Taka	Taka	Taka
Revenue	512,270,155	562,171,108	308,397,061	319,847,458
Cost of revenue	(297,366,704)	(337,427,086)	(176,074,348)	(187,716,996)
<b>Gross profit</b>	<b>214,903,451</b>	<b>224,744,022</b>	<b>132,322,713</b>	<b>132,130,462</b>
Other income	9,759	6,475	-	-
<b>Operating expenses:</b>	<b>(134,009,955)</b>	<b>(95,765,015)</b>	<b>(76,400,665)</b>	<b>(51,285,806)</b>
Administrative expenses	(15,306,442)	(25,185,026)	(8,097,385)	(17,704,186)
Selling and distribution expenses	(5,472,369)	(10,993,942)	(2,132,092)	(6,854,504)
Financial charges	(113,231,144)	(59,586,047)	(66,171,188)	(26,727,116)
<b>Operating profit</b>	<b>80,903,255</b>	<b>128,985,482</b>	<b>55,922,048</b>	<b>80,844,656</b>
Contribution to WPPF & WWF	(3,852,536)	(6,142,166)	(2,662,955)	(3,849,746)
<b>Profit before income tax</b>	<b>77,050,719</b>	<b>122,843,316</b>	<b>53,259,093</b>	<b>76,994,910</b>
<b>Provision for income tax</b>	<b>(11,557,608)</b>	<b>(18,426,498)</b>	<b>(7,988,864)</b>	<b>(11,549,237)</b>
Current tax	(7,311,109)	(14,032,216)	(5,874,798)	(9,353,238)
Deferred tax	(4,246,499)	(4,394,282)	(2,114,066)	(2,195,999)
<b>Net profit after tax</b>	<b>65,493,111</b>	<b>104,416,818</b>	<b>45,270,229</b>	<b>65,445,673</b>
<b>Earning per share of Tk. 10.00 each</b>	<b>0.91</b>	<b>1.45</b>	<b>0.63</b>	<b>0.91</b>

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



**Md. Majibur Rahman**  
Company Secretary



**Giasuddin Quader Chowdhury**  
Managing Director

# The Dacca Dyeing & Manufacturing Company Limited

## Statement of Changes in Equity ( Un-audited ) for the half year ended 31 December, 2013

Particulars	Ordinary Share Capital	Tax Holiday Reserve	Asset Revaluation Reserve	Other Capital Reserve	Retained Earnings	Total Equity
Balance at 1st July 2013	654,796,800	3,804,291	1,133,576,400	44,636	70,340,196	1,862,562,323
Issue bonus share for 2012-2013	65,479,680				(65,479,680)	-
Net profit after tax					65,493,111	65,493,111
Adjustment for Depreciation on revalued assets			(12,900,754)			(12,900,754)
Adjustment for deferred tax on revaluation reserve			1,935,113			1,935,113
<b>Balance at December 31, 2013</b>	<b>720,276,480</b>	<b>3,804,291</b>	<b>1,122,610,759</b>	<b>44,636</b>	<b>70,353,627</b>	<b>1,917,089,793</b>

## Statement of Changes in Equity ( Un-audited ) for the half year ended 31 December, 2012

Particulars	Ordinary Share Capital	Tax Holiday Reserve	Asset Revaluation Reserve	Other Capital Reserve	Retained Earnings	Total Equity
Balance at 1st July 2012	584,640,000	3,804,291	1,157,797,983	44,636	73,909,832	1,820,196,742
Issue bonus share for 2011-2012	70,156,800				(70,156,800)	-
Net profit after tax					104,416,818	104,416,818
Adjustment for Depreciation on revalued assets			(14,247,990)			(14,247,990)
Adjustment for deferred tax on revaluation reserve			2,137,199			2,137,199
<b>Balance at December 31, 2012</b>	<b>654,796,800</b>	<b>3,804,291</b>	<b>1,145,687,192</b>	<b>44,636</b>	<b>108,169,850</b>	<b>1,912,502,768</b>



**Md. Majibur Rahman**  
Company Secretary



**Giasuddin Quader Chowdhury**  
Managing Director

**The Dacca Dyeing & Manufacturing Company Limited**  
**Statement of Cash Flow ( Un-audited )**  
**for the half year ended 31 December, 2013**

Particulars	Half Year Ended 31st Dec, 2013	Half Year Ended 31st Dec, 2012
	Taka	Taka
<b>Cash flows from operating activities</b>		
Receipts from customers	531,586,252	536,689,168
Other income	9,759	6,475
Payment to suppliers and employees	(449,590,435)	(438,592,319)
<b>Cash generated from operation</b>	<b>82,005,576</b>	<b>98,103,324</b>
Interest (Short term loan) & bank charges paid	(2,359,473)	(15,774,667)
Income tax paid	(2,706,112)	(1,635,090)
<b>Net cash flows / (used) operating activities</b>	<b>76,939,991</b>	<b>80,693,567</b>
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment		(1,900,104)
Acquisition of capital work-in-progress	(57,731,133)	(66,992,546)
<b>Net cash used in investing activities</b>	<b>(57,731,133)</b>	<b>(68,892,650)</b>
<b>Cash flows from financing activities</b>		
Increase /(Decrease) in short term loan	(8,935,945)	8,060,400
Interest & bank charges on Long term loan	(2,449,720)	(3,122,222)
Increase /(Decrease) of Long term loan	(2,123,780)	(6,015,584)
<b>Net cash flows in financing activities</b>	<b>(13,509,445)</b>	<b>(1,077,406)</b>
<b>Net increase / (Decrease) in cash and cash equivalent</b>	<b>5,699,413</b>	<b>10,723,511</b>
Cash and cash equivalent at the beginning	846,754	11,998,985
<b>Cash and cash equivalent at the end</b>	<b>6,546,167</b>	<b>22,722,496</b>

Net Operating Cash Flow per Share of Tk. 10.00 each

1.07

1.12

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



**Md. Majibur Rahman**  
Company Secretary



**Giasuddin Quader Chowdhury**  
Managing Director

# THE DACCA DYEING & MANUFACTURING COMPANY LTD.

## Notes to the Interim Financial Statements For the half year ended December 31, 2013

### 1. Basis of Preparation of Interim Financial Statements:

These Financial Statements are prepared in accordance with the Bangladesh Accounting Standard (BAS 34) 'Interim Financial Reporting'. These Financial Statements should read in conjunction with the Annual Financial Statements as of June 30, 2013 and half year ended 31 December, 2012 as they provide an update of previously reported information.

### 2. Accounting Policies and Presentation:

The accounting policies and presentation used are consistent with those used in the Annual Financial Statements. Where necessary, the comparatives have been reclassified, restated or extended from the previously reported Interim Financial Statements to take into account any presentational changes made in the Annual Financial Statements or in these Interim Financial Statements.

### 3. Income Tax:

Current and deferred income tax expense is recognized based upon the best estimate of the weighted average income tax rate expected for the reporting period.

	31.12.13 Taka	31.12.12 Taka
<b>4. Revenue :</b>		
Export sales	40,754,451	140,773,161
Incentive *	1,363,725	4,927,058
Local sales, net of VAT	470,151,979	416,470,889
	<b>512,270,155</b>	<b>562,171,108</b>

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

	31.12.13 Taka	30.06.13 Taka
<b>5. Inventories</b>		
Finished Goods	233,510,429	225,255,095
Work In process	140,562,331	119,964,112
Dyes and Chemicals	15,809,483	14,459,189
Stock of Yarn	59,069,449	47,934,738
Stores, Spares, Packing materials & others	40,029,843	37,112,935
	<b>488,981,535</b>	<b>444,726,069</b>

	31.12.13 Taka	30.06.13 Taka
<b>6. Assets revaluation reserve :</b>		
Balance as on 1st July	1,133,576,400	1,157,797,983
Add : Addition during the period	-	-
	1,133,576,400	1,157,797,983
Adjustment for depreciation	(12,900,754)	(28,495,980)
Add: Adjustment for deferred tax	1,935,113	4,274,397
Balance as on 31st December	<b>1,122,610,759</b>	<b>1,133,576,400</b>

### 7. Deferred tax liability:

	31.12.13 Taka	30.06.13 Taka
<b>a) For normal operation</b>		
Balance as on 1st July	59,855,904	48,178,619
Add : Amount provided for the period	4,246,499	11,677,285
Balance as on 31st December	<b>64,102,403</b>	<b>59,855,904</b>
<b>b) For revaluation reserve</b>		
Balance as on 1st July	200,042,893	204,317,290
Less: Adjustment for depreciation on revalued assets	(1,935,113)	(4,274,397)
Balance as on 31st December	<b>198,107,780</b>	<b>200,042,893</b>
<b>Total Deferred tax liability ( a+b )</b>	<b>262,210,183</b>	<b>259,898,797</b>

	31.12.13 Taka	31.12.12 Taka
<b>8. Provision for income tax :</b>		
Profit before tax as per financial accounts	77,050,719	122,843,316
Less : Depreciation as per tax base than financial accounts	(54,839,241)	(56,961,866)
Add : Depreciation charge as per financial statement	26,529,246	27,666,655
<b>Profit / (Loss) before tax as per tax base</b>	<b>48,740,724</b>	<b>93,548,105</b>
Tax rate	15%	15%
<b>Provision for income tax</b>	<b>7,311,109</b>	<b>14,032,216</b>

	31.12.13 Taka	31.12.12 Taka
<b>9. Provision for deferred tax</b>		
Depreciation charge as per tax base	54,839,241	56,961,866
Depreciation charge as per financial accounts	26,529,246	27,666,655
<b>Temporary difference at the end of the period</b>	<b>28,309,995</b>	<b>29,295,211</b>
Tax rate	15%	15%
<b>Deferred tax liability for the period</b>	<b>4,246,499</b>	<b>4,394,282</b>