

*Dear Shareholders*

*Dated: 29<sup>th</sup> April 2014*

*We are pleased to present the un-audited 3<sup>rd</sup> quarter ended 31 March Financial Report 2014 of the Company and separate Statement of Financial Position as at March 31, 2014, Statement of Comprehensive Income, Statements of changes in equity and Statement of Cash Flows for the 3<sup>rd</sup> quarter ended 31 March, 2014*



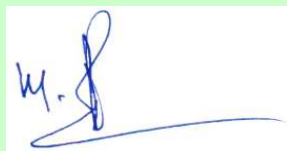
*Giasuddin Quader Chowdhury  
Managing Director*



*3<sup>rd</sup> Quarter Un-Audited Report, 2014  
For the period July, 13 to March, 2014*

**The Dacca Dyeing & Manufacturing Company Limited**  
**Statement of Financial Position ( Un-audited )**  
**As at 31 March, 2014**

	31.03.14 Taka	30.06.13 Taka
<b>Assets</b>		
<b>Non-Current Assets :</b>		
Property, plant and equipment	2,392,373,177	2,351,151,590
Investment in shares	10,050,000	10,050,000
<b>Total non current assets</b>	<b>2,402,423,177</b>	<b>2,361,201,590</b>
<b>Current Assets :</b>		
Inventories	484,335,987	444,726,069
Trade and other receivables	435,782,576	440,593,666
Advance, deposits & prepayments	319,839,955	303,853,105
Cash & bank balances	3,621,886	846,754
<b>Total current assets</b>	<b>1,243,580,404</b>	<b>1,190,019,594</b>
<b>Total Assets</b>	<b>3,646,003,581</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	1,117,127,939	1,133,576,400
Other Capital reserve	44,636	44,636
Retained earnings	116,999,054	70,340,196
<b>Total equity</b>	<b>1,958,252,399</b>	<b>1,862,562,323</b>
<b>Non-Current Liabilities :</b>		
Long term borrowings	535,271,050	535,271,050
Deferred tax liability	263,377,817	259,898,797
Loan from Directors	16,800,826	16,800,826
<b>Total non current liabilities</b>	<b>815,449,693</b>	<b>811,970,673</b>
<b>Current Liabilities :</b>		
Trade and other payables	171,500,630	182,523,500
Current maturity of long term borrowings	291,328,121	296,847,278
Short term borrowings	385,411,973	383,849,157
Liability for current tax	22,651,215	12,058,704
Share application account	1,409,549	1,409,549
<b>Total current liabilities</b>	<b>872,301,489</b>	<b>876,688,188</b>
<b>Total liabilities</b>	<b>1,687,751,182</b>	<b>1,688,658,861</b>
<b>Total Equity and Liabilities</b>	<b>3,646,003,581</b>	<b>3,551,221,184</b>
<b>Net Asset Value ( NAV ) Per Share of Tk 10.00 each</b> ( With revaluation reserve )	<b>27.19</b>	<b>28.44</b>
<b>Net Asset Value ( NAV ) Per Share of Tk 10.00 each</b> ( Without revaluation reserve )	<b>11.68</b>	<b>11.13</b>



**Md. Majibur Rahman, FCMA**  
**Company Secretary**



**Giasuddin Quader Chowdhury**  
**Managing Director**

**The Dacca Dyeing & Manufacturing Company Limited**  
**Statement of Comprehensive Income ( Un-audited )**  
**for the 3rd quarter ended 31 March, 2014**

Particulars	3rd Quarter Ended		Quarter Ended	
	March 31, 2014	March 31, 2013	Jan to March 31, 2014	Jan to March 31, 2013
	Taka	Taka	Taka	Taka
Revenue	702,691,260	697,716,174	190,421,105	75,245,066
Cost of revenue	(399,017,152)	(420,390,297)	(101,650,448)	(42,963,211)
<b>Gross profit</b>	<b>303,674,108</b>	<b>277,325,877</b>	<b>88,770,657</b>	<b>32,281,855</b>
Other income	9,759	44,038	-	-
<b>Operating expenses:</b>	<b>(165,159,791)</b>	<b>(132,132,431)</b>	<b>(31,149,836)</b>	<b>(15,648,113)</b>
Administrative expenses	(24,710,409)	(28,418,730)	(9,403,967)	(3,233,704)
Selling and distribution expenses	(8,928,736)	(13,545,077)	(3,456,367)	(2,551,135)
Financial charges	(131,520,646)	(90,168,624)	(18,289,502)	(9,863,274)
<b>Operating profit</b>	<b>138,524,076</b>	<b>145,237,484</b>	<b>57,620,821</b>	<b>16,633,742</b>
Contribution to WPPF & WWF	(6,596,385)	(6,916,071)	(2,743,849)	(792,083)
<b>Profit before income tax</b>	<b>131,927,691</b>	<b>138,321,413</b>	<b>54,876,972</b>	<b>15,841,659</b>
<b>Provision for income tax</b>	<b>(19,789,154)</b>	<b>(20,748,212)</b>	<b>(8,231,546)</b>	<b>(2,376,249)</b>
Current tax	(13,407,463)	(14,156,821)	(6,096,354)	(179,139)
Deferred tax	(6,381,690)	(6,591,391)	(2,135,191)	(2,197,110)
<b>Net profit after tax</b>	<b>112,138,538</b>	<b>117,573,200</b>	<b>46,645,427</b>	<b>13,465,410</b>
<b>Earning per share of Tk. 10.00 each</b>	<b>1.56</b>	<b>1.63</b>	<b>0.65</b>	<b>0.19</b>



**Md. Majibur Rahman, FCMA**  
**Company Secretary**



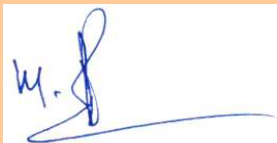
**Giasuddin Quader Chowdhury**  
**Managing Director**

**The Dacca Dyeing & Manufacturing Company Limited**  
**Statement of Changes in Equity ( Un-audited )**  
**for the 3rd quarter ended 31 March, 2014**

Particulars	Ordinary Share Capital	Tax Holiday Reserve	Asset Revaluation Reserve	Other Capital Reserve	Retained Earnings	Total Equity
<b>Balance at 1st July 2013</b>	<b>654,796,800</b>	<b>3,804,291</b>	<b>1,133,576,400</b>	<b>44,636</b>	<b>70,340,196</b>	<b>1,862,562,323</b>
Issue bonus share for 2012-2013	65,479,680				(65,479,680)	-
Net profit after tax					112,138,538	112,138,538
Adjustment for Depreciation on revalued assets			(19,351,131)			(19,351,131)
Adjustment for deferred tax on revaluation reserve			2,902,670			2,902,670
<b>Balance at March 31, 2014</b>	<b>720,276,480</b>	<b>3,804,291</b>	<b>1,117,127,939</b>	<b>44,636</b>	<b>116,999,054</b>	<b>1,958,252,399</b>

**Statement of Changes in Equity ( Un-audited )**  
**for the 3rd quarter ended 31 March, 2013**

Particulars	Ordinary Share Capital	Tax Holiday Reserve	Asset Revaluation Reserve	Other Capital Reserve	Retained Earnings	Total Equity
<b>Balance at 1st July 2012</b>	<b>584,640,000</b>	<b>3,804,291</b>	<b>1,157,797,983</b>	<b>44,636</b>	<b>73,909,832</b>	<b>1,820,196,742</b>
Issue bonus share for 2011-2012	70,156,800				(70,156,800)	-
Net profit after tax					117,573,200	117,573,200
Adjustment for Depreciation on revalued assets			(21,371,985)			(21,371,985)
Adjustment for deferred tax on revaluation reserve			3,205,798			3,205,798
<b>Balance at March 31, 2013</b>	<b>654,796,800</b>	<b>3,804,291</b>	<b>1,139,631,796</b>	<b>44,636</b>	<b>121,326,232</b>	<b>1,919,603,754</b>



**Md. Majibur Rahman, FCMA**  
**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 March, 2014**

Particulars	3rd Quarter Ended 31st March, 2014	3rd Quarter Ended 31st March, 2013
	Taka	
<b>Cash flows from operating activities</b>		
Receipts from customers	707,502,350	635,367,124
Other income	9,759	44,038
Payment to suppliers and employees	(581,697,931)	(515,205,258)
<b>Cash generated from operation</b>	<b>125,814,178</b>	<b>120,205,904</b>
Interest (Short term loan) & bank charges paid	(2,649,265)	(24,528,727)
Income tax paid	(3,929,441)	(4,605,185)
<b>Net cash flows / (used) operating activities</b>	<b>119,235,472</b>	<b>91,071,992</b>
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(1,317,195)	(1,950,504)
Acquisition of capital work-in-progress	(99,152,238)	(96,992,546)
<b>Net cash used in investing activities</b>	<b>(100,469,433)</b>	<b>(98,943,050)</b>
<b>Cash flows from financing activities</b>		
Increase /(Decrease) in short term loan	(6,866,331)	9,801,132
Interest & bank charges on Long term loan	(3,605,419)	(4,295,173)
Increase /(Decrease) of Long term loan	(5,519,157)	(4,842,633)
<b>Net cash flows in financing activities</b>	<b>(15,990,907)</b>	<b>663,326</b>
<b>Net increase / (Decrease) in cash and cash equivalent</b>	<b>2,775,132</b>	<b>(7,207,732)</b>
Cash and cash equivalent at the beginning	846,754	11,998,985
<b>Cash and cash equivalent at the end</b>	<b>3,621,886</b>	<b>4,791,253</b>
<b>Net Operating Cash Flow per Share of Tk. 10.00 each</b>	<b>1.66</b>	<b>1.39</b>



**Md. Majibur Rahman, FCMA**  
**Company Secretary**



**Giasuddin Quader Chowdhury**  
**Managing Director**

# THE DACCA DYEING & MANUFACTURING COMPANY LTD.

## Notes to the Interim Financial Statements For the 3rd Quarter ended March 31, 2014

### 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 3rd Quarter ended 31 March, 2013 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.

	31.03.14 Taka	31.03.13 Taka
<b>4. Revenue :</b>		
Export sales	40,754,451	164,774,961
Incentive *	1,363,725	5,767,120
Local sales, net of VAT	660,573,084	527,174,093
	<b>702,691,260</b>	<b>697,716,174</b>

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

	31.03.14 Taka	30.06.13 Taka
<b>5. Inventories</b>		
Finished Goods	221,622,143	225,255,095
Work In process	144,472,923	119,964,112
Dyes and Chemicals	17,468,725	14,459,189
Stock of Yarn	59,294,176	47,934,738
Stores, Spares, Packing materials & others	41,478,020	37,112,935
	<b>484,335,987</b>	<b>444,726,069</b>
<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	(19,351,131)	(28,495,980)
Add: Adjustment for deferred tax	2,902,670	4,274,397
Balance as on 31st March	<b>1,117,127,939</b>	<b>1,133,576,400</b>

### 7. Deferred tax liability:

#### a) For normal operation

	31.03.14 Taka	30.06.13 Taka
Balance as on 1st July	59,855,904	48,178,619
Add : Amount provided for the period	6,381,690	11,677,285
Balance as on 31st March	<b>66,237,594</b>	<b>59,855,904</b>

#### b) For revaluation reserve

Balance as on 1st July	200,042,893	204,317,290
Less: Adjustment for depreciation on revalued assets	(2,902,670)	(4,274,397)
Balance as on 31st March	<b>197,140,223</b>	<b>200,042,893</b>

#### Total Deferred tax liability ( a+b )

<b>263,377,817</b>	<b>259,898,797</b>
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	31.03.14 Taka	31.03.13 Taka
<b>8. Provision for income tax :</b>		
Profit before tax as per financial accounts	131,927,691	138,321,413
Less : Depreciation as per tax base than financial accounts	(82,441,317)	(85,448,469)
Add : Depreciation charge as per financial statement	39,896,715	41,505,859
<b>Profit / (Loss) before tax as per tax base</b>	<b>89,383,089</b>	<b>94,378,803</b>
Tax rate	15%	15%
<b>Provision for income tax</b>	<b>13,407,463</b>	<b>14,156,820</b>
<b>9. Provision for deferred tax</b>		
Depreciation charge as per tax base	82,441,317	85,448,469
Depreciation charge as per financial accounts	39,896,715	41,505,859
<b>Temporary difference at the end of the period</b>	<b>42,544,602</b>	<b>43,942,610</b>
Tax rate	15%	15%
<b>Deferred tax liability for the period</b>	<b>6,381,690</b>	<b>6,591,392</b>