

Annual Report

2013-2014



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2013 – 2014



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Corporate & Registered Office : 254-B Khilgaon Chowdhury Para, Dhaka 1219
Factory : Kaltapara, P.O. Bishka, P.S. : Gouripur, Mymensingh

Notice of 34th Annual General Meeting

Notice is hereby given that the 34th Annual General Meeting of the shareholders of Delta Spinners Limited will be held at the factory premises of the Company at Kaltapara, Gouripur, Mymensingh on Saturday, the 30th August, 2014 at 11:30 a.m. to transact the following businesses:

AGENDA :

1. To confirm the proceedings of the 33rd Annual General Meeting held on the 28th December, 2013 at 11:30 a.m.
2. To receive, consider and adopt the Audited Financial Statements of the Company for the year ended 30th June, 2014 together with the report of Auditors and Directors thereon.
3. To declare a Dividend.
4. To elect Directors.
5. To appoint Auditors for the year 2014-2015 and to fix their remuneration.
6. To transact any other business with the permission of the Chair.

by Order of the Board

Sd/-

Masudur Rahman

Executive Director & Company Secretary

Dated, Dhaka
The 4th August, 2014

Notes :

1. The "Record Date" will be Thursday, the 14th August, 2014. Trading of the Company's shares will remain suspended on the "Record Date".
2. Any shareholder of the Company entitled to attend and vote may appoint another shareholder as his/her Proxy. The Proxy Form must be stamped with revenue stamp of Tk. 10.00 and be deposited at Registered Office of the Company not later than 48 hours before the time appointed for the Meeting.
3. As per Notification No. SEC/CMRRCD/2009-193/154 dated 24th October, 2013 of Bangladesh Securities and Exchange Commission please note that no entertainment will be extended to the shareholders at the AGM and "..... no benefit in cash or kind, other than in the form of cash dividend or stock dividend, shall be paid to the holders of equity securities".

Delta Spinners Limited
Particulars of the Company

The Board of Directors :

Mr. R A Howlader
Mr. S M Abdul Mannan
Mr. Md. Amarat Hossain

Chairman
Director
Nominated by Bangladesh Development Bank Limited vide its letter No. 05.2/2239 dt. 22nd July, 2014 and inducted by the Board of Directors in its meeting held on 4th August, 2014.
Independent Director
Managing Director

Mr. Md. Shamsul Haque
Mr. Mostafa Jamal Haider

Company Secretary and Chief Financial Officer :

Mr. Masudur Rahman
Mr. Ziaur Rahman

Executive Director & Company Secretary
Chief Financial Officer

Bankers :

Agrani Bank Limited, Amin Court Branch
Agrani Bank Limited, Choto Bazar Branch
Southeast Bank Ltd., Corporate Branch
Export Import Bank of Bangladesh Ltd., Motijheel Branch
Bangladesh Development Bank Ltd.
Sonali Bank Limited, Shambhugonj Branch
NRB Commercial Bank Ltd. Principal Branch

62-63, Motijheel C.A., Dhaka 1000
Mymensingh
52-53 Dilkusha C.A., Dhaka-1000
56-57, Motijheel C.A., Dhaka 1000
8, Rajuk Avenue, Dhaka 1000
Mymensingh
Dilkusha C.A., Dhaka

Auditors :

M/s Mahfel Huq & Co.
Chartered Accountants
BGIC Tower (4th Floor)
34, Topkhana Road, Dhaka 1000

Corporate and Registered Office :
254-B Khilgaon Chowdhury Para
Dhaka 1219

Factory :
Kaltapara, P.O. Bishka
P.S. Gouripur, Mymensingh

Delta Spinners Limited
THIRTY-FOURTH ANNUAL GENERAL MEETING OF THE COMPANY
Report of the Directors
TO THE SHAREHOLDERS

Bishmillahir Rahmanir Rahim

Assalamu-Alaikum

I, on behalf of the Board of Directors of our Company welcome you all to this Thirty-fourth Annual General Meeting. It is a great pleasure to note that you have kindly made it convenient to attend this meeting.

I shall now present the operational performances of the Company for the year 2013-2014.

OPERATIONAL PERFORMANCES OF 2013-2014

The Company produces cotton yarn as its primary product. In the table below, year-wise production in the factory and its capacity utilization figures for the five years from 2009-2010 to 2013-2014 have been furnished. It may be stated here that in spite of seemingly lower production figures during the recent years, the comparative capacity utilization is higher. This is due to the fact that the Company has been shifting towards production of higher counts of yarn and spinning machinery utilizes higher machine capacity to produce higher counts of yarn, which naturally fetches higher revenue. In the table below, actual production as well as capacity utilization has been shown to provide a true comparative picture of production performance during the last five years.

Year-wise Production of Cotton Yarn

Year	Production Quantity Actual (in lac kg)	Capacity Utilization (in %)
2013-2014	24.98	91%
2012-2013	25.39	93%
2011-2012	44.71	91%
2010-2011	49.59	91%
2009-2010	58.64	93%

The operational performance during the first six months of the financial year was significantly low due to political turmoil that prevailed in the country. The Company has however, regained its position of higher capacity utilization during the later months of the financial year and the overall annual performance has not been too low compared to the previous year. The cost of raw material consumed during the year has decreased due to lower capacity utilization. I shall request you to kindly refer to the Sl. No. 27.01 and 27.02 of the Notes to the Accounts to review the raw material consumption and procurement during the period under review. The Company has been procuring raw material from local market on the basis of immediate requirement so that in case of any big fall of price of raw cotton in the international market, it would not get stuck-up with a big stock of high valued raw material.

The financial results of the Company for the year 2013-2014 are shown below along with the previous four years' performance : (consolidated wherever is applicable)

COMPARATIVE FINANCIAL RESULTS OF THE COMPANY

Description	2013-2014	2012-2013	2011-2012	2010-2011	2009-2010
Turnover	1,663,987	1,665,803	1,451,818	1,340,031	942,147
Cost of Goods Sold	1,394,571	1,396,103	1,213,980	1,131,333	831,524
Gross Profit	269,416	269,700	237,838	208,698	110,622
Operating Expenses:	174,388	195,850	157,820	161,111	71,720
Net Profit before WPP **	95,039	73,857	81,105	47,587	38,902
Net Profit before tax	90,558	70,382	77,327	55,632	37,250
Net profit after tax	65,005	47,893	93,532	42,272	31,662
EPS*	1.41	1.04	2.04	0.92	0.69
NAV Per Share * (including revaluation)	27.26	26.82	25.76	14.40	14.15
NOCFPS*	2.98	(0.05)	2.61	2.68	(0.49)

* Calculation of EPS, NAV Per Share and NOCFPS for all the years have been made on the basis of diluted share capital of Tk. 45.86 crores face value of Tk. 10.00 each.

** Net Profit before provisions includes non-operating income.

DISCUSSIONS ON COST OF GOODS SOLD, GROSS PROFIT, NET PROFIT, SIGNIFICANT DEVIATIONS FROM THE LAST YEAR'S OPERATING RESULTS, EPS, NAV, ETC.

During the year 2013-2014, the sales turn-over decreased marginally than the previous year. As stated in the previous paragraphs, the operational performance during the period of July – December, 2013 has been rather low due to political turmoil that prevailed in the country.

However, since January, 2014 the Company did better performance and the annual average performance was regained to almost equal level of the previous year. The Company has been doing a limited trading operation of its subsidiary company, namely, Delta Ceramics Limited. The subsidiary company also contributed, though marginally, to a higher net profit of its parent company, i.e., Delta Spinners Limited.

It may be stated here that Bangladesh Development Bank Limited (BDBL) and Premier Leasing Finance Limited (PLFL) consolidated its respective various loan accounts and in the process, PLFL has frozen the interest accrual for 06 (six) months. This has contributed to a lower operating expenses and higher net profit. These treatments in the accounts have been made in the last quarter, i.e., at the end of the financial year and the first three quarterly performances did not reflect the same.

INDUSTRY OUTLOOK AND POSSIBLE FUTURE DEVELOPMENT

The textile industry in Bangladesh is one of the most important sector of business. This sector is the largest employer in the country. The export earnings from readymade garments (RMG), knit products and other

textile items constitutes about 80% of the total export products of the country. About 90% of the domestic requirements of cloth are met by local production.

Delta Spinners Limited is a textile spinning mill and the local spinning factories meet the substantial portion of demand of yarn by the textile & knitting factories of the country. There is still a shortfall in the supply of higher quality/specialized yarn which is met by imports.

The spinning industry is fully dependent on import of raw cotton, the main raw material. There is an occasional ups & downs in the price of raw cotton in the international market which puts this industry in trundle.

The future prospect of the spinning industry in our country can no doubt be termed as bright. The occasional political disturbances and global economic meltdown a couple of years back could not hamper its phenomenal growth during the last two to three decades. Textile spinning industry meets the basic raw material requirements of RMG sector. The readymade garments & knitting factories are labour-intensive and the cost of labour is comparatively low in Bangladesh than other major readymade garments exporting countries. To take advantage of this lower wages leading to lower cost of production, the RMG sector is expanding and new spinning factories are still being set up in Bangladesh to meet their raw material requirements.

Increase in the volume of exports of readymade garments & knit products will lead to the increased demand for local fabrics and naturally of yarn. Moreover, with the increase in the population and per capita income, the domestic demand for cloths will continue to increase.

So, the demand for the yarn will rise with the increase in the demand for cloths / fabrics for export and domestic markets. If the capacity for production of yarn is not enhanced, the shortfall will have to be met by import involving huge amount of foreign exchange.

RISKS AND MANAGEMENT PERCEPTION

Quite naturally, all business houses operate under some risks, both internal and external. Some of the risks of the Company and the management perception towards them may be discussed as below:

The political scenario may become volatile again and if it happens economic activities of the country may suffer and the textile sector would be no exception.

The banks and financial institutions have raised their interest rates leading to lower profit margin for the Company. This has increased the cost of production of our cotton yarn.

The textile spinning industry is competitive and our Company is competing with a large number of other spinning mills within the country. The global textile trade is now almost free from quota restriction and our textile industry is now facing competition from India, China, Sri Lanka, Indonesia, Vietnam, Pakistan, etc. which are quite strong in the production of textile goods. Especially, if the Western buyers come-up with incentive schemes to Myanmar to augment its production capacity, Bangladesh may face severe competition in RMG sector in the year future.

Sometimes, our Company faces market risks due to adverse market condition such as falling demand affecting sales and profitability.

The Company may face technology related risks due to the innovation of new and cost-effective technology which may make obsolete the current technology of the Company having negative impact.

Any abrupt and adverse changes in the taxation policy and rules adopted by any regulatory organisations of the government may pose risks for the Company. The performance of the Company may be affected by the political and economic instability both in Bangladesh & worldwide.

Downturn of economic activity or uncertainty in the economy may cause lower demand for the products of the industry. Shortage of gas & power supply, labour unrest, natural calamities such as flood, cyclone & earth quake may disrupt the production of the Company with adverse impact on the profitability of the Company.

MANAGEMENT PERCEPTION TOWARDS RISKS

The management of the Company is well-aware of the above risks and is constantly taking steps to avoid those risks and to minimize their adverse impacts on the Company. Some of these steps are stated below:

To reduce the burden of higher interest rates of the banks and financial institutions, the management is endeavoring to reduce borrowing by emphasizing on equity based financing. The Company intends to pay-off considerable portion of high interest bearing lease loans from the Rights Issue fund. Besides, a sizable portion of Rights Issue fund would be utilized for Balancing, Modernization and Replacement & Expansion (BMRE) of the existing spinning project. The Company has also in its mind for product diversification by utilizing a portion of Rights Issue fund, thus reducing its dependence on spinning sector alone.

Regarding political scenario, it may be stated that Bangladesh has seen various kinds of political problems in the past, all of which proved to be rather short lived.

The yarn producers of the country, through its trade association, namely, Bangladesh Textile Mills Association (BTMA), always endeavor to convince the policy makers of the Government for adopting favorable terms & conditions for the textile sector as a whole. The management of the Company is quite conscious about the adverse impact of political & economic turmoil locally and internationally and tries to take appropriate steps to avoid / minimize such adverse impacts wherever possible.

The Company produces its own electricity from its gas fired full time generators and does not depend on PDB/REB. To avoid labour trouble and outward movement of labour, the labourers are provided with high benefit packages. The project of the Company is situated on a high land free from flood. The factory building has strong RCC foundation, RCC floor, mostly RCC Roof and partially pre-fabricated structures which can withstand wind, storm, heavy rain, etc. These risks are also covered through insurance.

EXTRA-ORDINARY GAIN OR LOSS

Both Bangladesh Development Bank Limited (BDBL) and Premier Leasing & Finance Limited (PLFL) consolidated its respective various loan accounts. In the process, PLFL has frozen the interest accrual for 06 (six) months leading to lower financial expenses for the Company during the year. This has contributed to a lower operating expenses and higher net profit.

RELATED PARTY TRANSACTIONS

There were two related party transactions by the Company during the period under review. The Company repaid an amount of Tk. 3.73 crores to Premier Leasing & Finance Limited (PLFL) against the lease loan to the institution. This is a Related Party Transactions because Mr. Syed Muhammed Abdul Mannan (S. M. A. Mannan) is a Director of PLFL as well as of Delta Spinners Limited. Besides, the Company had transacted with its subsidiary Company, namely, Delta Ceramics Limited during the year 2013-2014 which is also a related party transaction.

SUBSIDIARY COMPANY

The audited accounts of the subsidiary company, namely, Delta Ceramics Limited has also been furnished at the end of the accounts of the parent Company itself.

WORKING CAPITAL FACILITIES

In October, 2013, Agrani Bank Ltd., Amin Court Branch, Dhaka renewed the Working Capital Limit (C.C. Hypo and C.C. Pledge) to Tk. 24.00 crores. The Revolving L/C limit for importation of raw materials has also been renewed at Tk. 20.00 crores. No change was thus made from the previous year.

The working capital loan of Southeast Bank Ltd. is to the tune of Tk. 5.00 crores. An amount of Tk. 5.00 crores was also sanctioned by the Bank during the last year for opening of L/C (Revolving) which still exists for the financial year under review.

DIVIDEND

The Board of Directors proposed a Cash Dividend of 10% for the shareholders of the Company for the year 2013-2014. We hope that the valued shareholders will kindly accord their consent to this proposal.

TERM LOAN SERVICING

The Company has repaid a total amount of Tk. 5.33 crores to BDBL and PLFL during the year as against Tk. 7.75 crores repaid during the previous year as follows:

A) Bangladesh Development Bank Limited (BDBL)	: Tk. 1.60 Crores
B) Premier Leasing & Finance Limited (PLFL)	: <u>Tk. 3.73 Crores</u>
Total	: <u>Tk. 5.33 Crores</u>

DIRECTORS REMUNERATION

There has not been any change in remunerations paid to the Directors which had been Tk. 18.00 lacs, both during the year under review as well as during the previous year.

RIGHTS ISSUE OF SHARES

Dear Shareholders, you had passed a resolution on 4th November, 2012 for raising Tk. 91.73 crores through issuance of 9,17,25,600 Right Shares at par at 1:2 ratio, i.e., two Rights Shares for one existing share to raise a capital fund of Tk. 91,72,56,000.

We are pleased to inform you that Bangladesh Securities and Exchange Commission has accorded its consent to the proposal of the Company as above. The subscription of Rights Share opens on 5th August, 2014 and closes on 31st August, 2014. The Rights Share Offer Document (ROD) has already been mailed to the shareholders of the Company.

DIRECTORS' RETIREMENT AND RE-ELECTION

In pursuance of Clause 143 of the Articles of Association of the Company, Mr. Mostafa Jamal Haider, being the Managing Director of the Company is not liable to retire by rotation. The Independent Director Mr. Md. Shamsul Haque who was appointed by the Board of Directors in its meeting held on 27th May, 2013 and was confirmed by the General Shareholders in the 33rd Annual General Meeting held on 28th December, 2013 is not to retire by rotation as his tenure is for a period of 3 (three) years. Mr. Md. Amar Hossain was nominated as BDBL Director by Bangladesh Development Bank Limited vide its letter No. 05.2/2239 dated 22nd July, 2014 and inducted by the Board of Directors in its meeting held on 4th August, 2014.

In pursuance of Clause 132, one of the Directors, namely Mr. R A Howlader will retire and being eligible, he seeks re-election. Mr. R A Howlader has been holding the position of Chairmanship of the Company since 1998. He is one of the senior most bankers of the country and was Managing Director of National Bank Limited. He was an Adviser of First Security Islamic Bank Limited and Consultant of Premier Leasing & Finance Limited. He is the Managing Director of Delta Ceramics Limited, the subsidiary company of Delta Spinners Limited.

APPOINTMENT OF AUDITORS

M/s Mahfel Huq & Co., Chartered Accounts, our Auditors for the current year have expressed their interest to audit our books of accounts for the coming year, i.e., for 2014-2015. Their charges had been Tk. 100,000.00 during the year under review. They may be appointed at the same fee of Tk. 1,00,000.00 (Taka One lac) only for the financial year 2014-2015.

ACKNOWLEDGMENTS

We take this opportunity to express our heartfelt thanks and gratitude to the esteemed Shareholders for the cooperation extended by them. We also acknowledge the cooperation of various Govt. Agencies, Bangladesh Securities & Exchange Commission, Dhaka Stock Exchange Limited, Chittagong Stock Exchange Limited, Bangladesh Textile Mills Association, Banks, the Suppliers, Customers, Selling Agents and our well wishers.

We are grateful to Agrani Bank, Amin Court Branch, Dhaka for extending to us the required Working Capital loan. Southeast Bank Ltd. has also extended working capital loan and term loan facilities to us. Bangladesh Development Bank Ltd. and Premier Leasing & Finance Limited have been extending their kind cooperation in repayment of the Company's dues to them.

Last but not the least, the Board of Directors place on records their deep sense of appreciation for the dedicated services and loyalty of all the Executives, Officers, Staff and Workers who maintained an excellent working atmosphere conducive to high level of performance of the Company.

CONCLUSIONS

The Board of Directors now presents the Accounts and Auditors Reports for the year 2013-2014 and request to the magnanimity of our valued shareholders to kindly accept the Annual Accounts for which we shall remain ever grateful to you.

I again express my thanks to you for attending this Annual General Meeting. May Allah, in His infinite mercy grant peace and happiness to us all.

With regards,

On behalf of the Board of Directors
Sd/-
R A Howlader
Chairman

Dated : 4th August, 2014

ডেলটা স্পিনার্স লিমিটেড

কোম্পানীর ৩৪তম সাধারণ সভা

পরিচালক মন্ডলীর রিপোর্ট

সম্মানীত শেয়ারহোল্ডারবৃন্দ

বিসমিল্লাহির রাহমানির রাত্মি

আসসালামু আলাইকুম

কোম্পানীর পরিচালনা পর্ষদের পক্ষ থেকে আমি আপনাদের সকলকে এই ৩৪তম বাংসরিক সাধারণ সভায় স্বাগতম জানাচ্ছি। আপনারা সকলে দয়া করে এই সভায় অংশগ্রহণ করেছেন সে জন্য আমরা আনন্দিত। এখন আমি কোম্পানীর ২০১৩-২০১৪ সালের কার্যক্রম উপস্থাপন করছি।

২০১৩-২০১৪ সালের কার্যবিবরণী

কোম্পানীর প্রধান উৎপাদিত দ্রব্য হচ্ছে তুলা থেকে প্রস্তুত সূতা। নিম্নের ছকে কারখানার ২০০৯-২০১০ থেকে ২০১৩-২০১৪ পর্যন্ত বছর ওয়ারী উৎপাদন ও উৎপাদন ক্ষমতার ব্যবহার দেখানো হলো। এখানে উল্লেখ করা প্রয়োজন যে, সাম্প্রতিক বছরগুলিতে পরিমানগত ভাবে উৎপাদন কম হলেও তুলনামূলকভাবে উৎপাদন ক্ষমতার ব্যবহার বেশী হয়েছে। উচ্চ কাউন্টের সূতা বেশী হারে উৎপাদন করার ফলেই মেশিনারীর উৎপাদন ক্ষমতা বেশী ব্যবহৃত হয়েছে।

বৎসর ভিত্তিক সূতা উৎপাদন

বৎসর	উৎপাদনের পরিমাণ (লক্ষ কেজি)	উৎপাদন ক্ষমতার ব্যবহার (শতকরা)
২০১৩-২০১৪	২৪.৯৮	৯১%
২০১২-২০১৩	২৫.৩৯	৯৩%
২০১১-২০১২	৪৪.৭১	৯১%
২০১০-২০১১	৪৯.৫৯	৯১%
২০০৯-২০১০	৫৮.৬৪	৯৩%

আলোচ্য আর্থিক বৎসরের প্রথমার্ধে দেশে বিরাজমান রাজনৈতিক অঙ্গনে উৎপাদন ক্ষমতার ব্যবহার ব্যহত হয়েছিল। অবশ্য পরবর্তী দ্বিতীয়ার্ধে ক্ষমতার ব্যবহার অব্যাহত রেখে ক্ষতি অনেকাংশে পুষিয়ে নেয়া হয়েছে এবং সামগ্রিক ভাবে হিসেব করলে দেখা যাবে যে পুরো বৎসরের উৎপাদন বিগত বৎসর থেকে খুব বেশী কম হয় নাই।

উৎপাদন ক্ষমতার হ্রাসের কারনে কাঁচামাল ব্যবহারও কম হয়েছে। আলোচ্য বৎসরের কাঁচামাল সংগ্রহ ও ব্যবহারের পর্যালোচনার জন্য আমি হিসাব প্রতিবেদনের সঙ্গে সংযোজিত ২৭.১ এবং ২৭.২ নোট দুটির প্রতি আপনাদের দৃষ্টি আকর্ষণ করছি। আমরা প্রয়োজন মেটানোর জন্য স্থানীয় বাজার থেকে তুলা সংগ্রহ করি যেন বিশ্ববাজারে কাঁচা তুলার দাম বেশী কমে গেলে উচ্চমূল্যে কাঁচা মালের মজুত নিয়ে বিপাকে পড়তে না হয়।

কোম্পানীর ২০১৩-২০১৪ সালের অর্থনৈতিক কার্যক্রমসহ পূর্ববর্তী ৪ বৎসরের ফলাফল নিম্নরূপঃ

বিগত বৎসরের আর্থিক ফলাফল

‘০০০’ টাকায় (প্রযোজ্য নহে)

বিবরণ	২০১৩-২০১৪	২০১২-২০১৩	২০১১-২০১২	২০১০-২০১১	২০০৯-২০১০
বিক্রয়	১,৬৬৩,৯৮৭	১,৬৬৫,৮০৩	১,৪৫১,৮১৮	১,৩৪০,০৩১	৯৪২,১৪৭
বিক্রয় খরচ	১,৩৯৪,৫৭১	১,৩৯৬,১০৩	১,২১৩,৯৮০	১,১৩১,৩৩৩	৮৩১,৫২৮
মোট আয়	২৬৯,৪১৬	২৬৯,৭০০	২৩৭,৮৩৮	২০৮,৬৯৮	১১০,৬২২
নির্বাহী খরচ	১৭৪,৩৮৮	১৯৫,৮৫০	১৫৭,৮২০	১৬১,১১১	৭১,৭২০
ডিল্ট.পি.পি. ফান্ড পূর্ববর্তী এবং নন- অপারেটিং আয়সহ আয়	৯৫,০৩৯	৭৩,৮৫৭	৮১,১০৫	৮৭,৫৮৭	৩৮,৯০২
আয়কর পূর্ববর্তী আয়	৯০,৫৫৮	৭০,৩৮২	৭৭,৩২৭	৫৫,৬৩২	৩৭,২৫০
আয়কর পরবর্তী আয়	৬৫,০০৫	৮৭,৮৯৩	৯৩,৫৩২	৪২,২৭২	৩১,৬৬২
ই.পি.এস. *	১.৪১	১.০৮	২.০৮	০.৯২	০.৬৯
এন.এ.ভি. প্রতি শেয়ার *	২৭.২৬	২৬.৮২	২৫.৭৬	১৪.৮০	১৪.১৫
এন.ও.সি.এফ.পি.এস. *	২.৯৮	(০.০৫)	২.৬১	২.৬৮	(০.০৯)

* প্রতি বছরের ই.পি.এস./এস.এ.ভি. প্রতি শেয়ার/ এন.ও.সি.এফ.পি.এস. হিসাব করার জন্য কোম্পানীর শেয়ার ক্যাপিটাল ৪৫.৮৬ কোটি টাকা এবং প্রতি শেয়ারের অভিহিত মূল্য ১০.০০ টাকা হারে ধরা হয়েছে।

বিক্রিত দ্রব্যের উৎপাদন খরচ, গ্রোস প্রফিট মার্জিন, নিট প্রফিট মার্জিন, পূর্ববর্তী বৎসরের অপারেটিং ফলাফল হতে বিশেষ পরিবর্তনসমূহ : ই.পি.এস., এন.এ.ভি., ইত্যাদি।

আলোচ্য বৎসরে বিক্রয় বিগত বৎসরের তুলনায় কিছুটা কম হয়েছে। জুলাই-ডিসেম্বর, ২০১৩ সময়ে রাজনৈতিক অস্থিরতার কারনে উৎপাদন ব্যতীত হওয়ার কারনে বিক্রয় হ্রাস হয়েছিল। অবশ্য জানুয়ারী, ২০১৪ হতে অবস্থা উন্নতির সঙ্গে তাল মিলিয়ে কোম্পানীর কার্যক্রম বাড়তে থাকে এবং সামগ্রিক ভাবে বাস্তরিক কার্যক্রম বিগত বৎসরের তুলনায় প্রায় একই ছিল বলে বলা যায়। এছাড়া কোম্পানীর সহযোগী প্রতিষ্ঠান ডেল্টা সিরামিক্স লিমিটেড সীমিত পরিমাণে বানিজ্যিক কার্যক্রম শুরু করেছে এবং ডেল্টা স্পিনার্স লিমিটেড-এর নিট মুনাফা বৃদ্ধিতে অবদান রেখেছে।

এখানে উল্লেখ্য যে, বাংলাদেশ ডেভেলপমেন্ট ব্যাংক লি: (বি.ডি.বি.এল.) এবং প্রিমিয়ার লিজিং এন্ড ফাইনান্স লি: (পি.এল.এফ.এল.) এই দুই প্রতিষ্ঠান তাঁদের নিজ নিজ প্রতিষ্ঠানের দেয় আমাদের কোম্পানীর বিভিন্ন লোন একাউন্ট একত্রিভূত করেছে এবং এই প্রক্রিয়ায় পি.এল.এফ.এল. আলোচ্য বৎসরের শেষ দিতীয়ার্দেশ সুদ আরোপন বন্ধ রেখেছিল - ফলে আমাদের পরিচালনা ব্যয় কিছুটা হ্রাস পায় এবং সামগ্রিক নীট মুনাফা বৃদ্ধিতে সহায়ক ভূমিকা পালন করে।

শিল্পের বর্তমান অবস্থা ও ভবিষ্যৎ

বস্ত্র শিল্প বাংলাদেশের অত্যন্ত গুরুত্বপূর্ণ এবং দেশের বৃহত্তম কর্মসংস্থানকারী শিল্পখাত। এই শিল্পখাত, অর্থাৎ তৈরী পোশাক, নিট-পোশাক ও অন্যান্য পোশাকদ্রব্য দেশের মোট রপ্তানী আয়ের প্রায় ৮০% যোগান দেয়। এছাড়া এই শিল্পখাত দেশের কাপড়ের আভ্যন্তরীন চাহিদার প্রায় ৯০% ভাগ পূরন করে। দেশের বস্ত্রশিল্প ও নিটিং ফ্যাক্টরীসমূহের সুতার চাহিদার সিংহভাগই দেশীয় সুতা মিলসমূহ সরবরাহ করে।

ডেলটা স্পিনার্স লিমিটেড কটন সুতা প্রস্তুতকারী একটি শিল্প প্রতিষ্ঠান। দেশের বন্ধু শিল্প অনেকাংশে দেশীয় সুতা সরবরাহের উপর নির্ভরশীল। সুতার মিলগুলি কাঁচা তুলার সরবরাহের জন্য আমদানীর উপর সম্পূর্ণভাবে নির্ভরশীল। বিশ্ব-বাজারে কাঁচাতুলার মূল্য মাঝে মধ্যে হ্রাস-বৃদ্ধি হলে এই শিল্প বিপদে পতিত হয়।

আমাদের দেশের বন্ধু শিল্প, তথা সুতা-শিল্পের ভবিষ্যত নিঃসন্দেহে উজ্জল, যদিও বিভিন্ন অস্থিতীশীলতার কারণে এই শিল্প মাঝে মাঝে সমস্যার সম্মুখীন হতে পারে। বর্তমানে সুতার চাহিদা ও সরবরাহের মধ্যে যথেষ্ট পার্থক্য বিদ্যমান। তৈরী পোশাক শিল্প ও নিটিং ফ্যাট্রী প্রধানত শ্রমঘন শিল্প। বাংলাদেশে শ্রমমূল্য অন্যান্য প্রধান তৈরী-পোশাক রপ্তানীকারক দেশ সমূহের তুলনায় কম। এই সুবিধা গ্রহণ করার সাথে সাথে তৈরী পোশাক ও নিট কাপড়ের রপ্তানী বৃদ্ধি পাবে এবং স্থানীয় কাপড়ের চাহিদা বাড়বে। তাছাড়া জনসংখ্যা ও মাথাপ্রতি আয় বৃদ্ধির সাথে সাথে কাপড়ের আভ্যন্তরীন চাহিদাও বৃদ্ধি পাবে। সুতরাং আভ্যন্তরীন ও রপ্তানীর জন্য কাপড়ের চাহিদা বৃদ্ধির সঙ্গে সঙ্গে সুতার চাহিদাও বৃদ্ধি পাবে। যদি স্থানীয়ভাবে সুতার উৎপাদন ক্ষমতা বৃদ্ধি না করা হয় তবে বৈদেশিক মূদ্রা খরচ করে সুতা আমদানী করতে হবে। এ সবই সুতা প্রস্তুতকারী শিল্পের উজ্জল ভবিষ্যতের নির্দেশনা দেয়।

বুঁকি ও কর্তৃপক্ষের ধারনা

এটা স্বতঃসিদ্ধ যে প্রত্যেক ব্যবসা প্রতিষ্ঠান বুঁকির মধ্যে কাজ করে। এই সব বুঁকি ভিতরের ও বাইরের হতে পারে। বন্ধু শিল্পের বুঁকি মোকাবেলার ক্ষেত্রে কর্তৃপক্ষের কিছু চিন্তা-ভাবনা নিম্নে আলোচনা করা হলো :

বর্তমানে দেশের রাজনৈতিক পরিস্থিতি যদিও ভাল তথাপি অবস্থা অস্থিতীশীল হলে দেশের সার্বিক অর্থনৈতিক কর্মকাণ্ডের সঙ্গে সঙ্গে বন্ধু শিল্পেরও ক্ষতি হবে। বর্তমানে দেশের ব্যাংক / আর্থিক প্রতিষ্ঠান সমূহ তাদের সুদের হার বাড়িয়েছে এবং এর ফলে কোম্পানির লাভ কমে গেছে। ফলে আমদানি পন্য যেমন মেশিনারী, খুচরা যন্ত্রাংশ ও কাঁচামালের দাম বেড়ে গিয়েছে এবং এই জন্য আমাদের সুতার উৎপাদন খরচও বেড়েছে।

সুতা উৎপাদনকারী শিল্পকে প্রতিযোগিতার মধ্য দিয়ে চলতে হয় এবং আমাদের প্রতিষ্ঠানকে অনেক দেশীয় সুতা উৎপাদনকারী শিল্পের সঙ্গে প্রতিযোগীতা করতে হয়। বর্তমান বিশেষ বন্ধু শিল্প কোটামুক্ত এবং আমাদের শিল্পকে ভারত, চীন, শ্রীলংকা, ইন্দোনেশিয়া, ভিয়েতনাম, পাকিস্তান প্রভৃতি দেশের সঙ্গে প্রতিযোগীতার সম্মুখীন হতে হচ্ছে এবং এই দেশ সমূহ বন্ধু উৎপাদনে বেশ শক্ত অবস্থানে আছে। বিশেষত: রানা প্লাজা ট্রেজেরি কারনে বিদেশী ক্রেতারা যদি মায়ানমার-এর উৎপাদন ক্ষমতা বৃদ্ধির লক্ষ্যে সেখানে বিনিয়োগ করে, তবে বাংলাদেশের বন্ধু শিল্প প্রতিযোগীতার মধ্যে পড়বে যদিও বিকল্প সরবরাহকারী না থাকায় বিদেশী ক্রেতারা এখনও বাংলাদেশমুখী হয়ে আছে। মাঝে মধ্যে আমাদের প্রতিষ্ঠানকে বাজার বুঁকি যেমন হ্রাসমান চাহিদা এবং সে কারণে বিক্রি ও লাভ করে যাওয়ার বুঁকি মোকাবেলা করতে হয়।

নতুন নতুন প্রযুক্তি উদ্ভাবনের ফলে আমাদের কোম্পানীকে প্রযুক্তিগত বুঁকির মুখোমুখি হতে হয়। এই সব নতুন প্রযুক্তির ফলে উৎপাদন ব্যায় হ্রাস পায় যার ফলে চলতি প্রযুক্তি অচল হয়ে যায় এবং কোম্পানীর উপর এর নেতৃত্বাচক প্রভাব পড়ে। সরকারকর্তৃক করনীতি এবং অন্যান্য নিয়ন্ত্রকারী সংস্থা কর্তৃক বিধিমালার বিরূপ পরিবর্তন কোম্পানীর জন্য বুকিপূর্ণ হতে পারে। দেশে এবং বিদেশে আর্থিক ও রাজনৈতিক অস্থিতীশীল পরিস্থিতি কোম্পানীর কার্যক্রমের উপর ক্ষতিকারক প্রভাব ফেলতে পারে। দেশের অর্থনৈতিক অবস্থার অবনতি হলে দ্রব্যের চাহিদা কমে যায়। বিদ্যুৎ প্রবাহে ঘাটতি, শ্রমিক অসন্তোষ, প্রাকৃতিক দুর্যোগ যেমন বন্যা, ঝড়, ভূমিকম্প প্রভৃতি কোম্পানীর উৎপাদন ব্যবস্থা ও লাভের উপর বিরূপ প্রভাব ফেলতে পারে।

বুঁকি ব্যবস্থাপনায় কর্তৃপক্ষের ধারণা

কোম্পানীর ব্যবস্থাপনা কর্তৃপক্ষ উপরে বর্ণিত বুঁকি সম্পর্কে সম্পূর্ণ ওয়াকেবহাল এবং এসব বুঁকির ক্ষতিকারক প্রভাব সহনীয় পর্যায়ে রাখার জন্য সর্বদা প্রয়োজনীয় পদক্ষেপ গ্রহণ করছেন। নিম্নে কিছু পদক্ষেপের বিবরন দেয়া হলো:

ব্যাংক এবং আর্থিক প্রতিষ্ঠান কর্তৃক আরোপিত উচ্চ সুদের বোৰা কমানোর উদ্দেশ্যে ব্যাংক-খণ্ড নিম্নপর্যায়ে রাখার চেষ্টা করা হচ্ছে এবং ব্যাংক খনের পরিবর্তে কোম্পানীর মূলধন বৃদ্ধির উপর জোর দেয়া হচ্ছে। এছাড়া ডেল্টা স্পিনার্স লিমিটেড রাইট শেয়ারের এক উল্লেখযোগ্য অংশ বি.এম.আর.ই.তে বিনিয়োগ করে কারখানার উৎপাদন ক্ষমতা এবং উন্নত প্রযুক্তি গ্রহণ করবে।

দেশের সুতা উৎপাদনকারীরা তাদের সমিতি যথা-বাংলাদেশ টেক্সটাইল মিল্স এ্যাসোসিয়েশন-এর মাধ্যমে সরকারের নীতি নির্ধারকদেরকে সমগ্র বন্দু-শিল্পের জন্য সহায়ক নীতি গ্রহণ করার পরামর্শ দিয়ে থাকে। কোম্পানীর ব্যবস্থাপনা কর্তৃপক্ষ আভ্যন্তরীন ও আন্তর্জাতিক পর্যায়ে রাজনৈতিক ও অর্থনৈতিক গোলযোগ সৃষ্টির ফলে যে সব ক্ষতিকর সমস্যার উভব হয় সে সম্পর্কে সম্পূর্ণ সজাগ এবং এসব ক্ষতিকর প্রভাব দূর করার জন্য বা নিম্ন পর্যায়ে রাখার জন্য ব্যবস্থা গ্রহণ করে থাকেন।
পি. ডি. বি / আর. ই. বি. - এর উপর নির্ভরশীল না থেকে কোম্পানী গ্যাস থেকে নিজস্ব জেনারেটরের মাধ্যমে বিদ্যুত উৎপাদন করে থাকে। শ্রমিকদের কাজ-কর্মের ধারাবাহিকতা রক্ষার স্বার্থে উন্নত কর্ম-পরিবেশ নিশ্চিত করা হয়। কোম্পানীর ফ্যাক্টরীটি বন্যামুক্ত উচু স্থানে অবস্থিত। ফ্যাক্টরী বিল্ডিং আর.সি.সি ভিত্তির উপর স্থাপিত। মেঝে ও এর ছাদ আর.সি.সি নির্মিত ও কিছু অংশ প্রি-ফ্যাব্রিকেটেড; যা বাতাস, ঝড় ও মুষল ধারার বৃষ্টি ঠেকাতে সক্ষম। অধিকন্তু এসব ক্ষতির বিপরীতে ইপুরেন্স করা আছে।

অস্বাভাবিক লাভ-লোকসান

উল্লেখ্য যে, বাংলাদেশ ডেভেলপমেন্ট ব্যাংক লি: (বি.ডি.বি.এল.) এবং প্রিমিয়ার লিজিং এবং ফাইনান্স লি: (পি.এল.এফ.এল.) এই দুই প্রতিষ্ঠান তাঁদের নিজ নিজ প্রতিষ্ঠানের দেয় আমাদের কোম্পানীর বিভিন্ন লোন একাউন্ট একত্রিভূত করেছে এবং এই প্রক্রিয়ায় পি.এল.এফ.এল. আলোচ্য বৎসরের শেষ দিতীয়ার্দে সুদ আরোপন বন্ধ রেখেছিল - ফলে আমাদের পরিচালনা ব্যয় কিছুটা হ্রাস পায় এবং সামগ্রিক নীট মুনাফা বৃদ্ধিতে সহায়ক ভূমিকা পালন করে।

সহযোগী পার্টির লেনদেন

আলোচ্য বছরে কোম্পানীর সঙ্গে দুইটি সহযোগী পার্টির লেনদেন হয়েছে। কোম্পানী লিজ-লোন পরিশোধের নিমিত্তে প্রিমিয়ার লিজিং ও ফাইন্যান্স লিমিটেডকে ৩.৭৩ কোটি টাকা প্রদান করে। সহযোগী পার্টির লেনদেন হিসেবে এটা বিবেচিত হবে কারন জনাব সৈয়দ মোহাম্মদ আব্দুল মাল্লান (এস.এম.এ মাল্লান) প্রিমিয়ার লিজিং এন্ড ফাইন্যান্স লিমিটেড এবং ডেল্টা স্পিনার্স লিমিটেড, এই উভয় কোম্পানীরই ডাইরেক্টর। এছাড়া ২০১৩-২০১৪ সালে কোম্পানী ডেল্টা সিরামিক্স লিমিটেড নামে তাঁদের সাবসিডিয়ারী কোম্পানীর সঙ্গেও আর্থিক লেনদেন করেছে।

সাবসিডিয়ারী প্রতিষ্ঠান

ডেল্টা স্পিনার্স লিমিটেড -এর সাবসিডিয়ারী প্রতিষ্ঠান, যথা ডেল্টা সিরামিক্স লিমিটেড -এর ২০১৩-২০১৪ সালের নিরীক্ষিত হিসাবও কোম্পানীর নিরীক্ষিত হিসাবের শেষে সংযোজন করা হয়েছে।

চলতি মূলধন প্রসঙ্গ

২০১৩ সালের অক্টোবর মাসে অগ্রন্তি ব্যাংক লিঃ, আমিন কোর্ট কর্পোরেট শাখা, ঢাকা ২৪.০০ কোটি টাকার চলতি মূলধন ঝনসীমা (সি. সি. হাইপো ও সি. সি. প্লেজ) নবায়ন করেন। এছাড়া কাঁচামাল আমদানীর উদ্দেশ্যে ২০.০০ কোটি টাকার আমদানি ঝনপত্র (আবর্তিত) ও নবায়ন করা হয়। এর ফলে অবশ্য পূর্ববর্তী বছরের ঝনসীমার কোনো পরিবর্তন হয় নাই। সাউথ ইস্ট ব্যাংকের চলতি মূলধন ঝনসীমা ৫.০০ কোটি টাকা। এই ব্যাংক কর্তৃক প্রদেয় ৫.০০ কোটি টাকার আমদানি ঝনপত্র খান (আবর্তিত) আলোচ্য আর্থিক বছরে কোনো পরিবর্তন হয় নাই।

ଡିଭିଡେସ

বোর্ড অব ডাইরেক্টরস ২০১৩-২০১৪ বছরের জন্য ১০% ক্যাশ ডিভিডেন্ড শেয়ারহোল্ডারদের জন্য প্রস্তাব করছে। আশা করি সম্মানিত শেয়ারহোল্ডারগণ অনুগ্রহ করে এই প্রস্তাবে সম্মতি প্রদান করবেন।

ମେଘାଦୀ ଝନ-ପରିଶୋଧ

কোম্পানী আলোচ্য বছরে নিম্নে বর্ণিত মোট ৫.৩৩ কোটি টাকা মেয়াদী ঝন পরিশোধ করেছে :

ক) বাংলাদেশ ডেভেলপমেন্ট ব্যাংক লিমিটেড	৳ ৮. ১.৬০ কোটি
খ) প্রিমিয়ার লিজিং এন্ড ফাইন্যান্স লিমিটেড	৳ ৮. ৩.৭৩ কোটি
মোট	৳ ৮. ৫.৩৩ কোটি

বিগত আর্থিক বছরে এই পরিশোধের পরিমাণ ছিল ৭.৭৫ কোটি টাকা।

পরিচালকদের পারিশ্রমিক

পরিচালকদের পারিশ্রমিক ২০১৩-২০১৪ সালে ১৮.০০ লক্ষ টাকায় ছিল যা ২০১২-২০১৩ সালে ও একই ছিল।

পরিচালকবন্দের অবসরগ্রহণ এবং পুনঃ নির্বাচন

কোম্পানীর আর্টিকেলস অব এ্যাসোসিয়েশন-এর ১৪৩ ধারা অনুসারে ব্যবস্থাপনা পরিচালক-কে পর্যায়ক্রমে অবসরে যেতে হয় না। যেহেতু জনাব মোস্তফা জামাল হায়দার, ব্যবস্থাপনা পরিচালক হিসাবে দায়িত্ব পালন করছেন সেহেতু তিনি পর্যায়ক্রমে অবসরে যাবেন না। কোম্পানী ২৭শে মে, ২০১৩ তারিখের পরিচালনা পর্ষদের সভায় জনাব মো: শামসুল হক-কে নতুন ইভিপেন্ডেন্ট ডাইরেক্টর হিসেবে নিয়োগ প্রদান করেন। নিয়োগ প্রাপ্তির দিন থেকে তিনি তিন বৎসর ইভিপেন্ডেন্ট ডাইরেক্টর পদে বহাল থাকবেন, তাই তাঁকেও পর্যায়ক্রমে অবসরে যেতে হবে না। বাংলাদেশ ডেভেলপমেন্ট ব্যাংক লিমিটেড তাঁদের মহাব্যবস্থাপক মি: উদয় কুমার ভকত-এর পরিবর্তে জনাব মো: এমারত হোসেনকে বি.ডি.বি.এল. ডাইরেক্টর হিসেবে মনোনয়ন প্রদান করেছেন। তিনি ৪ষ্ঠা আগস্ট, ২০১৪ তারিখের বোর্ড সভায় কোম্পানী কর্তৃক বি.ডি.বি.এল. ডাইরেক্টর হিসেবে নিয়োগ প্রাপ্ত হয়েছেন।

১৩২ ধারা অনুযায়ী জনাব আর.এ. হাওলাদার অবসরগ্রহণ করবেন এবং যোগ্য বিধায় পুন: নির্বাচিত হওয়ার ইচ্ছা প্রকাশ করেছেন। ১৯৯৮ সাল থেকে জনাব আর.এ. হাওলাদার এই কোম্পানীর চেয়ারম্যান পদে বহাল আছেন। তিনি এদেশের একজন সর্বোচ্চ পর্যায়ের ব্যাংক কর্মকর্তা। তিনি ন্যাশনাল ব্যাংক লিমিটেড এর ব্যবস্থাপনা পরিচালক ছিলেন। তিনি ফাস্ট সিকিউরিটি ইসলামিক ব্যাংক এর উপদেষ্টা প্রিমিয়ার লিজিং এন্ড ফাইন্যান্স লিমিটেড এর কনসালটেন্ট ছিলেন। বর্তমানে তিনি ডেল্টা স্পিনার্স লিমিটেড এর অধিনস্থ ডেল্টা সিরামিক্স লিমিটেড এর ব্যবস্থাপনা পরিচালক।

হিসাব নিরীক্ষক নিয়োগ

মেসার্স মাহফেল হক এন্ড কোং. চাটার্ড এ্যাকান্টেন্ট, গত বছর আমাদের হিসাব নিরীক্ষা করেছেন এবং পরবর্তী বছর অর্থাৎ ২০১৪-২০১৫ সালের নিরীক্ষক হওয়ার জন্য ইচ্ছা প্রকাশ করেছেন। তাদেরকে ২০১৪-২০১৫ সালের জন্য ১.০০ লক্ষ টাকা ফির বিপরীতে নিরীক্ষক হিসেবে নিয়োগ দেয়া যেতে পারে।

কৃতজ্ঞতা জ্ঞাপন

আজকের এই শুভ মুহূর্তে আমরা আমাদের সম্মানীত শেয়ারহোল্ডারবৃন্দকে তাঁদের সহযোগীতার জন্য আন্তরিক ধন্যবাদ জানাচ্ছি। আমরা বিভিন্ন সংস্থা, যেমন, বাংলাদেশ সিকিউরিটিজ এন্ড এক্সচেঞ্জ কমিশন, ঢাকা ষ্টক এক্সচেঞ্জ লি.: চিটাগাং ষ্টক এক্সচেঞ্জ লি.: বাংলাদেশ টেক্সটাইলস মিলস এ্যাসোসিয়েশন, ব্যাংকসমূহ, সরবরাহকারী, গ্রাহক, বিক্রয় প্রতিনিধি ও আমাদের শুভকাংখ্যীদের সহযোগীতার কথা স্মরণ করছি।

প্রয়োজনীয় চলতি মূলধন যোগান দেয়ার জন্য আমরা অগ্রন্তি ব্যাংক লি: আমিন কোর্ট কর্পোরেট শাখার নিকট কৃতজ্ঞ। সাউথ ইস্ট ব্যাংক লি: আমাদের চলতি ও মেয়াদী মূলধন প্রদান করেছেন। বাংলাদেশ ডেভেলপমেন্ট ব্যাংক লি: এবং প্রিমিয়ার লিজিং এন্ড ফাইন্যান্স লি: তাদের ঋণ পরিশোধের ক্ষেত্রে আমাদেরকে সহযোগীতা দিয়ে আসছেন - তাঁদের সবাইকে জানাচ্ছি আন্তরিক ধন্যবাদ।

পরিশেষে পরিচালনা পর্ষদ কোম্পানীর সকল নিবাহী কর্মকর্তা, কর্মচারী ও শ্রমিকদের নিরলস সেবা ও সার্বিক আনুগত্যের মাধ্যমে সুন্দর কাজের পরিবেশ বজায় রেখে কোম্পানীর সাফল্যে সহযোগীতার কথা বিশেষ ভাবে স্বরূণ করছে।

উপসংহার

আমি এখন পরিচালনা পর্ষদের পক্ষ থেকে ২০১৩-২০১৪ সালের নিরীক্ষা প্রতিবেদন এবং বাংসরিক হিসাব আপনাদের কাছে পেশ করছি। সম্মানিত শেয়ারহোল্ডারগণ এই হিসাব অনুমোদন করে আমাদেরকে বাধিত করবেন।

পরিশেষে, বাংসরিক সাধারণ সভায় যোগদানের জন্য আমি আপনাদের সবাইকে আবার আন্তরিক ধন্যবাদ জানাচ্ছি। পরম কর্মনাময় আল্লাহ তায়ালা আমাদের সকলের সহায় হোন।

ধন্যবাদাত্তে,

পরিচালনা পর্ষদের পক্ষে

স্বা/-

আর. এ. হাওলাদার

চেয়ারম্যান

তারিখ : ৪ঠা আগস্ট, ২০১৪

Annexure I

The following is an Addendum to the Report of the Directors to the Shareholders as well as status of compliance with the conditions imposed by the Bangladesh Securities & Exchange Commission's Notification No. SEC/CMRRCD/2006-158/134/Admin/44 dated 7th August, 2012 and subsequently amended by Notification No. SEC/CMRRCD/2006-158/147/Admin/48 dated 21st July, 2013 issued under Section 2CC of Bangladesh Securities and Exchange Ordinance, 1969 :

REPORT UNDER CONDITION NO. 7.(ii)

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks / Reply (if any)
		Complied	Not Complied	
1.	BOARD OF DIRECTORS :			
1.1	Board's Size	✓		5 Members
1.2	Independent Directors	✓		1 Independent Director
1.3	Qualification of Independent Director (ID)	✓		Qualified
1.4	Chairman of the Board and Chief Executive Officer	✓		Different individuals
1.5	Directors' Report to Shareholders The Board of Directors of Delta Spinners Limited would like to include the following additional statements in its Report prepared under section 184 of the Companies Act, 1994 :			
1.5(i)	Industry outlook and possible future developments in the industry	✓		Provided in the Main Report of the Board of Directors
1.5(ii)	Segment-wise or product-wise performance	✓		as above
1.5(iii)	Risks and concerns	✓		as above
1.5(iv)	A discussion on Cost of Goods sold, Gross Profit Margin and Net Profit Margin	✓		as above
1.5(v)	Discussion on continuity of any Extra-Ordinary gain or loss	✓		as above
1.5(vi)	Basis for related party transactions- a statement of all related party transactions should be disclosed in the annual report	✓		as above
1.5(vii)	Utilization of proceeds from public issues, rights issues and/or through any others instruments	✓		not applicable
1.5(viii)	An explanation if the financial results deteriorate after the company goes for Initial Public Offering (IPO), Repeat Public Offering (RPO), Rights Offer, Direct Listing, etc.	✓		not applicable
1.5(ix)	If significant variance occurs between Quarterly Financial performance and Annual Financial Statements the management shall explain about the variance in their Annual Report	✓		Provided in the Main Report of the Board of Directors
1.5(x)	Remuneration to directors including independent directors	✓		as above

Contd. . . p/ii

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks / Reply (if any)
		Complied	Not Complied	
1.5(xi)	The financial statements prepared by the management of the issuer company present fairly its state of affairs, the result of its operations, cash flows and changes in equity	✓		Yes
1.5(xii)	Proper books of account of the issuer company have been maintained	✓		Yes
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	✓		Yes
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	✓		Yes
1.5(xv)	The system of internal control is sound in design and has been effectively implemented and monitored	✓		Yes
1.5(xvi)	There are no significant doubts upon the issuer company's ability to continue as a going concern. If the issuer company is not considered to be a going concern, the fact along with reasons thereof should be disclosed	✓		There are no significant doubts upon the Company's ability to continue as a going concern.
1.5(xvii)	Significant deviations from the last year's operating results of the issuer company shall be highlighted and the reasons thereof should be explained	✓		Provided in the Main Report of the Board of Directors
1.5(xviii)	Key operating and financial data of at least preceding 5 (five) years shall be summarized	✓		as above
1.5(xix)	If the issuer company has not declared dividend (cash or stock) for the year, the reasons thereof shall be given	✓		10% Cash Dividend declared
1.5(xx)	The number of Board meetings held during the year and attendance by each director shall be disclosed	✓		07 Board Meetings held and a cumulative number of 32 Directors attended the meetings.
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	✓		Stated separately at Annexure II
1.5(XXI) a)	Parent/Subsidiary/Associated Companies and other related parties (name wise details)	✓		as above

Contd. . . p/iii

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks / Reply (if any)
		Complied	Not Complied	
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)	✓		Stated separately at Annexure II
1.5(XXI) c)	Executives	✓		as above
1.5(XXI) d)	Shareholders holding ten percent (10%) or more voting interest in the company (name wise details)	✓		as above
1.5(XXII)	In case of the appointment/re-appointment of a director the company shall disclose the following information to the shareholders	✓		Provided in the main report of the Board of Directors.
1.5(XXII) a)	A brief resume of the director	✓		as above
1.5(XXII) b)	Nature of his/her expertise in specific functional areas	✓		as above
1.5(XXII) c)	Names of companies in which the person also holds the directorship and the membership of committees of the board	✓		as above
2.	CHIEF FINANCIAL OFFICER (CFO), HEAD OF INTERNAL AUDIT AND COMPANY SECRETARY (CS)			
2.1	Appointment	✓		All are appointed
2.2	Requirement to attend the Board Meetings	✓		Chief Financial Officer and Company Secretary attend Board Meetings
3.	AUDIT COMMITTEE	✓		
3.1	Constitution of the Audit Committee	✓		
3.2	Chairman of the Audit Committee	✓		
3.3	Role of Audit Committee	✓		
3.4	Reporting of the Audit Committee	✓		
3.4.1	Reporting to the Board of Directors	✓		
3.4.2	Reporting to the Authorities	✓		not applicable
3.5	Reporting to the Shareholders and General Investors	✓		not applicable
4.	EXTERNAL/STATUTORY AUDITORS	✓		Provisions met
5.	SUBSIDIARY COMPANY	✓		as above
6.	DUTIES OF CHIEF EXECUTIVE OFFICER (CEO) AND CHIEF FINANCIAL OFFICER (CFO)			
6(i) a)		✓		Duly reviewed
6(i) b)		✓		as above
6(ii)		✓		as above
7.	REPORTING AND COMPLIANCE OF CORPORATE GOVERNANCE			
7(i)		✓		Obtained and furnished
7(ii)		✓		Duly stated

Sd/-
R A Howlader
Chairman

Annexure - II

THE PATTERN OF SHAREHOLDINGS, ETC.

- i) Shareholdings in Parent / Subsidiary / Associated companies and other related parties :

The Company has formed a subsidiary company in the name & style of "Delta Ceramics Limited" in which it holds 80% shares and the sponsors hold 20% shares.

- ii) Shareholding by the Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer, Head of Internal Audit and their spouses and minor children (name wise details) :

	<u>Delta Spinners Ltd.</u>	<u>Delta Ceramics Ltd.</u>
	Shares of Tk. 10 each	Shares of Tk. 10 each
1. Mr. R A Howlader, Chairman	13,85,250 shares	25,000 shares
2. Mr. Mostafa Jamal Haider Managing Director & CEO Wife : Mrs. Jowshan Ara Rashid	21,14,100 shares	25,000 shares
	5,29,440 shares	Nil
3. Mr. S M A Mannan, Director Wife : Mrs. Farida Mannan	13,92,525 shares	25,000 shares
	7,92,525 shares	Nil
4. Mr. Md. Shamsul Haque Non-Shareholding Independent Director and Chairman, Audit Committee	Nil	Nil
5. Mr. Masudur Rahman, Executive Director & Company Secretary	2040 shares	Nil
6. Mr. Mostafa Zakaria Haider Head of Internal Audit	6,77,700 shares	25,000 shares
7. Mr. Ziaur Rahman, Chief Financial Officer	Nil	Nil
8. Mr. Nazrul Islam General Manager (H R & Admn)	Nil	Nil

- iii) Executives : Nil

- iv) Shareholders holding ten percent (10%) or more voting interest in the Company : Nil

- v) Related Party : a) Premier Leasing & Finance Limited (PLFL) of which Mr. S M Abdul Mannan is a Director as well as Director of the Company.
b) The subsidiary company, namely, Delta Ceramics Limited with which the parent company, Delta Spinners Limited has financial transactions.

Sd/-
R A Howlader
Chairman

Annexure – III

**AUDIT COMMITTEE REPORT
For the Year 2013-2014**

The Audit Committee consists of the following members :

Mr. Md. Shamsul Haque, Independent Director -- Chairman

Mr. S M A Mannan, Director -- Member

Mr. Udoj Kumar Bhakat, BDBL Director -- Member

Mr. Udoj Kumar Bhakat ceased to be a member w.e.f. 22nd July, 2014 due to appointment of Mr. Md. Amar Hossain, Deputy General Manager by BDBL. Mr. Md. Amar Hossian, newly appointed BDBL Director of the Company has been inducted as a Member of the Audit Committee as decided in the Board Meeting held on 4th August, 2014.

Activities carried out during the year :

During the year 2013-2014, the Committee reviewed the internal audit report, financial statements and the external audit report. The Committee met in a total number of 4 (four) meetings. The Committee did not find any material deviation, discrepancies or any adverse finding / observation in the areas of reporting.

Sd/-

(Md. Shamsul Haque)

Chairman

Audit Committee

70/C, PURANA PALTAN LINE, 3RD FLOOR
VIP ROAD, DHAKA-1000
PHONE OFF : 8318179
RES : 9884705, MOBILE : 01819-252656
E-mail : anisurfca@yahoo.com

আনিসুর রহমান এন্ড কোং
ANISUR RAHMAN & CO.
CHARTERED ACCOUNTANTS

Date : August 4, 2014

**To the Shareholders of
Delta Spinners Limited**

**Certificate on Compliance of
Corporate Governance by Delta Spinners Limited**

We do hereby certify that we have examined the books and records of Delta Spinners Ltd. and we are of the opinion that the Company complied with the conditions of Corporate Governance Guidelines for the year ended 30 June, 2014 as prescribed by Securities and Exchange Commission as per its notification No. SEC/CMRRCD/2006-158/134/Admin/44 dated 7th August, 2012 and subsequent amendment through their notification No. SEC/CMRRCD/2006-158/147/Admin/48 dated 21st July, 2013.

Sd/-
**ANISUR RAHMAN & Co.
Chartered Accountants**

Independent Auditor's Report
To
The Shareholders of Delta Spinners Limited

*We have audited the accompanying Statement of Financial Position of **Delta Spinners Limited** as at 30 June 2014 and the Statement of Comprehensive income, Statement of Cash Flow and statement of Changes in Equity for the year then ended. The preparation of these financial statements is the responsibility of the Company's management. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and fair presentation of Financial Statements that are free from material misstatement. Our responsibility is to express an independent opinion on these financial statements based on our audit.*

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)/ Bangladesh Accounting Standards, the companies Act 1994, Securities and Exchange Rules 1987 and other applicable laws and regulations and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Bangladesh Standard on Auditing (BSA). Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers 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.

Basis of Opinion:

We have conducted audit in accordance with Bangladesh Standards on Auditing (BSA) and accordingly we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

MAHFEL HUQ & CO.
মাহফেল হক এন্ড কোং
Chartered Accountants

34, Topkhana Road
BGIC Tower (4th Floor)
D h a k a - 1 0 0 0
Ph: 9581786, 9553143
Fax: +88-02-9571005
e-mail: mahfelcofca@yahoo.com

Opinion:

In our opinion and to the best of our information and according to the explanations given to us, the Financial Statement prepared in accordance with Bangladesh Accounting Standards(BAS) and Bangladesh Financial Reporting Standard (BFRS) exhibits a true and fair view of the state of affairs of the company as at 30 June 2014 and the result of its operation for the year then ended and comply with Companies Act 1994, Securities and Exchange Rules 1987, Dhaka Stock Exchange Rules 1954, Chittagong Stock Exchange Rules 1995 and other applicable laws and Regulations.

We further report that;

- i. *We have obtained all the information and explanations which were considered necessary for the purpose of our audit;*
- ii. *The company maintained proper books of account so far as it appeared from our examination; and*
- iii. *The Financial Statements are in agreement with the books of account maintained by the company and examined by us; and*
- iv. *The expenditure incurred was for the purposes of the company's business.*

*Dhaka;
Date: 22 July, 2014*

Sd/-
Mahfel Huq & Co
Chartered Accountants

**DELTA SPINNERS LIMITED
Consolidated Statement of Financial Position
As at 30 June, 2014**

PARTICULARS	Notes	Consolidated		The Company	
		30-06-2014	30-06-2013	30-06-2014	30-06-2013
NON-CURRENT ASSETS		1,341,961,876	1,483,230,464	1,342,618,089	1,481,872,217
Property, Plant & Equipment	3.00	1,341,961,876	1,482,240,510	1,202,057,219	1,342,309,167
Unallocated Capital Expenditure	5.00	-	989,954	-	-
Investment	6.00	-	-	140,560,870	139,563,050
CURRENT ASSETS		1,619,096,084	1,377,297,974	1,614,361,548	1,375,177,539
Inventory	7.00	934,052,988	910,241,426	934,052,987	910,241,426
Trade & Other Receivables	8.00	459,400,078	375,346,269	457,256,115	373,469,840
Advance, deposits & pre-payments	9.00	195,159,754	80,123,234	195,102,254	80,022,695
Cash & cash equivalent	10.00	30,483,264	11,587,045	27,950,192	11,443,578
TOTAL ASSETS		2,961,057,961	2,860,528,438	2,956,979,638	2,857,049,756
SHARE HOLDERS EQUITY		1,249,992,065	1,230,850,208	1,246,334,030	1,227,766,345
Share Capital	11.00	458,628,000	458,628,000	458,628,000	458,628,000
Revaluation Reserve	12.00	511,745,700	565,896,710	511,745,700	565,896,710
Retained Earnings	13.00	277,286,758	204,108,725	275,960,331	203,241,635
Equity attributable to owners of the Company		1,247,660,458	1,228,633,435	1,246,334,030	1,227,766,345
Non Controlling Shares	14.00	2,331,607	2,216,773	-	-
NON-CURRENT LIABILITIES		786,590,511	693,435,151	786,590,511	693,435,151
Long Term Borrowings	15.00	786,590,511	693,435,151	786,590,511	693,435,151
CURRENT LIABILITIES		924,475,386	936,243,079	924,055,097	935,848,260
Short Term Loan	16.00	481,490,109	487,237,777	481,490,109	487,237,777
Current portion of Long Term Loan	17.00	253,433,429	273,231,414	253,433,429	273,231,414
Interest payable to BDBL	18.00	7,083,355	35,835,039	7,083,355	35,835,039
Trade & Others Payable	19.00	1,477,130	717,209	1,477,130	717,209
Workers Profit Participation Fund	20.00	9,225,540	4,744,132	9,225,540	4,744,132
Unclaimed Dividend	21.00	49,014,320	43,889,345	49,014,320	43,889,345
Unpaid Dividend (Directors)	22.00	24,272,517	9,466,197	24,272,517	9,466,197
Provision for Tax: Current Tax	23.00	36,282,690	24,812,136	35,938,187	24,480,457
Deferred Tax Liabilities	24.00	49,895,825	44,404,077	49,895,825	44,404,077
Liabilities for expenses	25.00	12,300,471	11,905,753	12,224,685	11,842,613
TOTAL LIABILITIES		1,711,065,897	1,629,678,230	1,710,645,608	1,629,283,411
TOTAL EQUITY AND LIABILITIES		2,961,057,962	2,860,528,438	2,956,979,638	2,857,049,756
NAV PER SHARE-TAKA (INCLUDING REVALUATION)		27.26	26.82	27.18	26.77

These financial statements should be read in conjunction with the annexed notes from 1 to 44 and were approved by the Board of Directors on 04-08-2014 and were signed on its behalf by:

Sd/- R.A Howlader Chairman	Sd/- Mostafa Jamal Haider Managing Director	Sd/- Ziaur Rahman Chief Financial Officer	Sd/- Masudur Rahman Executive Director and Company Secretary
----------------------------------	---	---	---

Signed in terms of our separate report of even date annexed.

*Dhaka;
Dated 22 July, 2014*

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

**Mahfel Huq & Co.
Chartered Accountants**

**DELTA SPINNERS LIMITED
Statement of Comprehensive Income
For the year ended 30 June 2014**

Particulars	Notes	Consolidated		The Company	
		Amount in Taka		Amount in Taka	
		30-06-14	30-06-13	30-06-14	30-06-13
Turnover	26.00	1,663,987,165	1,665,803,050	1,652,490,165	1,654,925,495
Cost of Goods Sold	27.00	1,394,570,636	1,396,102,838	1,385,366,145	1,386,812,101
Gross Profit		269,416,529	269,700,212	267,124,020	268,113,394
Operating Expenses:		174,388,288	195,849,974	173,014,454	195,147,634
Administrative & selling Expenses	28.00	45,274,020	39,087,852	43,901,686	38,388,908
Financial Expenses	29.00	129,114,267	156,762,122	129,112,767	156,758,726
Net Profit from Operation		95,028,241	73,850,238	94,109,566	72,965,760
Non Operating Income	31.00	10,940	6,404	10,940	6,404
Net Profit Before Provisions		95,039,181	73,856,642	94,120,506	72,972,164
Contribution to WPP Fund	20.00	4,481,408	3,474,560	4,481,408	3,474,560
Net Profit before tax		90,557,773	70,382,082	89,639,098	69,497,604
Provision for tax: Current Tax		(20,061,368)	(10,756,320)	(19,716,865)	(10,424,641)
Deferred Tax (Expenses) / Incom	32.00	(5,491,748)	(11,732,717)	(5,491,748)	(11,732,717)
Net profit after tax		65,004,657	47,893,045	64,430,485	47,340,246
Non-Controlling Interest 20% of NPAT		114,834	110,560	-	-
Profit for Ordinary Shareholders		64,889,823	47,782,485	64,430,485	47,340,246
EPS		1.41	1.04	1.40	1.03

These financial statements should be read in conjunction with the annexed notes from 1 to 44 and were approved by the Board of Directors on 04-08-2014 and were signed on its behalf by:

Sd/-
R.A.Howlader
Chairman

Sd/-
Mostafa Jamal Haider
Managing Director

Sd/-
Ziaur Rahman
Chief Financial Officer

Sd/-
Masudur Rahman
Executive Director and
Company Secretary

Signed in terms of our separate report of even date annexed.

**Dhaka;
Dated 22 July, 2014**

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

DELTA SPINNERS LIMITED
STATEMENT OF CHANGES IN SHARE HOLDERS' EQUITY
For the year ended 30 June 2014

CONSOLIDATED

Particulars	Share Capital	Revaluation Reserve	Non-Controlling Shares	Retained Earnings	Total
Opening Balance as on 01-07-2013	458,628,000	565,896,710	2,216,773	204,108,725	1,230,850,208
Net profit after tax for the year	-	-	114,834	64,889,823	65,004,657
Transferred to Retained Earning	-	(54,151,010)	-	54,151,010	-
Issue of bonus share	-	-	-	-	-
Dividend for the year 2013	-	-	-	(45,862,800)	(45,862,800)
AS AT 30 JUNE, 2014 TK.	458,628,000	511,745,700	2,331,607	277,286,758	1,249,992,065

For the year ended 30 June 2013

CONSOLIDATED

Particulars	Share Capital	Revaluation Reserve	Non-Controlling Shares	Retained Earnings	Total
Opening Balance as on 01-07-2012	305,752,000	628,834,161	2,106,213	246,264,789	1,182,957,163
Net profit after tax for the year	-	-	110,560	47,782,485	47,893,045
Transferred to Retained Earning	-	(62,937,451)	-	62,937,451	-
Issue of bonus share	152,876,000	-	-	(152,876,000)	-
AS AT 30 JUNE, 2013 TK.	458,628,000	565,896,710	2,216,773	204,108,725	1,230,850,208

For the year ended 30 June 2014

THE COMPANY

Particulars	Share Capital	Revaluation Reserve	Retained Earnings	Total
Opening Balance as on 01-07-2013	458,628,000	565,896,710	203,241,635	1,227,766,345
Net profit after tax for the year	-	-	64,430,485	64,430,485
Transferred to Retained Earning	-	(54,151,010)	54,151,010	-
Issue of bonus share	-	-	-	-
Dividend for the year 2013	-	-	(45,862,800)	(45,862,800)
AS AT 30 JUNE, 2014 TK.	458,628,000	511,745,700	275,960,331	1,246,334,030

For the year ended 30 June 2013.

THE COMPANY

Particulars	Share Capital	Revaluation Reserve	Retained Earnings	Total
Opening Balance as on 01-07-2012	305,752,000	628,834,161	245,839,938	1,180,426,099
Net profit after tax for the year	-	-	47,340,246	47,340,246
Transferred to Retained Earning	-	(62,937,451)	62,937,451	-
Issue of bonus share	152,876,000	-	(152,876,000)	-
AS AT 30 JUNE, 2013 TK.	458,628,000	565,896,710	203,241,635	1,227,766,345

These financial statements should be read in conjunction with the annexed notes from 1 to 44 and were approved by the Board of Directors on 04-08-2014 and were signed on its behalf by:

Sd/-
R.A.Howlader
Chairman

Sd/-
Mostafa Jamal Haider
Managing Director

Sd/-
Ziaur Rahman
Chief Financial Officer

Sd/-
Masudur Rahman
Executive Director and
Company Secretary

Signed in terms of our separate report of even date annexed.

Dhaka;
Dated 22 July, 2014

Sd/-
Mahfel Huq & Co.
Chartered Accountants

DELTA SPINNERS LIMITED
Consolidated Statement of Cash Flow
For the year ended 30 June 2014

Particulars	Consolidated		The Company	
	Amount in taka		Amount in taka	
	30-06-14	30-06-13	30-06-14	30-06-13
Cash Flow from Operating Activities				
Collection from Turnover	1,579,933,356	1,384,138,203	1,568,703,890	1,374,635,618
Misc. Income	10,940	-	10,940	-
Payment for Cost and Expenses	(1,434,502,194)	(1,373,485,862)	(1,424,996,192)	(1,363,597,082)
Income tax paid	(8,590,814)	(10,469,568)	(8,259,135)	(10,150,930)
WPP Fund Paid During the Year	-	(2,518,671)	-	(2,518,671)
Net Cash Flow from Operating Activities	136,851,288	(2,335,898)	135,459,503	(1,631,065)
Cash Flow from Investing Activities				
Fixed Assets	(1,768,819)	(73,596,042)	(1,768,819)	(72,132,963)
Investment in Delta Ceramics Ltd.	-	-	(997,820)	200,000
Net Cash Flow from Investing Activities	(1,768,819)	(73,596,042)	(2,766,639)	(71,932,963)
Cash Flow From Financing Activities				
Short Term Loan Increase/(Decrease)	(5,747,668)	131,490,902	(5,747,668)	131,490,902
Long Term loan Increase/(Decrease)	73,357,375	41,624,510	73,357,375	41,624,510
Working Capital	(28,751,684)	-	(28,751,684)	-
Financial Expenses	(129,112,767)	(107,930,760)	(129,112,767)	(107,927,364)
Dividend Paid	(25,931,505)	(175,008)	(25,931,505)	(175,008)
Net Cash Flow from Financing Activities	(116,186,249)	75,358,981	(116,186,249)	75,362,377
Increase/(Decrease) in Cash and Cash Equivalent	18,896,219	(572,959)	16,506,614	1,798,349
Opening Cash and Cash Equivalents	11,587,045	12,160,004	11,443,578	9,645,229
Closing Cash and Cash Equivalents	30,483,264	11,587,045	27,950,192	11,443,578

Operating Cash flow per share (Taka) **2.98** **(0.05)** **2.95** **(0.04)**

These financial statements should be read in conjunction with the annexed notes from 1 to 44 and were approved by the Board of Directors on 04-08-2014 and were signed on its behalf by:

Sd/-	Sd/-	Sd/-	Sd/-
R.A.Howlader Chairman	Mostafa Jamal Haider Managing Director	Ziaur Rahman Chief Financial Officer	Masudur Rahman Executive Director and Company Secretary

Signed in terms of our separate report of even date annexed.

Dhaka;
Dated 22 July, 2014

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

DELTA SPINNERS LIMITED
254-B Khilgoan Chowdhury Para
Dhaka-1219.

**Notes to the Financial Statements
For the year ended 30 June, 2014**

1.00 Reporting Entity and its Activities

1.01 Legal forms of the Entity

Delta Spinners Limited was incorporated as a private Limited Company under the name & style "Delta Millers Limited" on 23 July, 1979. It was converted into a Public Limited Company on 14 March, 1991. The Name of the Company was changed to "Delta Spinners Limited" on 7 March, 2004. Its shares are listed with Dhaka Stock Exchange Ltd. and Chittagong Stock Exchange Ltd.

Delta Spinners holds 80% shares of subsidiary Company "Delta Ceramics Limited" (DCL) which was incorporated as a public Limited Company with the Registrar of Joint Companies and Firms under the Companies Act 1994 vide incorporation no C-91948/11 on 11 April 2011.

The registered office of the company is located 254-B Khilgoan Chowdhury Para Dhaka-1219. The industrial units are located at Gouripur, Kalta para, Mymensingh. Which is 140 KM away from Dhaka "0" point.

1.02 Nature of Business Activities

The nature and principal business activities of the Company throughout the year were concentrated on the manufacturing of cotton yarn of different counts and marketing the same. Nature of the business activities of its subsidiary company "Delta Ceramics Limited" would be to manufacture various kinds of ceramics wares. The company could not start commercial operation. During the year 2013-2014, the Company however carried on some trading activities of sanitary wares.

2.00 Significant Accounting Policy for the presentation of the financial Statements

The specific accounting policies selected and applied by the company's management for significant transactions and events that have material effect within the framework of BAS-1 "Presentation of Financial Statements", in preparation and presentation of financial statements have been consistently applied throughout the year and were also consistent with those used in earlier years.

2.01 Corporate Financial Statements

This comprises Statement of Financial Position, Statement of Comprehensive Income, Statement of Changes in Equity, Statement of Cash Flow and explanatory notes covering accounting policies. This is prepared under the historical cost convention and in accordance with the requirements of the Companies Act, 1994 and the Bangladesh Accounting Standards (BASs) BFRS and as applicable to this Company. The Board of Directors are responsible for preparing and presenting the financial statements including adequate disclosures, who approved and authorized for issue of this financial statements.

Due to the inherent uncertainty involved in making estimates, actual result could differ from those estimates.

2.02 Use of Estimates and Judgments

The preparation of Financial Statements requires management to make estimates and assumptions that affect the reported amount of assets, liabilities, income and expenses. Due to inherent uncertainties involved in making estimets actual results may differ from those estimates and underlying assumptions are reviewed on a going concern basis.

2.03 Going Concern

The company has adequate resources to continue in operation for the foreseeable future. For this reasons the directors continue to adopt going concern basis in preparing the Financial Statement. The current credit facilities and resources of the company provides sufficient fund to meet the present requirements of its existing business.

2.04 Foreign Currency Translation

Transactions in foreign currencies are translated to Bangladesh Taka at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities are converted at the rates prevailing at the balance sheet date. Non-monetary assets and liabilities denominated in foreign currencies, stated at historical cost, are translated into Bangladesh Taka at the exchange rate ruling at the date of transaction.

2.05 Basis of Consolidation

The consolidated financial statements include the financial statements of Delta Spinners Limited and its subsidiary Delta Cetramics Limited made for the year covering the period from 01-07-2013 to 30-06-2014. The consolidated financial statements are prepared to a common financial year ending 30 June.

(a) Subsidiaries

Subsidiaries are entities controlled by the group. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the group controls another entity. Subsidiaries are fully consolidated from date on which control is transferred to the group. They are de-consolidated from the date of which control ceases.

Name of Subsidiary	% of controlling interest	% of non-controlling interest	Total
Delta Ceramics Limited	80%	20%	100%

The accounting policies of subsidiary have been changed when necessary to align them with the policies adopted by the group. During the year statement of financial position, statement of comprehensive income and statement of cash flow has been consolidated on the basis of audited Financial Statements which was audited by A. Matin & Co. Chartered Accountants.

(b) Transactions eliminated on consolidation

The financial statements of the subsidiaries have been consolidated with those of Delta Spinners Limited in accordance with BAS 27 "Consolidated and Separate Financial Statements". Intra-group balances and transactions are eliminated in preparing consolidated financial statements.

2.06 Reporting Period

The financial statements covers one financial year from 1st July to 30th June of following year consistently.

2.07 Segmental Reporting:

No segmental reporting is applicable for the company as required by BAS 14: "Segment Reporting" as the company operates in a single industry segment and within a single geographical territory.

2.08 Fundamental Accounting Concepts/ Assumption

The financial statements have been prepared under historical cost convention on accrual basis and such other convention as required by BAS-1 and BFRS for fair presentation of financial statements.

2.09 Comparative Information and Re-arrangement thereof

Comparative Information has been disclosed for all numerical information in the financial statements and also the narrative and descriptive information where it is relevant for understanding of the current period's financial statements. Comparative figures have been re-arranged wherever considered necessary to ensure better comparability with the current period without causing any impact on the income and value of assets and liabilities as reported in the Financial Statements.

2.10 Events after the Reporting date

In compliance with the requirements of BAS 10: Adjusting events occurring after the reporting date are reflected in the financial statements and events after reporting date that are not adjusting events are disclosed in the notes when material.

2.11 Compliance with BAS

The following BAS have been applied in preparation of the financial statements for the year under review:

- BAS 1 Presentation of Financial Statements
- BAS 2 Inventories
- BAS 7 Statement of Cash Flow
- BAS 10 Events after the Reporting Period
- BAS 12 Income Taxes
- BAS 16 Property, Plant and Equipment
- BAS 18 Revenue
- BAS 19 Employee Benefits
- BAS 23 Borrowing Costs
- BAS 24 Related Party Disclosures
- BAS 25 Investment
- BAS 27 Consolidated and Separate Financial Statement
- BAS 33 Earnings Per Share
- BAS 34 Interim Financial Reporting
- BAS 36 Impairment of Assets
- BAS 37 Provisions, Contingent Liabilities and Contingent Assets
- BAS 38 Intangible Assets

The related BFRSs are also complied for the preparation of this financial statement.

2.12 Net Income Before Tax

Net Income Before Tax for the year were not materially affected by:

- (a) Transaction of a nature not usually undertaken by the company;
- (b) Circumstances of an exceptional or non-recurring nature;
- (c) Changes of credits relating to prior years ; and
- (d) Changes in accounting policies.

2.13 Regulatory Compliance

The Financial Statement have been prepared in compliance with the following laws and regulations;

The Company Act, 1994
The Income Tax Ordinance, 1984
The Income Tax Rules, 1984
The Value Added Tax (VAT) Act, 1991
The Custom Act 1969
Security and Exchange Rules, 1987
Security and Exchange Ordinance, 1993

2.14 Recognition and measurement of Tangible Fixed Assets

Tangible assets have been stated at written down value. Accumulated historical cost and depreciation have been shown in the Financial Statements. The cost of acquisition comprises of purchase price, including import duties and non-refundable Taxes and any directly attributable cost of bringing the assets to its state of intended use. Expenditure incurred after the assets have been put into operation, such as repairs and maintenance is normally charged off as revenue expenditure in the period in which it is incurred. In situation where it can be clearly demonstrated that the expenditure has resulted in an increase in the future economic benefit expected to be obtained from the use of the fixed assets, the expenditure is capitalized as an addition to cost of the assets.

2.15.1 Revaluation of Property, Plant & Equipment (PPE)

PPE have been stated at revalued amounts in accordance with BAS : 16 Property , Plant & Equipment.

i) Effective date of revaluation to the Financial Statements 30-06-2012.

ii) PPE has been revalued by A. Matin & Co. Chartered Accountants a independent valuer.

iii) Revaluation surplus has been transferred to Revaluation Reserve and distribution of such surplus to the shareholders is restricted.

2.15.2 Depreciation of Tangible Fixed Assets

Depreciation on Property, Plant & Equipment other than Land & Land Development have been computed during the year using the reducing balance method so as to write off the assets over their expected useful life. Depreciation has been charged on addition on the basis of date of purchase/acquisition.

After considering the useful life of assets as per BAS-16, the annual depreciation rates have been applied as under which is considered reasonable by the management.

Land & Land Development	Nil
Buildings	7.50%
Plant and Machinery	15%
Furniture and Fixtures	10%
Office Equipment	15%
Vehicles	20%
Electric Sub-Station and power connection	15%
Air conditioner	15%
Books and Periodicals	10%
Electrical Equipment	15%

2.15.3 Impairment of assets

All assets have been reviewed according to BAS 36 and it was confirmed that no such assets have been impaired during the year and for this reason no provision has been made for Impairment of assets.

2.16 Inventories

Inventories are measured at the lower of cost and net realizable value as prescribed by BAS-2. The cost of inventories is based on the weighted average method and includes expenditure incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their existing location and condition. In the case of manufactured inventories and work-in-progress, cost includes an appropriate allocation of production overheads based on normal operation capacity.

Nature of Inventories	Basis of valuation
Raw Materials	Weighted Average Cost
Work-in Progress	Material cost Plus Proportionate conversion cost based on percentage of completion.
Chemicals, Stores & Spares	Weighted Average Cost
Finished Goods	Valued at cost or net realizable value whichever is lower

2.17 Trade Debtors

Trade debtors are carried at original invoice amount less an estimate made for doubtful debts based on a review of all outstanding amounts at the year end.

2.18 Cash & Cash Equivalents

According to BAS 7 'Statement of Cash Flows' cash comprises of cash in hand, demand deposits and cash equivalents which are short term highly liquid investments that are readily convertible to cash and which are subject to an insignificant risk of changes in value. BAS 1 "Presentation of Financial Statements" provides that Cash & Cash Equivalents are not restricted in use. Considering the provision of BAS 7 & BAS 1, Cash in Hand & Bank Balances have been treated as Cash & Cash Equivalents.

2.2 Income Tax

2.20.1 Current Tax

Provision for taxation has been made as per rates prescribed in Finance Act, 2013 and the Income Tax Ordinance, 1984 on the profit made by the company. As per BAS-12 Income Tax provision has been made during the year as the company earned taxable income.

2.20.2 Deferred Tax

The company recognized of deferred tax in accordance with the Bangladesh Accounting Standard 12 (BAS). Deferred tax is provided using the liability method for temporary difference between the carrying value of fixed assets as per accounts and the corresponding income tax written down value. Deferred tax is calculated at the effective Income Tax rate.

2.21 Revenue Recognition

Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns, trade discounts and volume rebates exclusive of VAT as per BAS-18. Revenue is recognized when the significant risks and reward of ownership have been transferred to the buyer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably & there is no continuing management involvement with the goods sold. Transfer of risk and rewards occurs for the sale of goods when the product is delivered along with dispatch documents and invoices to customers.

2.22 Employee Benefit

Workers Profit Participation Fund (WPPF)

During the year under review the Company only operates WPPF and made a provision @ 5% of the profit towards 'Workers Profit Participation Fund as per Section-234 of Bangladesh Labor Act, 2006 before charging income tax and before adding non-operating income.

2.23 Financial expenses

Finance expenses comprise interest expenses on bank loan, finance lease and other borrowings. All borrowing cost is recognized in the Comprehensive Income Statement based on the statement received from Financial Institutions.

2.24 Statement of Cash Flow

Statement of Cash Flow has been prepared principally in accordance with BAS-7 "Statement of Cash Flow" and the cash flows from the operating activities have been presented under direct method.

2.25 Provisions

In accordance with the guidelines as prescribed by BAS-37: Provisions, Contingent Liabilities and Contingent Assets, provisions are recognized in the following situations:

- a. when the company has an obligation (legal or constructive) as a result of past events;
- b. when it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and
- c. Reliable estimates can be made of the amount of the obligation.

2.26 Earnings Per Share

This has been calculated in compliance with the requirements of BAS 33: Earnings Per Share is the basic earnings dividing by average weighted ordinary shares outstanding during the period and retrospective effect has been given for calculation of previous year earning as well.

2.27 Components of Financial Statements

The financial statements comprises the following;

- Statement of Financial Position as on 30th June 2014
- Statement of Comprehensive Income for the year ended 30th June 2014
- Statement of Change in Equity for the year ended 30th June 2014
- Statement of Cash Flow for the year ended 30th June 2014
- Accounting Policies and explanatory notes to the Financial Statement

**Notes to the Financial Statement
for the year ended 30, June 2014**

Consolidated		The Company	
Amounts in Taka		Amounts in Taka	
30-06-14	30-06-13	30-06-14	30-06-13

3.00 Property, Plant & Equipment:

These have arrived at as under:

Cost (Opening Balance)	2,986,696,234	2,913,100,192	2,846,733,852	2,774,600,889
Add: Addition during the year	1,768,819	73,596,042	1,768,819	72,132,963
Add: Revalued during the year	-	-	-	-
Total Cost (a)	2,988,465,053	2,986,696,234	2,848,502,671	2,846,733,852
Less: Accumulated Depreciation Opening Balance	1,504,455,725	1,339,654,021	1,504,424,684	1,339,654,021
Add: Depreciation Charged during the year	142,047,452	164,801,703	142,020,768	164,770,664
Total Depreciation (b)	1,646,503,177	1,504,455,724	1,646,445,452	1,504,424,685
WDV as on 30.06.2014	1,341,961,876	1,482,240,510	1,202,057,219	1,342,309,167

This represents the written down value of revalued assets and the above assets includes a plot of land measuring 4 kathas (6.60 decimals) and building thereon at 254/B, Khilgaon Chowdhury Para, valuing Tk. 97,90,000 has been mortgaged to Bangladesh Development Bank Limited by the Company. But the property is in the name of the some Sponsors/Directors who, vide a Notarized declaration, stated that afore mentioned Land & Building will be transferred to the Company. The value of land and buildings Taka 97,90,000 only were paid in year 2006-07 to the sponsors concerned. The Land could not be transferred to the company as clearance from BDBL could not be obtained yet. Necessary correspondences have been made with BDBL in this regard for an early settlement of the issue.

3.01 The company revalued its Land and Land Development, Buildings, Plant and Machinery and Electric Sub-station & Power Connection as on 15 April, 2012 by A. Matin & Co. Chartered Accountants to reflect the up to date value of these existing assets. In the financial statements as at 30 June, 2012 details of the revaluation of the assets were given as shown below:

Particulars	Net Book Value	Revalued Amount	Value Increase due to Revaluation
Land and Land Development	157,504,800	248,397,000	90,892,200
Buildings	252,407,394	336,616,381	84,208,987
Plant and Machinery	647,002,275	925,805,551	278,803,276
Electric Sub-station & Power Connection	27,701,924	31,186,171	3,484,247
Office Equipment	2,329,708	2,329,708	-
Furniture and Fixture	2,485,277	2,485,277	-
Air Conditioner	781,085	781,085	-
Vehicles	3,793,163	3,793,163	-
Electric Equipment	3,613,687	3,613,687	-
Books and Periodicals	2,273	2,273	-
Total:	1,097,621,586	1,555,010,296	457,388,710

3.02 Breakdown of revalued amount:

Particulars	W.D.V of Previous Revalued Amount 01.07.2013	Total of Revaluation 30.06.2014	Rate of Dep.	Depreciation During The Year	Revaluation Reserve Amount 30.06.2014
Land and Land Development	151,215,431	151,215,431	0%	-	151,215,431
Buildings	107,277,540	107,277,540	7.50%	8,045,816	99,231,725
Plant and Machinery	303,912,948	303,912,948	15%	45,586,942	258,326,006
Electric Sub-station & Power Connection	347,2960	3,472,960	15%	520,944	2,952,016
Office Equipment	(48,942)	(48,942)	15%	(7,341)	(41,601)
Furniture and Fixture	(67,996)	(67,996)	10%	(6,800)	(61,196)
Air Conditioner	157,467	157,467	15%	23,620	133,847
Vehicles	(175,315)	(175,315)	20%	(35,063)	(140,252)
Electric Equipment	152,617	152,617	15%	22,893	129,724
Books and Periodicals	-	-	10%	-	-
Total:	565,896,710	565,896,710		54,151,010	511,745,700

A schedule of Property,Plant & Equipment is given in Annexure-A

**Notes to the Financial Statement
for the year ended 30, June 2014**

Consolidated		The Company	
Amounts in Taka		Amounts in Taka	
30-06-14	30-06-13	30-06-14	30-06-13

4.00 Preliminary Expenses :

This has been arrived as follows

Opening Balance

Expenses during the year

Less: Written off during the year

-	316,275	-	-
-	-	-	-
-	316,275	-	-
-	-	-	-

5.00 Unallocated Capital Expenditure:

This has been arrived as follows

Opening Balance

Less: Written off during the year

989,954	989,954	-	-
989,954	-	-	-
-	989,954	-	-

6.00 Investment:

This consists of the following;

As Paid up capital

As Share Money Deposit

-	-	8,000,000	8,000,000
-		132,560,870	131,563,050
-	-	140,560,870	139,563,050

This represents investment made in Delta Ceramics Limited a subsidiary company of Delta Spinners Limited which is registered on 11.04.2011 with RJSC under the Companies Act 1994.

7.00 Inventory :

This consists of the following;

Raw Cotton	825,692,982	784,438,544	825,692,982	784,438,544
Finished Yarn	16,521,528	33,043,056	16,521,528	33,043,056
Work - in - Process	33,750,261	35,526,590	33,750,261	35,526,590
Waste Cotton	142,616	285,231	142,616	285,231
Spare Parts	40,645,187	42,554,485	40,645,187	42,554,485
Packing Materials	17,300,414	14,393,520	17,300,414	14,393,520
	934,052,988	910,241,426	934,052,988	910,241,426

The above inventories are as per physical counting made and valued by the inventory team consisting of management staff. Inventories in hand have been valued at lower of cost and net realizable value as per BAS-2 and have been certified by management.
Details Schedule of Raw Cotton ,WIP and finished goods attached as per Annexure-B.

8.00 Trade & Others Receivables:

Trade Receivables	459,400,078	375,346,269	457,256,115	373,469,840
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Trade receivable have been stated at their nominal value. Trade receivable are accrued in the ordinary course of business. All receivable has been considered as good and realizable and less than six months old.

Partywise break up is given in Annexure -C.

**Notes to the Financial Statement
for the year ended 30,June 2014**

Consolidated		The Company	
Amounts in Taka		Amounts in Taka	
30-06-14	30-06-13	30-06-14	30-06-13

9.00 Advance, deposits and prepayments:

This consists of the following;

Advance:

Lubricant	180,500	200,500	180,500	200,500
Process cotton	-	1,295,855	-	1,295,855
Raw cotton (Annexure -D)	183,554,160	13,872,829	183,554,160	13,872,829
Repair & Maintenance	-	3,583,962	-	3,583,962
TDS on Raw cotton Import	915,944	915,944	915,944	915,944
Office rent for DCL	-	12,000	-	-
CRAB for credit rating for DCL	57,500	88,539	-	-
LC Margin (Notes # 9.01)	-	49,701,955	-	49,701,955
Deposits :				
Security deposit	1,052,550	1,052,550	1,052,550	1,052,550
Power Development Board (PDB)	56,000	56,000	56,000	56,000
Inland Road Trans. Corporation	25,000	25,000	25,000	25,000
District Road Trans. Corporation	30,000	30,000	30,000	30,000
Bd. Road Trans. Corporation (BRTC)	30,000	30,000	30,000	30,000
Titas Gas & Distribution Co. Ltd.	9,258,100	9,258,100	9,258,100	9,258,100
	195,159,754	80,123,234	195,102,254	80,022,695

9.01 LC Margin:

Raw Cotton	-	46,918,156	-	46,918,156
Spare Parts	-	2,783,799	-	2,783,799
	-	49,701,955	-	49,701,955

10.00 Cash & Cash Equivalent:

Cash in Hand :

Head Office	1,741,591	1,578,577	1,741,591	1,578,577
Factory	1,523,627	2,381,918	1,523,627	2,381,918
Delta Ceramics Ltd.	115,500	9,167	-	-
Cash at Bank:				
Agrani Bank Ltd. CD A/C. Amincourt Br.	36,899	565,549	36,899	565,549
BDBL, CD A/C Head Office	6,176	6,606	6,176	6,606
Agrani Bank Ltd. STD A/C Amincourt Br.	151,312	43,939	151,312	43,939
Agrani Bank Ltd. Mymensingh	7,940	239,436	7,940	239,436
Exim Bank Ltd. (Motijheel Br.)	19,640,388	1,986,902	19,640,388	1,986,902
Southeast Bank Ltd. (C/D A/C)	240	6,349	240	6,349
Southeast Bank Ltd. (STD A/C)	8,465	9,179	8,465	9,179
Sonali Bank Ltd. Shambhuganj Bazar Br. Mymensingh	496,350	297,850	496,350	297,850
NRB Commercial bank Ltd.	9,931	-	9,931	-
FDR (Exim Bank Ltd.)	4,327,273	4,327,273	4,327,273	4,327,273
Agrani Bank Ltd. Principal Br.(DCL)	2,417,572	134,300	-	-
	30,483,264	11,587,045	27,950,192	11,443,578

11.00 Share Capital :

15,00,00,000 Ordinary Shares of Tk. 10 each	1,500,000,000	1,500,000,000	1,500,000,000	1,500,000,000
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Authorised capital of the company has been increased from Tk. 750,000,000 to Tk. 1,500,000,000 vide special resolution dated-18-07-2012

Issued, Subs. & Paid-up Capital .

4,58,62,800 Ordinary Shares of Tk.10 each fully paid up	458,628,000	458,628,000	458,628,000	458,628,000
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The Shares are listed in DSE & CSE. On 30-06-14 the market price of each share was Tk. 19.20 & Tk. 19.10 respectively.

**Notes to the Financial Statement
for the year ended 30, June 2014**

Consolidated		The Company	
Amounts in Taka		Amounts in Taka	
30-06-14	30-06-13	30-06-14	30-06-13

11.01 Category wise Shareholding Position of the Company:

Category of Shareholders	Percentage		Percentage	
	30-06-14	30-06-13	30-06-14	30-06-13
Sponsors/Directors	33	33	33	33
I.C.B.(I.A.)	6	4	6	4
Financial Institute	11	12	11	14
General Public	50	51	50	49
Total	100	100	100	100

11.02 Range wise Shareholding position as on 30.06.2014:

Holding Range	30-06-14		30-06-13	
	Number of Shareholders	Number of Shares	Number of Shareholders	Number of Shares
Less than 5000 Shares	8747	9,511,980	9200	11,891,535
5001 to 50000 Shares	910	11,931,105	930	12,279,475
50000 to 100000 Shares	59	2,759,750	24	1,637,900
100001 to 200000 Shares	17	2,351,900	15	1,885,900
200001 to 300000 Shares	5	1,255,600	3	735,100
300001 to 400000 Shares	2	665,400	4	1,289,000
400001 to 500000 Shares	2	840,750	3	1,274,150
500001 to 1000000 Shares	7	5,173,540	6	4,641,915
1000001 to 10000000 Shares	7	11,372,775	6	10,227,825
Over 10000000 Shares	-	-	-	-
Total	9756	45,862,800	10191	45,862,800

12.00 Revaluation Reserve:

This is made up as follows:

Opening Balance
Add:Revaluation made during the year

565,896,710	628,834,161	565,896,710	628,834,161
-	-	-	-
565,896,710	628,834,161	565,896,710	628,834,161
54,151,010	62,937,451	54,151,010	62,937,451
511,745,700	565,896,710	511,745,700	565,896,710

Less: Depreciation of revalued assets transferred to retained earnings

Closing Balance

This reserve were created in 2006-2007 by assets revaluation and then again in 2011-2012. The depreciation from 01.07.2007 to 30.06.2014 of revalued amount has been transferred to retained earnings as per Para 41 of BAS 16 "Property Plant and Equipments".

13.00 Retained Earnings:

This is made up as follows:

Opening Balance	203,241,635	245,839,938	203,241,635	245,839,938
Less: Issue of Bonus Share	-	152,876,000	-	152,876,000
Less: Dividend for the year 2013	203,241,635	92,963,938	203,241,635	92,963,938
45,862,800	-	45,862,800	-	-
Add: Depreciation of revalued assets transferred from Revaluation Reserve	157,378,835	92,963,938	157,378,835	92,963,938
54,151,010	62,937,451	54,151,010	62,937,451	
64,430,485	47,340,246	64,430,485	47,340,246	
	275,960,331	203,241,635	275,960,331	203,241,635
Share of Delta Ceramics Ltd.				
Opening Balance	867,090	424,851	-	-
Add: Share of Holding Profit				
for the year ended 30 June, 2014 80% of Tk. 5,74,172	459,338	442,239		
Total	277,286,758	204,108,725	275,960,331	203,241,635

**Notes to the Financial Statement
for the year ended 30, June 2014**

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Amounts in Taka		Amounts in Taka	
30-06-14	30-06-13	30-06-14	30-06-13

14.00 Non Controlling Shares

This is made up as follows:

Paid up capital of DCL

Less: Investment made by DSL

Balance amount of 20% shareholders

Share of Holding Profit

20% of Tk.1,658,035 Consolidated

10,000,000	10,000,000	-	-
8,000,000	8,000,000	-	-
2,000,000	2,000,000	-	-
331,607	216,773	-	-
2,331,607	2,216,773	-	-

15.00 Long Term Borrowings :

This consists of the following:

a) Bangladesh Development Bank Ltd. (Note # 15.01)	323,108,028	274,278,347	323,108,028	274,278,347
b) Premier Leasing & Finance Ltd. (Note # 15.02)	666,112,146	644,032,118	666,112,146	644,032,118
c) Southeast Bank Ltd. (Note # 15.03)	50,803,766	48,356,100	50,803,766	48,356,100
Total Term Loan	1,040,023,940	966,666,565	1,040,023,940	966,666,565
Less: Current Portion of Term Loan	253,433,429	273,231,414	253,433,429	273,231,414
Long Term Portion	786,590,511	693,435,151	786,590,511	693,435,151

a) Bangladesh Development Bank Ltd.

As per letter No. 10.3.13.80/1492 dated 29.04.2014 of Bangladesh Development Bank Limited, Mymensingh Branch, a total number of six loan accounts have been rescheduled into one single loan account amounting to TK. 32,31,08,028 as on 31.03.2014.

b) Premier Leasing & Finance Ltd. (PLFL)

As per letter No. PLFL/2014/0276 dated 06.02.2014 of Premier Leasing & Finance Limited a total number of three loan accounts have been rescheduled into two loan accounts amounting to Tk. 66,61,12,146 as on 31.12.2013. There was no interest for the period from 1st January, 2014 to 30th June, 2014 of the financial year 2013-2014.

c) Southeast Bank Ltd.

As per letter No. SEBL/CORP/CR/2014/346 dated 05.02.2014 of Southeast Bank Limited the loan amount stood at Tk. 5,08,03,766 as on 04.02.2014.

15.01 Bangladesh Development Bank Ltd.

As per last a/c

Add: Transferred from Interest Payable to BDBL

Less : Paid during the year

Less: Current Portion

274,278,347	297,603,223	274,278,347	297,603,223
48,829,681	-	48,829,681	-
323,108,028	297,603,223	323,108,028	297,603,223
-	23,324,876	-	23,324,876
323,108,028	274,278,347	323,108,028	274,278,347
70,240,875	95,421,024	70,240,875	95,421,024
252,867,153	178,857,323	252,867,153	178,857,323

15.1.1 BDBL A/C No-0088:

As per last a/c

Less : Paid during the year

Less:Transfer to A/C No-0111-R

Less:Transfer to A/C No-0115-R

Less: Current Portion

54,406,000	67,402,469	54,406,000	67,402,469
-	1,378,661	-	1,378,661
54,406,000	66,023,808	54,406,000	66,023,808
-	11,617,808	-	11,617,808
54,406,000	54,406,000	54,406,000	54,406,000
54,406,000	-	54,406,000	-
-	54,406,000	-	54,406,000
-	20,389,339	-	20,389,339
-	34,016,661	-	34,016,661

**Notes to the Financial Statement
for the year ended 30, June 2014**

Consolidated		The Company	
Amounts in Taka		Amounts in Taka	
30-06-14	30-06-13	30-06-14	30-06-13

15.1.2 BDBL A/C No-0089:

As per last a/c
 Less : Paid during the year
 Less:Transfer to A/C No-0111-R
 Less:Transfer to A/C No-0115-R
 Less: Current Portion

48,257,484	56,757,484	48,257,484	56,757,484
-	2,365,571	-	2,365,571
48,257,484	54,391,913	48,257,484	54,391,913
-	6,134,429	-	6,134,429
48,257,484	48,257,484	48,257,484	48,257,484
48,257,484	-	48,257,484	-
-	48,257,484	-	48,257,484
-	15,634,429	-	15,634,429
-	32,623,055	-	32,623,055

15.1.3 BDBL A/C No-0090:

As per last a/c
 Less : Paid during the year
 Less:Transfer to A/C No-0111-R
 Less:Transfer to A/C No-0115-R
 Less: Current Portion

81,903,376	101,691,677	81,903,376	101,691,677
-	6,457,734	-	6,457,734
81,903,376	95,233,943	81,903,376	95,233,943
-	13,330,567	-	13,330,567
81,903,376	81,903,376	81,903,376	81,903,376
81,903,376	-	81,903,376	-
-	81,903,376	-	81,903,376
-	26,342,266	-	26,342,266
-	55,561,110	-	55,561,110

15.1.4 BDBL A/C No-0098:

As per last a/c
 Less : Paid during the year
 Less:Transfer to A/C No-0111-R
 Less:Transfer to A/C No-0115-R
 Less: Current Portion

17,979,861	33,412,904	17,979,861	33,412,904
-	7,370,910	-	7,370,910
17,979,861	26,041,994	17,979,861	26,041,994
-	8,062,133	-	8,062,133
17,979,861	17,979,861	17,979,861	17,979,861
17,979,861	-	17,979,861	-
-	17,979,861	-	17,979,861
-	10,608,990	-	10,608,990
-	7,370,871	-	7,370,871

15.1.5 BDBL A/C No-0103:

As per last a/c
 Less : Paid during the year
 Less:Transfer to A/C No-0111-R
 Less:Transfer to A/C No-0115-R
 Less: Current Portion

22,425,511	38,338,689	22,425,511	38,338,689
-	3,157,000	-	3,157,000
22,425,511	35,181,689	22,425,511	35,181,689
-	12,756,178	-	12,756,178
22,425,511	22,425,511	22,425,511	22,425,511
22,425,511	-	22,425,511	-
-	22,425,511	-	22,425,511
-	9,471,000	-	9,471,000
-	12,954,511	-	12,954,511

15.1.6 BDBL A/C No-0111 R:

As per last a/c
 Add:Transfer from other loan
 Less : Paid during the year
 Less:Transfer to A/C No-0115-R
 Less: Current Portion

49,306,115	-	49,306,115	-
-	51,901,115	-	51,901,115
49,306,115	51,901,115	49,306,115	51,901,115
-	2,595,000	-	2,595,000
49,306,115	49,306,115	49,306,115	49,306,115
49,306,115	-	49,306,115	-
-	49,306,115	-	49,306,115
-	12,975,000	-	12,975,000
-	36,331,115	-	36,331,115

**Notes to the Financial Statement
for the year ended 30, June 2014**

Consolidated		The Company	
Amounts in Taka		Amounts in Taka	
30-06-14	30-06-13	30-06-14	30-06-13

15.1.7 BDBL A/C No-0115 R:

As per last a/c
Add: Transfer from other loan A/C

-	-	274,278,347	-
274,278,347	-	274,278,347	-
-	-	-	-
274,278,347	-	274,278,347	-
48,829,681	-	48,829,681	-
323,108,028	-	323,108,028	-
70,240,875	-	70,240,875	-
252,867,153	-	252,867,153	-

15.02 Premier Leasing & Finance Ltd:

As per last a/c
Less : Paid during the year

Add: Interest Charge during the year

Less: Current Portion

644,032,118	568,771,263	644,032,118	568,771,263
37,317,430	40,529,050	37,317,430	40,529,050
606,714,688	528,242,213	606,714,688	528,242,213
59,397,458	115,789,905	59,397,458	115,789,905
666,112,146	644,032,118	666,112,146	644,032,118
141,240,554	154,010,390	141,240,554	154,010,390
524,871,592	490,021,728	524,871,592	490,021,728

15.03 Southeast Bank Ltd:

As per last a/c
Less : Paid during the year

Add: Interest Charge during the year

Less: Current Portion (Interest & charges)

48,356,100	58,667,569	48,356,100	58,667,569
6,161,000	20,400,000	6,161,000	20,400,000
42,195,100	38,267,569	42,195,100	38,267,569
8,608,666	10,088,531	8,608,666	10,088,531
50,803,766	48,356,100	50,803,766	48,356,100
41,952,000	23,800,000	41,952,000	23,800,000
8,851,766	24,556,100	8,851,766	24,556,100

16.00 Short Term Loan

The break-up of the amount is given below:

Agrani Bank Ltd. (Hypo)
Agrani Bank Ltd. (C. C. P)
Southeast Bank Ltd. (LTR)
Agrani Bank Ltd. (LIM A/C)
Southeast Bank Ltd. (O.D)

33,513,777	41,299,641	33,513,777	41,299,641
225,489,878	206,291,593	225,489,878	206,291,593
43,275,828	40,648,711	43,275,828	40,648,711
169,051,985	187,931,834	169,051,985	187,931,834
10,158,641	11,065,998	10,158,641	11,065,998
481,490,109	487,237,777	481,490,109	487,237,777

This represents the present outstanding balances of the above loans. The above loans are secured by personal guarantee of the director of the company, corporate guarantee and the pari passu sharing agreement between banks on fixed and floating assets of the company. The interest rate of this loans are varying from 13% -15%.

17.00 Current Portion of Long Term Loan:

This consists of the following;

- a) Bangladesh Development Bank Ltd. (Note # 15.1.7)
- b) Premier Leasing & Finance Ltd. (Note # 15.02)
- c) Southeast Bank Ltd. (Note # 15.03)

70,240,875	95,421,024	70,240,875	95,421,024
141,240,554	154,010,390	141,240,554	154,010,390
41,952,000	23,800,000	41,952,000	23,800,000
253,433,429	273,231,414	253,433,429	273,231,414

**Notes to the Financial Statement
for the year ended 30, June 2014**

Consolidated		The Company	
Amounts in Taka		Amounts in Taka	
30-06-14	30-06-13	30-06-14	30-06-13

18.00 Interest Payable to BDBL :

This has been arrived as at under;

As per last a/c

Add : During the year

Less: Transferred to Long Term Borrowings

Less : Paid during the year

35,835,039	25,485,702	35,835,039	25,485,702
36,077,997	24,034,018	36,077,997	24,034,018
71,913,036	49,519,720	71,913,036	49,519,720
48,829,681	-	48,829,681	-
23,083,355	49,519,720	23,083,355	49,519,720
16,000,000	13,684,681	16,000,000	13,684,681
7,083,355	35,835,039	7,083,355	35,835,039

19.00 Trade and Other Payables :

This consists of the following

Packing Materials

Repairs and Maintenance

Inspection

Chemicals

Insurance

1,312,955	530,630	1,312,955	530,630
14,800	36,744	14,800	36,744
20,471	45,471	20,471	45,471
24,540	-	24,540	-
104,364	104,364	104,364	104,364
1,477,130	717,209	1,477,130	717,209

20.00 Workers Profit Participation Fund :

This has been arrived at as under;

As per last year

Add : Provision during the year

Less : Paid during the year

4,744,132	3,788,243	4,744,132	3,788,243
4,481,408	3,474,560	4,481,408	3,474,560
9,225,540	7,262,803	9,225,540	7,262,803
-	2,518,671	-	2,518,671

9,225,540	4,744,132	9,225,540	4,744,132
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The Company made provision for Workers Profit Participation Fund (WPPF) @ 5% of the profit after charging such expense .

21.00 Unclaimed Dividend:

As per last a/c

Add: Dividend During the year 2013

Less : Paid during the year (Previous years)

Less : Paid during the year 2013

43,889,345	44,064,353	43,889,345	44,064,353
31,056,480	-	31,056,480	-
74,945,825	44,064,353	74,945,825	44,064,353
225,459	175,008	225,459	175,008
74,720,366	43,889,345	74,720,366	43,889,345
25,706,046	-	25,706,046	-
49,014,320	43,889,345	49,014,320	43,889,345

Year wise break-up of unclaimed dividend is as follows:

Balance up 30.06.2005	-	3,351,313	-	3,351,313
2005-2006	3,558,921	218,597	3,558,921	218,597
2006-2007	4,229,652	4,251,252	4,229,652	4,251,252
2007-2008	4,622,420	4,663,820	4,622,420	4,663,820
2008-2009	5,129,811	5,176,881	5,129,811	5,176,881
2009-2010	12,543,159	12,593,559	12,543,159	12,593,559
2010-2011	13,579,923	13,633,923	13,579,923	13,633,923
2011-2012	Stok Dividend	-	Stok Dividend	-
2012-2013	5,350,434	5,350,434	5,350,434	-
Total	49,014,320	43,889,345	49,014,320	43,889,345

22.00 Unpaid Dividend (Directors):

This is as per last a/c

Add: Dividend for the year 2012-13

9,466,197	9,466,197	9,466,197	9,466,197
14,806,320	-	14,806,320	-
24,272,517	9,466,197	24,272,517	9,466,197

This amount is carried forward since 1997- 98 .

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30-06-14	30-06-13	30-06-14	30-06-13

23.00 Provision for Tax: Current Tax

This has been arrived as at under;

As per last year	24,812,136	24,525,384	24,480,457	24,206,746
Add : Provision during the year	20,061,368	10,756,320	19,716,865	10,424,641
	44,873,504	35,281,704	44,197,322	34,631,387
Less: Paid during the year	8,590,814	10,469,568	8,259,135	10,150,930
	36,282,690	24,812,136	35,938,187	24,480,457

Tax for the year 2013-14 has been charged @ 15% on net income and on depreciation revalued asset which has been considered as permanent difference as those addition was not allowed by the tax authority.

Year wise break up as follows:

Assessment Year	Demand /	Paid Taka	Outstanding	Assessment and appeal status
2004-05	3,896,717	892,000	3,004,717	Assessment completed
2005-06	1,432,328	1,100,000	332,328	Assessment completed
2006-07	7,480,419	4,900,000	2,580,419	Assessment completed
2007-08	5,048,152	5,020,000	28,152	Assessment completed
2008-09	4,677,325	6,500,000	(1,822,675)	In High Court
2009-10	4,071,765	4,000,000	71,765	Assessment completed
2010-11	5,587,508	4,500,000	1,087,508	Assessment completed
2011-12	8,344,856	-	8,344,856	Appeal Pending
2012-13	11,497,104	-	11,497,104	Appeal to be filed
2013-14	10,424,641	10,150,930	273,711	Appeal to be filed
TDS	-	917,428	(917,428)	
2014-15	19,716,865	8,259,135	11,457,730	
	82,177,680	46,239,493	35,938,187	

24.00 Deferred Tax Liabilities:

Carrying amount of Fixed Assets	891,425,343	933,579,261	891,425,343	933,579,261
Tax base amount of Fixed Assets	558,786,509	637,552,081	558,786,509	637,552,081
Temporary Difference	332,638,834	296,027,180	332,638,834	296,027,180
Tax Rate	15%	15%	15%	15%
Deferred Tax Liabilities	49,895,825	44,404,077	49,895,825	44,404,077

25.00 Liabilities for Expenses :

This consists of the following

Telephone Bill - (Head Office)	14,424	6,917	14,424	6,917
Telephone Bill - (Factory)	1,733	-	1,733	-
Electric Bill -(Factory)	134,823	147,663	134,823	147,663
Electric Bill -(H.O)	23,771	42,140	23,771	42,140
Wasa Bill	1,918	899	1,918	899
Titas Gas	4,431,654	4,641,143	4,431,654	4,641,143
Director Remuneration	150,000	-	150,000	-
Salary -(Head Office)	600,184	574,900	600,184	574,900
Salary and Wages -(Factory)	6,067,795	5,958,621	6,067,795	5,958,621
Overtime	539,564	238,329	539,564	238,329
Audit Fees	125,000	125,000	125,000	125,000
Refundable Share Money	2,000	2,000	2,000	2,000
Security Services	130,000	105,001	130,000	105,001
Newspaper Bill- Head Office	1,260	-	1,260	-
Newspaper Bill- Factory	560	-	560	-
Outstanding Expenses (DCL)	75,785	63,140	-	-
	12,300,471	11,905,753	12,224,686	11,842,613

**Notes to the Financial Statement
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Consolidated		The Company	
Amounts in Taka		Amounts in Taka	
30-06-14	30-06-13	30-06-14	30-06-13

26.00 Turnover:

This consists of the following

Cotton Yarn
Waste Cotton
Sale of DCL Ltd (net of VAT)

1,651,761,534	1,653,313,165	1,651,761,534	1,653,313,165
728,631	1,612,330	728,631	1,612,330
11,497,000	10,877,555	-	-
1,663,987,165	1,665,803,050	1,652,490,165	1,654,925,495

26.01 Capacity utilization

Production capacity during the year as per standard product mix (32s counts basis)

Kg.	Kg.	Kg.	Kg.
5,350,000	5,350,000	5,350,000	5,350,000

Production of Cotton Yarn various Counts (Actual mix)

2,498,292	2,539,017	2,498,292	2,539,017
91%	93.50%	91%	93.50%

Capacity utilization

27.00 Cost of Goods Sold :

Raw materials consumed (27.01)

Add : Direct expenses (27.03)

Add : Factory overhead (27.04)

Total cost

Add : Opening work-in-process

Less : Closing work-in-process

Add:Opening stock of waste cotton

Less:Closing stock of waste cotton

Cost of production

Add:Opening stock of finished goods

Less: Closing stock of finished goods

Cost of goods sold

1,100,855,497	1,108,570,217	1,091,817,997	1,099,440,197
99,769,282	99,678,153	99,602,291	99,517,436
175,505,385	199,927,088	175,505,385	199,927,088
1,376,130,164	1,408,175,458	1,366,925,673	1,398,884,721
35,526,590	23,605,708	35,526,590	23,605,708
1,411,656,754	1,431,781,166	1,402,452,263	1,422,490,429
33,750,261	35,526,590	33,750,261	35,526,590
1,377,906,493	1,396,254,576	1,368,702,002	1,386,963,839
285,231	335,567	285,231	335,567
1,378,191,724	1,396,590,143	1,368,987,233	1,387,299,406
142,616	285,231	142,616	285,231
1,378,049,108	1,396,304,912	1,368,844,617	1,387,014,175
33,043,056	32,840,982	33,043,056	32,840,982
1,411,092,164	1,429,145,894	1,401,887,673	1,419,855,157
16,521,528	33,043,056	16,521,528	33,043,056
1,394,570,636	1,396,102,838	1,385,366,145	1,386,812,101

27.01 Raw Materials Consumed :

Opening stock of raw materials

Add: Purchase of raw materials

(27.02)

Goods available for consumption

Less: Closing stock of raw materials

Total

784,438,544	721,285,695	784,438,544	721,285,695
1,142,109,935	1,171,723,066	1,133,072,435	1,162,593,046
1,926,548,479	1,893,008,761	1,917,510,979	1,883,878,741
825,692,982	784,438,544	825,692,982	784,438,544
1,100,855,497	1,108,570,217	1,091,817,997	1,099,440,197

27.02 Raw Materials Purchase :

Imported

Process (Willow)

Local

Purchase of Ceramics Goods

Total

74,752,385	560,802,288	74,752,385	560,802,288
-	480,000	-	480,000
1,058,320,050	601,310,758	1,058,320,050	601,310,758
9,037,500	9,130,020	-	-
1,142,109,935	1,171,723,066	1,133,072,435	1,162,593,046

**Notes to the Financial Statement
for the year ended 30, June 2014**

Consolidated		The Company	
Amounts in Taka		Amounts in Taka	
30-06-14	30-06-13	30-06-14	30-06-13

27.03 Direct expenses :

Spare Parts Consumed (27.05)
Carrying, loading and unloading
Chemicals
Excise duty
Direct wages
Electric charges
Lubricant
Titas gas

Total

13,548,396	6,363,142	13,548,396	6,363,142
1,109,688	1,189,418	989,685	1,073,896
445,957	535,320	445,957	535,320
3,965,000	3,875,000	3,965,000	3,875,000
44,703,847	48,867,885	44,656,859	48,822,690
1,669,499	1,710,083	1,669,499	1,710,083
7,407,396	9,798,210	7,407,396	9,798,210
26,919,499	27,339,095	26,919,499	27,339,095
99,769,282	99,678,153	99,602,291	99,517,436

27.04 Factory Overhead.

Wages and Salary
Entertainment
Telephone bill
Travelling and conveyance
Printing and Stationery
Donation and Subscription
Repairs and Maintenance
Vehicles Repairs and Maintenance
Vehicles fuel consumption
Medicine expenses
Misc. expenses
Overtime
Fire and Burglary insurance
Depreciation

Total

29,771,240	32,548,460	29,771,240	32,548,460
231,648	266,483	231,648	266,483
9,934	10,262	9,934	10,262
106,837	107,069	106,837	107,069
171,069	205,769	171,069	205,769
112,460	172,400	112,460	172,400
3,270,382	2,983,577	3,270,382	2,983,577
441,125	487,438	441,125	487,438
344,101	345,398	344,101	345,398
74,217	108,039	74,217	108,039
263,986	289,376	263,986	289,376
3,113,470	2,443,099	3,113,470	2,443,099
2,675,187	3,427,587	2,675,187	3,427,587
134,919,729	156,532,131	134,919,729	156,532,131
175,505,385	199,927,088	175,505,385	199,927,088

27.05 Spare Parts Consumed :

Opening stock of spare parts
Add: Purchase during the year
Goods available for consumption
Less: Closing stock of spare parts

Total

42,554,485	23,126,414	42,554,485	23,126,414
11,639,098	25,791,213	11,639,098	25,791,213
54,193,583	48,917,627	54,193,583	48,917,627
40,645,187	42,554,485	40,645,187	42,554,485
13,548,396	6,363,142	13,548,396	6,363,142

Note: The Category wise break-up of the above Wages & Salary are as follows:-

Employees Drawings Tk.3,000/= and above

Employees Drawings Less than Tk.3,000/=

Total

Number	Amount	Amount
1429	46,590,000	43,533,565
196	27,838,099	37,837,585
1625	74,428,099	81,371,150

**Notes to the Financial Statement
for the year ended 30, June 2014**

Consolidated		The Company	
Amounts in Taka		Amounts in Taka	
30-06-14	30-06-13	30-06-14	30-06-13

28.00 Administrative & selling expenses:

Salary and Allowance	11,273,802	9,321,671	11,013,135	9,068,294
Directors' remuneration	1,800,000	1,800,000	1,800,000	1,800,000
Electric Bill	331,739	318,553	330,020	316,834
Wasa Bill	14,731	18,763	14,731	15,663
Gas Bill DCL	3,100	-	-	-
Office Supplies DCL	2,390	-	-	-
Telephone Bill	142,403	124,060	142,403	124,060
Entertainment	350,032	403,175	347,472	399,725
Travelling and Conveyance	252,852	242,304	249,286	238,314
Printing and Stationery	256,604	308,654	256,604	308,654
Gift and Presentation	150,947	130,600	150,947	130,600
Newspaper	27,795	26,643	24,991	23,839
Repairs and Maintenance	593,008	526,514	593,008	526,514
Vehicles Repairs & Maintenance	661,687	731,158	661,687	731,158
Vehicles Fuel Consumption	516,152	418,096	516,152	418,096
Office Rent	6,000	6,000	-	-
Office Maintenance	434,429	471,362	432,349	468,882
Legal and Documentation	883,485	613,644	873,485	599,744
Rates and Taxes	128,337	90,286	128,337	90,286
Postage and Stamps	42,638	24,973	42,638	24,973
Renewal fees	161,060	205,625	136,250	180,815
Security service	1,521,536	1,236,430	1,521,536	1,236,430
Training expenses	125,000	100,000	125,000	100,000
Audit fees/professional fees	190,250	183,500	154,250	147,500
Misc. expenses	395,979	431,069	395,979	431,069
Advertisement	891,699	893,743	891,699	893,743
Packing Materials (Note # 28.01)	11,533,609	9,589,110	11,533,609	9,589,110
Donation and Subscription	168,690	258,600	168,690	258,600
General Fees and Taxes	-	503	-	503
Diary and Calendar	9,878	428,000	9,878	428,000
SEC Fine	1,000,000	10,000	1,000,000	10,000
Right share issue expenses	1,375,884	-	1,375,884	-
AGM and EGM Expenses	495,847	994,365	495,847	994,365
Subscription (BTMA)	44,980	44,980	44,980	44,980
Listing Fees (DSE)	630,496	412,689	630,496	412,689
Internet Service	189,305	136,935	189,305	136,935
Business Development Fee	550,000	-	550,000	-
Write off Expenses (Notes-#30)	-	316,275	-	-
Write off Expenses (Notes-05)	989,954	-	-	-
Depreciation	7,127,722	8,269,572	7,101,038	8,238,533
Total	45,274,020	39,087,852	43,901,686	38,388,908

28.01 Packing Materials Consumed :

Opening stock of packing materials	14,393,520	9,519,673	14,393,520	9,519,673
Add: Purchase during the year	14,440,503	14,462,957	14,440,503	14,462,957
Goods available for consumption	28,834,023	23,982,630	28,834,023	23,982,630
Less: Closing stock of packing materials	17,300,414	14,393,520	17,300,414	14,393,520
Total	11,533,609	9,589,110	11,533,609	9,589,110

Note: The Category wise break-up of the above Salary & Allowances are as follows:-

Employees Drawings Tk.3,000/= and above
Employees Drawings Less than Tk.3,000/=
Total

Number	Amount	Amount
95	11,013,135	9,068,294
95	11,013,135	9,068,294

**Notes to the Financial Statement
for the year ended 30,June 2014**

Consolidated		The Company	
Amounts in Taka		Amounts in Taka	
30-06-14	30-06-13	30-06-14	30-06-13

29.00 Financial expenses :

Interest on short term loan
Bank charges
Interest on long term loan

Total

24,266,316	48,831,362	24,266,316	48,831,362
98,888	161,412	97,388	158,016
104,749,063	107,769,348	104,749,063	107,769,348
129,114,267	156,762,122	129,112,767	156,758,726

30.00 Write off expenses :

Preliminary expenses
Issue expenses

Total

-	316,275	-	-
-	-	-	-
-	316,275	-	-

31.00 Non Operating Income:

Interest from STD Account

10,940	6404	10,940	6,404
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Consolidated		The Company	
Amounts in Taka		Amounts in Taka	
30-06-14	30-06-13	30-06-14	30-06-13

32.00 Deferred Tax (Expenses) / Income:

Opening Deferred Tax Liabilities
Less: Closing Deferred Tax Liabilities

Deferred tax (Expenses)/Income

44,404,077	32,671,360	44,404,077	32,671,360
49,895,825	44,404,077	49,895,825	44,404,077
(5,491,748)	(11,732,717)	(5,491,748)	(11,732,717)

33.00 Basic Earning Per Share (EPS)

Net profit after tax	64,889,823	47,782,485	64,430,485	47,340,246
No. of ordinary shares outstanding	45,862,800	45,862,800	45,862,800	45,862,800
Basic Earning Per Share	1.41	1.04	1.40	1.03

34.00 Net asset value (NAV) Per Share

The composition of net assets value per share is given below:

Total Assets	2,961,057,961	2,859,538,484	2,956,979,638	2,857,049,756
(-)Non-Current Liabilities+Current Liabilities	1,711,065,897	1,629,678,229	1,710,645,608	1,629,283,410
Net Assets Value/	1,249,992,064	1,229,860,255	1,246,334,030	1,227,766,346
Number of ordinary shares oustanding	45,862,800	45,862,800	45,862,800	45,862,800
NAV per share	27.26	26.82	27.18	26.77

35.00 Related Party Transactions-Discloser Under BAS-24

There was two related party transaction during the year and mentioned in below:

Name of party	Nature of relationship	Nature of transaction	Transaction during the year	Outstanding balance
Delta Ceramics Ltd.	Subsidiary Company	Investment	997,820	140,560,870
Premier Leasing & Finance Ltd.	Common Director	Lease Finance	37,317,430	666,112,146

36.00 Payment/Perquisites to Directors & Officers:

1. During the year no other compensation was allowed by the company to the directors of the company except directors remuneration Taka 1800000/-
2. No amount of money was expended by the company for compensating any member of the board for special services rendered.
3. No board meeting attendance fee was paid to the directors of the company.

**Notes to the Financial Statement
for the year ended 30, June 2014**

37.00 Capital Expenditure Commitment:

There was no Capital Expenditure Commitment as on 30.06.14

38.00 Contingent Assets /Liabilities :

There was no Contingent Assets & Liabilities as on 30.06.14 except income tax liability, if any.

39.00 Claim Against the Company not acknowledged as debt:

There was no claim against the Company not acknowledged as debt as on 30.06.14

40.00 Dividend:

The Directors proposed 10% cash dividend for the year ended 30 June 2014.

41.00 Construction Contract:

There is no credit facilities available to the company under any contract, other than trade credit available in the ordinary course of business and not availed of as on 30.06.14

42.00 Payment Made in foreign currency :

There was no expenses incurred or paid in foreign currencies during the year other than import of raw materials.

43.00 Sales Commission:

During the year, the company did not pay any commission to any sole agent or other selling agents.

44.00 General Expenditure:

During the year the company did not incur any expenditure under above head.

DELTA SPINNERS LIMITED
Schedule of Property, Plant & Equipment
As at 30 June 2014

Mahfel Huq & Co
Chartered Accountants

Annexure -A

The Company

PARTICULARS	BALANCE AS AT 01.07.2013	ADDITION DURING THE YEAR	REVALUATION DURING THE YEAR	TOTAL AS AT 30.06.2014	RATE OF DEP.	DEPRECIATION AS AT 01.07.2013	DEPRECIATION DURING THE YEAR	TOTAL DEPRECIATION	W. D. VALUE AS AT 30.06.2014
Land and Land Development	248,419,642	-	-	248,419,642	0%	-	-	-	248,419,642
Buildings	506,194,245	1,140,041	-	506,194,245	7.50%	209,505,133	22,251,683	231,756,816	274,437,429
Plant and Machinery	1,972,837,764	-	-	1,973,977,805	15%	1,215,112,774	113,744,252	1,328,857,026	645,120,779
Electric Sub - station & Power Connection	57,633,546	-	-	57,633,546	15%	29,028,922	4,290,694	33,319,615	24,313,931
Office Equipment	10,928,001	115,525	-	11,043,526	15%	8,541,171	375,353	8,916,524	2,127,002
Furniture and Fixture	7,320,816	7,657	-	7,328,473	10%	5,086,732	224,174	5,310,906	2,017,567
Air Conditioner	2,370,495	-	-	2,370,495	15%	1,717,761	97,910	1,815,671	554,824
Vehicles	14,017,137	-	-	14,017,137	20%	11,589,513	485,525	12,075,038	1,942,099
Electric Equipment	27,004,124	505,596	-	27,509,720	15%	23,836,438	550,992	24,387,430	3,122,290
Books and Periodicals	8,082	-	-	8,082	10%	6,241	184	6,425	1,657
Total :	2,846,733,852	1,768,819	-	2,848,502,671	1,504,424,684	142,020,768	1,646,445,452	1,202,057,219	

Allocation of Depreciation :

Factory Overhead
Administrative Expense
Total:

134,919,729
7,101,038
142,020,768

DELTA SPINNERS LIMITED
Schedule of Property, Plant & Equipment
As at 30 June 2013

The Company

PARTICULARS	BALANCE AS AT 01.07.2012	ADDITION DURING THE YEAR	REVALUATION DURING THE YEAR	TOTAL AS AT 30.06.2013	RATE OF DEP.	DEPRECIATION AS AT 01.07.2012	DEPRECIATION DURING THE YEAR	TOTAL DEPRECIATION	W. D. VALUE AS AT 30.06.2013
Land and Land Development	248,397,000	22,642	-	248,419,642	0%	-	-	-	248,419,642
Buildings	504,460,279	1,733,966	-	506,194,245	7.50%	185,449,259	24,055,874	209,505,133	296,689,112
Plant and Machinery	1,910,151,899	62,685,955	-	1,972,837,764	15%	1,081,396,599	133,716,175	1,215,112,774	757,724,990
Electric Sub - station & Power Connection	51,011,929	6,621,617	-	57,633,546	15%	23,981,047	5,047,875	29,028,922	28,604,624
Office Equipment	10,371,751	556,250	-	10,928,001	15%	8,119,966	421,205	8,541,171	2,386,830
Furniture and Fixture	7,315,016	5,800	-	7,320,816	10%	4,838,500	248,232	5,086,732	2,234,084
Air Conditioner	2,311,495	59,000	-	2,370,495	15%	1,602,573	115,188	1,717,761	652,734
Vehicles	14,017,137	-	-	14,017,137	20%	10,982,607	606,906	11,589,513	2,427,624
Electric Equipment	26,556,391	447,733	-	27,004,124	15%	23,277,434	559,004	23,836,438	3,167,686
Books and Periodicals	8,082	-	-	8,082	10%	6,036	205	6,241	1,841
Total :	2,774,600,889	72,132,963	-	2,846,733,852	1,339,654,021	164,770,664	1,504,424,684	1,342,309,167	

Allocation of Depreciation :

Factory Overhead
Administrative Expense
Total:

156,532,131
8,238,533
164,770,664

DELTA SPINNERS LIMITED
Consolidated Schedule of Property, Plant & Equipment
As at 30 June 2014

Consolidated

PARTICULARS	BALANCE AS AT 01.07.2013	ADDITION DURING THE YEAR	REVALUATION DURING THE YEAR	TOTAL AS AT 30.06.2013	RATE OF DEP.	DEPRECIATION AS AT 01.07.2013	DEPRECIATION DURING THE YEAR	TOTAL DEPRECIATION	W. D. VALUE AS AT 30.06.2014
Land and Land Development	387,920,094	-	-	387,920,094	0%	-	-	-	387,920,094
Buildings	506,429,245	1,140,041	-	506,429,245	7.50%	209,505,134	22,251,683	231,756,817	274,672,428
Plant and Machinery	1,972,837,764	-	-	1,973,977,805	1.5%	1,215,112,774	113,744,252	1,328,857,026	645,120,779
Electric Sub - station & Power Connection	57,633,546	-	-	57,633,546	1.5%	29,028,922	4,290,694	33,319,616	24,313,930
Office Equipment	10,998,001	115,525	-	11,113,526	1.5%	8,551,671	384,278	8,935,949	21,177,577
Furniture and Fixture	7,380,816	7,657	-	7,388,473	10%	5,092,732	229,574	5,322,306	2,066,167
Air Conditioner	2,370,495	-	-	2,370,495	1.5%	1,717,761	97,910	1,815,671	554,824
Vehicles	14,017,137	-	-	14,017,137	20%	11,589,513	485,525	12,075,038	1,942,099
Electric Equipment	27,101,054	505,596	-	27,606,650	1.5%	23,850,977	563,351	24,414,328	3,192,322
Books and Periodicals	8,082	-	-	8,082	10%	6,241	184	6,425	1,657
Total :	2,986,696,234	1,768,819	-	2,988,465,053		1,504,455,725	142,047,452	1,646,503,177	1,341,961,876

Allocation of Depreciation :

Factory Overhead	134,919,729
Administrative Expense	7,127,722
Total:	142,047,451

DELTA SPINNERS LIMITED
Consolidated Schedule of Property, Plant & Equipment
As at 30 June 2013

Consolidated

PARTICULARS	BALANCE AS AT 01.07.2012	ADDITION DURING THE YEAR	REVALUATION DURING THE YEAR	TOTAL AS AT 30.06.2013	RATE OF DEP.	DEPRECIATION AS AT 01.07.2012	DEPRECIATION DURING THE YEAR	TOTAL DEPRECIATION	W. D. VALUE AS AT 30.06.2013
Land and Land Development	386,776,303	1,143,791	-	387,920,094	0%	-	-	-	387,920,094
Buildings	504,460,279	1,968,966	-	506,429,245	7.50%	185,449,259	24,055,875	209,505,134	296,924,111
Plant and Machinery	1,910,151,809	62,685,955	-	1,972,837,764	1.5%	1,081,396,599	133,716,175	1,215,112,774	757,724,990
Electric Sub - station & Power Connection	51,011,929	6,621,617	-	57,633,546	1.5%	23,981,047	5,047,875	29,028,922	28,604,624
Office Equipment	10,431,751	566,250	-	10,998,001	1.5%	8,119,966	431,705	8,551,671	2,446,330
Furniture and Fixture	7,375,016	5,800	-	7,380,816	10%	4,838,500	254,232	5,092,732	2,288,084
Air Conditioner	2,311,495	59,000	-	2,370,495	1.5%	1,602,573	115,188	1,717,761	652,734
Vehicles	14,017,137	-	-	14,017,137	20%	10,982,607	606,906	11,589,513	2,427,624
Electric Equipment	26,556,391	544,663	-	27,101,054	1.5%	23,277,434	573,543	23,850,977	3,250,077
Books and Periodicals	8,082	-	-	8,082	10%	6,036	205	6,241	1,841
Total :	2,913,100,192	73,596,042	-	2,986,696,234		1,339,654,021	164,801,703	1,504,455,724	1,482,240,510

Allocation of Depreciation :

Factory Overhead	156,532,131
Administrative Expense	8,269,572
Total:	164,801,703

DELTA SPINNERS LIMITED
Schedule of Inventory (Raw Cotton)
As at 30 June 2014

Annexure-B

Mahfel Huq & Co .
Chartered Accountants

Sl. No	Particular	The Company			The Company		
		30.06.2014			30.06.2013		
		Pound	Rate	Amount in Taka	Pound	Rate	Amount in Taka
1	PIMA Grade-2 USA Origin Raw Cotton	1,588,523	175	277,991,534	1,389,662	145	201,501,000
2	MCU-5 Indian Raw Cotton	2,147,931	86	184,722,100	2,147,931	86	184,722,100
3	CIS 17/16 Origin Raw Cotton	1,107,588	136	150,631,968	1,012,336	125	126,542,000
4	CIS 11/8 Origin Raw Cotton	845,248	86	72,691,328	986,047	86	84,800,000
5	DCH-32 Indian Raw Cotton	162,452	121	19,656,692	142,828	116	16,568,000
6	GIZA 86 Origin Raw Cotton	453,324	140	63,465,360	495,833	120	59,500,000
7	Egyptian Cotton GIAZ 88	87,482	130	11,372,660	119,900	130	15,587,000
8	BUNNY BRAHMA Indian Origin Raw Cotton	256,324	91	23,325,484	467,736	91	42,564,000
9	Sanker-6 Indian Raw Cotton	245,347	89	21,835,855	591,623	89	52,654,444
	Total			825,692,982			784,438,544

DELTA SPINNERS LIMITED
Schedule of Inventory (Finished Yarn)
As at 30 June 2014

Sl. No	Particular	The Company			The Company		
		30.06.2014			30.06.2013		
		Pound	Rate	Amount in Taka	Pound	Rate	Amount in Taka
1	74 H	13,458	226	3,044,873	31,443	227.50	7,153,255
2	62 H	13,742	207	2,841,134	32,684	205.00	6,700,124
3	54 H	2,045	184	375,769	29,602	190.75	5,646,578
4	78 C	4,751	217	1,030,967	5,684	223.00	1,267,565
5	70 C	4,975	195	970,092	7,934	207.00	1,642,365
6	80 A.C	2,534	241	610,781	4,034	248.00	1,000,521
7	76 C	-	-	-	7,929	223.00	1,768,198
8	76 A.C	4,251	220	935,286	8,029	220.00	1,766,446
9	65 C	-	-	-	5,719	197.00	1,126,556
10	74 A.C	9,458	215	2,033,470	8,637	220.00	1,900,226
11	64 A.C	-	-	-	2,784	202.00	562,330
12	60 A.C	3,475	164	569,877	4,703	175.00	823,001
13	56 C	1,258	158	198,764	945	165.00	155,999
14	52 A.C	4,087	139	568,097	2,242	146.00	327,336
15	50 A.C	3,605	134	483,046	3,605	145.00	522,699
16	43 A.C	1,617	114	184,346	1,617	121.00	195,665
17	60 A.C	988	161	159,147	-	-	-
18	40 C	1,126	114	128,364	467	122.00	56,998
19	50 N.C	841	129	108,455	741	135.00	100,000
20	30 R.C	499	84	41,942	484	94.00	45,525
21	10 C	2,680	45	120,600	2,480	50.00	124,000
22	45 C	2,761	122	336,892	-	-	-
23	40 H	2,521	145	365,545	-	-	-
24	80 C	1,250	235	293,750	-	-	-
25	60 C	1,625	201	326,625	938	168.00	157,666
26	58 C	2,285	159	363,315	-	-	-
27	54 C	2,724	158	430,392	-	-	-
	Total			16,521,528			33,043,054

DELTA SPINNERS LIMITED
Schedule of Inventory (Work-in Process)
As at 30 June 2014

Annexure-B

Mahfiz Huq & Co .
Chartered Accountants

Sl. No	Particular	The Company			The Company		
		30.06.2014			30.06.2013		
		Pound	Rate	Amount in Taka	Pound	Rate	Amount in Taka
1	74 H	31,456.78	226	7,117,096	37,476	227.50	8,525,790
2	62 H	32,789.56	207	6,779,242	39,152	205.00	8,026,123
3	54 H	23,731.01	184	4,360,573	33,272	190.75	6,346,579
4	78 C	11,248.00	217	2,440,816	12,858	223.00	2,867,223
5	76 C	-	-	-	4,911	223.00	1,095,128
6	70 C	5,940.45	195	1,158,388	9,295	207.00	1,924,158
7	65 C	-	-	-	4,987	197.00	982,421
8	80 A.C	3,458.00	241	833,378	5,759	248.00	1,428,331
9	76 A.C	1,245.00	220	273,900	5,301	220.00	1,166,264
10	74 A.C	7,359.55	215	1,582,303	6,026	220.00	1,325,621
11	64 A.C	-	-	-	2,087	202.00	421,534
12	60 A.C	-	-	-	1,856	175.00	324,823
13	56 C	5,366.00	158	847,828	102	165.00	16,800
14	52 A.C	1,258.00	139	174,862	1,550	146.00	226,331
15	50 A.C	3,458.00	134	463,372	2,263	145.00	328,126
16	43 A.C	2,592.00	114	295,488	1,344	121.00	162,588
17	40 C	2,699.00	114	307,686	267	122.00	32,587
18	50 N.C	1,345.00	129	173,505	343	135.00	46,258
19	30 R.C	3,699.00	84	310,716	1,362	94.00	128,000
20	10 C	2,503.86	45	112,674	1,914	50.00	95,687
21	45 C	2,456.00	122	299,632	-	-	-
22	40 H	9,245.48	145	1,340,595	-	-	-
23	80 C	5,365.43	235	1,260,876	-	-	-
24	60 C	4,396.00	201	883,596	335	168.00	56,221
25	58 C	7,496.56	159	1,191,953	-	-	-
26	54 C	9,758.12	158	1,541,783	-	-	-
	Total			33,750,261			35,526,593

DELTA SPINNERS LIMITED
Schedule of Trade & Other Receivable Annexure -C
As at 30 June 2014

Sl. No	Name of the Party	30.06.2014	30.06.2013
		Amount in Taka	Amount in Taka
1	Hamid Trading Co.	7,120,000	7,320,104
2	Taraque Traders	6,035,823	6,314,588
3	Rajmony Yearn Traders	9,055,728	8,892,357
4	Biponony Bitan	6,527,001	6,305,775
5	Bostra Bitan	7,412,560	7,342,345
6	Shohidul Huq & Co.	8,543,223	5,254,562
7	Somsar Ali Talucder Co.	9,714,302	6,421,879
8	Sirajganj Yarn Trading	7,814,562	7,345,967
9	Pabna Yarn Trading & Co.	6,668,123	6,421,756
10	Haider Munshi Yarn Traders	8,012,586	7,806,256
11	Horimohon Sha & Co.	8,856,241	6,376,642
12	Somsor Pordar Traders	6,875,125	6,902,134
13	Sha & Yarn Traders	10,932,561	7,245,890
14	Alock nath Sha & Co.	10,685,242	6,261,054
15	Ashim Vuson Yarn Traders	9,012,345	8,174,523
16	Sumon Sha Bostra Bitan	8,285,453	7,434,178
17	Dabidas Sha Yarn Suppliers	6,253,565	6,429,366
18	Amor Sha & Co.	8,512,369	7,154,249
19	Shamim Traders	7,612,345	7,389,651
20	Bonkim Box Traders	7,045,125	6,890,306
21	Bicrompur Traders	7,745,789	7,528,064
22	Mir Yarn Suppliers	8,245,789	8,012,747
23	Jahangir Ali Trading House	6,152,852	6,097,154
24	Shohag Traders	7,312,456	7,256,077
25	Juyel Yarn Suppliers	6,578,452	6,128,942
26	Gorisha Trading Co.	5,595,784	5,982,461
27	Collanpur Trading Co.	7,948,153	7,321,908
28	Shahidujjaman & Co.	6,785,246	6,247,620
29	Comol Canti Sha Trading House	7,645,879	6,130,899
30	Shahab Ali Traders	8,912,345	7,019,724
31	Janab Ali Trading House	9,549,632	8,428,936
32	Shayem Sikder House	10,245,766	7,149,034
33	Aminuddin & Co.	9,965,102	6,340,784
34	Shanaul Huq & Co.	8,845,618	6,947,256
35	Shahariyar Traders	8,576,836	7,235,951
36	Shohag Yarn & Co.	10,628,125	6,881,353
37	Rajlaxmi Yarn Traders	12,545,789	9,390,109
38	Suvro Textile Mills	9,875,474	7,503,050
39	Abu Jafor Traders	10,312,580	8,534,210
40	Bonggolaxmi Yarn Traders	14,566,978	10,590,235
41	Sri Hori Yarn Traders	9,778,444	8,650,036
42	Laxmi Bilas Sutar Godighar	10,323,755	8,123,638
43	Tangail Sutaghar	12,023,669	9,820,320
44	Pabna Yarn Traders	11,245,663	8,057,525
45	Norsindy Yarn Traders	15,078,125	10,105,776
46	SM Textile	10,845,896	8,646,208
47	Bostra Vander	15,562,354	9,267,502
48	Khairul Hasan & Son's	11,254,888	7,894,325
49	A.B.M Jahidur Haq & Co.	12,545,850	8,936,509
50	Baracquk Bostra Bitan	9,588,547	7,557,905
	Total	457,256,115	373,469,840

Annexure -D

DELTA SPINNERS LIMITED.
Schedule of Advance, deposits and prepayments (Raw cotton)
As at 30 June 2014

Sl. No	Name of the Party	The Company	The Company
		30.06.2014	30.06.2013
		Amount in Taka	Amount in Taka
1	Fuad Yarn Trading International	57,500,000	-
2	R.R.Cotton Textiles	33,000,000	-
3	Eastern Yarn Trading & Co.	28,700,000	-
4	M.H.Trading & Co.	9,000,000	-
5	M/S Jumuer Traders	10,000,000	-
6	Majeda Traders	15,011,514	-
7	Samia Enterprise	11,500,000	-
8	Joy Trade International	9,728,962	6,055,000
9	Amin Traders	9,113,684	7,817,829
	Total	183,554,160	13,872,829



এ. মতীন এন্ড কোং
A. MATIN & CO
Chartered Accountants

PARTNERS : MR. A.K. ABDUL MATIN, M.COM., FCA. MR. NETAI CHAND TALUKDER, M.COM., FCA.
OFFICE : PARK LANE COMPLEX, 64/4, NAYA PALTAN (3rd FLOOR), DHAKA-1000, TEL : 8318191, CEL : 01199-835489, 01713-453596, E-mail : akmatinmatin@yahoo.com

**AUDITORS' REPORT TO THE SHAREHOLDERS OF
DELTA CERAMICS LIMITED**

We have audited accompanying financial statements of Delta Ceramics Ltd. which Comprise of Statement of Financial Position as at 30th June, 2014 and the related statement of comprehensive income (profit and loss accountant), Statements of Changes Equity, Statement of Cash Flows for the year then ended, 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 representation of these financial statements in accordance with Bangladesh Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Bangladesh Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, subject to separate notes, the financial statements prepared in accordance with Bangladesh Financial Reporting Standards (BFRS) and Bangladesh Accounting Standards (BAS), give a true and fair view of the state of the company's affairs as at 30th June, 2014 and of the results of its operations for the year then ended and comply with the Companies Act, 1994 and other applicable laws and regulations.

We also report that:

- i. 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;
- ii. In our opinion, proper books of account as required by law have been kept by the company so far as it appears from our examination of those books;
- iii. The company's statement of financial position and statement of comprehensive income dealt with by the report are in agreement with the books of account;
- iv. The expenditure incurred was for the purpose of the company's business;

Sd/-

Dated, Dhaka
15 July, 2014

A. MATIN & CO.
Chartered Accountants

**A. Matin & Co.
Chartered Accountants**

**Delta Ceramics Limited
Statement of Financial Position
As at 30 June 2014**

Particulars	Notes	30-06-2014	30-06-2013
Sources of Fund:			
Shareholders Equity:			
Share Capital	3.00	10,000,000	10,000,000
Share Money Deposit	4.00	132,560,870	131,563,050
Retained Earnings	5.00	1,658,035	1,083,863
		144,218,905	142,646,913
Application of Fund:			
Property, Plant & Equipment	6.00	139,904,659	139,931,343
Un Allocated Capital Expenses	8.00	-	989,954
		4,734,535	2,120,435
Current Assets:			
Advance Deposits & Prepaymetns	9.00	57,500	100,539
Trade and Other Receivable	10.00	2,143,963	1,876,429
Cash in Hand	11.00	115,500	9,167
Cash at Bank	12.00	2,417,572	134,300
		420,288	394,819
Less: Current Liabilities			
Taxation Provision	13.00	344,503	331,679
Other Outstanding Expenses	14.00	75,785	63,140
		4,314,247	1,725,616
Net Current Assets		144,218,905	142,646,913

Annexed notes form an integral part of this Financial Statements.

Sd/-
Managing Director

Sd/-
Director

Signed in terms of our separate report of even dated annexed.

Date, Dhaka
15.07.2014

Sd/-
**A. Matin & Co.
Chartered Accountants**

**Delta Ceramics Limited
Statement of Comprehensive Income
For the year ended 30 June 2014.**

Particulars	Notes	30-06-2014	30-06-2013
Sales Revenue	15.00	11,497,000	10,877,555
Less: Cost of Sales	16.00	9,204,491	9,290,737
Gross Profit		2,292,509	1,586,818
Less: Administrative and Financial Expense		1,373,834	702,340
Administrative Expenses:	17.00	1,372,334	698,944
Financial Expenses	18.00	1,500	3,396
Income before Tax		918,675	884,478
Provision for tax		344,503	331,679
Net Income after Tax		574,172	552,799
Add: Balance of previous year		1,083,863	531,064
Retained Earnings		1,658,035	1,083,863

Annexed notes form an integral part of this Financial Statements.

Sd/-
Managing Director

Sd/-
Director

Signed in terms of our separate report of even dated annexed.

Sd/-
**A. Matin & Co.
Chartered Accountants**

Dated, Dhaka
15.07.2014

**A. Matin & Co.
Chartered Accountants**

Delta Ceramics Limited
STATEMENT OF CHANGES IN SHARE HOLDERS' EQUITY
For the year ended 30 June 2014

Particulars	Share Capital	Retained Earnings	Total
Opening Balance as on 01-07-2013	10,000,000	1,083,863	11,083,863
Net profit after tax for the year	-	574,172	574,172
AS AT 30 JUNE, 2014	10,000,000	1,658,035	11,658,035

DELTA SPINNERS LIMITED
STATEMENT OF CHANGES IN SHARE HOLDERS' EQUITY
For the year ended 30 June 2013

Particulars	Share Capital	Retained Earnings	Total
Opening Balance as on 01-07-2012	10,000,000	531,064	10,531,064
Net profit after tax for the year	-	552,799	552,799
AS AT 30 JUNE, 2013	10,000,000	1,083,863	11,083,863

Annexed notes form an integral part of this Financial Statements.

Sd/-

Managing Director

Sd/-

Director

Signed in terms of our separate report of even dated annexed

Sd/-

**A. Matin & Co.
Chartered Accountants**

Dated, Dhaka
15.07.2014

A. Matin & Co.
Chartered Accountants

Delta Ceramics Limited
254 - B Khilgaon Chowdhury Para,
Dhaka - 1219
Statement of Cash Flow
For the year ended 30 June 2014.

Particulars	30-06-2014	30-06-2013
A Cash flow from Operating Activities:		
Collection from Revenue	11,229,466	9,502,585
Payment to Creditors, Suppliers, Employees and others for cost and Expenses	(9,549,041)	(9,861,137)
Prepayments & Deposits	43,039	(31,039)
Tax Paid	(331,679)	(318,638)
Net cash Used in operating Activities	1,391,785	(708,229)
B Cash flow from investing Activities		
Property Plant & Equipment	-	(1,463,079)
C Cash flow from Financing Activities		
Share Money Deposit	997,820	(200,000)
Net cash Used in financing Activities	997,820	(200,000)
D Increase in Cash Equivalent(A+B+C)	2,389,605	(2,371,308)
E Cash & Cash Equivalent at the beginning of the year	143,467	2,514,775
F Cash and Cash Equivalent at the end of the year	2,533,072	143,467

Annexed notes form an integral part of these Financial Statements .

Sd/-
Managing Director

Signed interms of our separate report of even date annexed.

Date, Dhaka
15.07.2014

Sd/-
Director

Sd/-
A. Matin & Co.
Chartered Accountants

Delta Ceramics Limited
254 -B Khilgaon Chowdhury Para,
Dhaka -1219

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30, JUNE 2014

1.00 Reporting Entity

1.01 Legal Status

Delta Ceramics Limited was incorporated on 11 April 2011 as a public company limited by shares in Bangladesh under companies Act, 1994 with the Registrar of Joint Stock Companies & Firms vide incorporation no. C-91948/11. The registered office of the Company is situated at 254 -B, Khilgaon Chowdhury Para, Dhaka-1219. Authorised capital of the company is Tk. 50,00,00,000 divided into 5,00,00,000 ordinary shares of Tk. 10 each and the paid up capital of the company is Tk. 1,00,00,000 divided into 10,00,000 ordinary shares of Tk. 10 each.

The company is a subsidiary of Delta Spinners Ltd. which holds 80% of the shares of Delta Ceramics Limited.

1.02 Nature of Business

The principal activities of the company is to carry on the business of all kinds of ceramic goods and ceramic wares and to set up or otherwise acquire, run and set up industry for the manufacture of such goods. The company has done some trading operation of ceramic wares during the year.

2.00 Basis of Preparation

2.01 Statement of Compliance

The Financial statements have been prepared in accordance with the Bangladesh Accounting standards (BAS), Bangladesh Financial Reporting Standard (BFRS), Companies Act 1994, Securities and Exchange Commission Act 1993, income Tax Ordinance 1984, VAT Act 1991.

2.02 Fundamental Accounting Assumption

Financial statements have been prepared under historical cost convention, on going concern assumption and under accrual basis.

2.03 Reporing period

Financial statement of the company have been prepared for the period covering from 01 July 2013 to 30 June 2014.

2.04 Presentation of Financial Statements

The financial statement includes Statement of Financial Position, Statement of Comprehensive Income, Statement of Changes in Equity, Statement of Cash Flow and Notes to the Financial Statement. The Financial Statements have been presented in Bangladesh Currency "Taka". Previous years figure have been rearranged where ever found necessary to conform the current year presentation.

2.05 Tangible Assets

These are stated at cost less depreciation. Depreciation on fixed assets have been charged in to the accounts for the year under report as under:

Office Equipment	15%
Furniture and Fixture	10%
Electric Equipment	15%

3.00 Share Capital:

The company's authorised capital is Tk. 50,00,00,000 divided into 5,00,00,000 ordinary shares of Tk. 10 each. The paid up capital of the company is Tk. 1,00,00,000 divided into 10,00,000 ordinary shares of Tk. 10 each fully paid in cash as follows:

Name of share holders	Nos. of shares	Percentage of holdings	As on 30.06.2014	As on 30.06.2013
Delta Spinners Limited	800,000	80%	8,000,000	8,000,000
Rustom Ali Howlader	25,000	2.50%	250,000	250,000
Mostafa Kamal Haider	25,000	2.50%	250,000	250,000
Mostafa Jamal Haider	25,000	2.50%	250,000	250,000
Syed Mohammad Abdul Mannan	25,000	2.50%	250,000	250,000
Dina Jabin	25,000	2.50%	250,000	250,000
Mahboob Morshed	25,000	2.50%	250,000	250,000
Mostafa Zakaria Haider	25,000	2.50%	250,000	250,000
Syed Faarrid Hussain	25,000	2.50%	250,000	250,000
Total	1,000,000		10,000,000	10,000,000

4.00 Share Money Deposit Tk. **132,560,870** **131,563,050**

This has been taken from the parent company, namely, Delta Spinners Ltd. against which shares are yet to be issued.

5.00 Retained Earnings Tk. **1,658,034** **1,083,863**

This consist of the following

Opening Balance	1,083,863	552,799
Add: Profit for the year	574,172	531,064
	1,658,034	1,083,863

6.00 Property Plant & Equipment Tk. **139,904,659** **139,931,343**

This consist of the following

	30.06.2014	30.06.2013
Cost	139,962,382	139,962,382
Less: Depreciation	57,724	31,039
Written Down Value	139,904,659	139,931,343

This represents the written down value of PPE as on 30.06.2014. Details given in schedule attached per annex - A.

7.00 Preliminary Expenses

The preliminary expenses consist of the following:

Incorporation Fees
Stamp Charges
Other Charges

Less: Written off

Tk.

30.06.2014	30.06.2013
-	240,525
-	10,600
-	65,150
-	316,275
-	316,275
-	-

8.00 Unallocated Capital Expenses

This consist of the following:

Travelling Expenses for Selection of Capital Machinery
Bank Charges
Audit fees
Office Rent

Less: Written off

Tk.

30.06.2014	30.06.2013
935,787	935,787
16,167	16,167
20,000	20,000
18,000	18,000
989,954	989,954
989,954	-
-	989,954

9.00 Advance Deposits & Prepayments

This consist of the following:

Office Rent
Advance for credit rating

Tk.

30.06.2014	30.06.2013
-	43,039
57,500	57,500
57,500	100,539

10.00 Trade and Other Receivable

Tk.

2,143,963

1,876,429

11.00 Cash in Hand

Tk.

115,500

9,167

Cash balance was physically counted at period end and agreed with book balance.

12.00 Cash at Bank

Tk.

2,417,572

134,300

This amount are agreed with Bank Reconciliation Statement.

13.00 Provision for Income Tax

Tk.

331,679

This has been arrived as at under;

As per last year

Add : Provision during the year

Less: Paid during the year

331,679	318,638
-	331,679
331,679	650,317
331,679	318,638
-	331,679

14.00 Liabilities for Expenses Tk. **75,785** **63,140**

15.00 Sales Revenue Tk. **11,497,000** **10,877,555**

This represents sales of ceramic goods to the retail shop through purchase from the manufacturers.

16.00 Cost of Sales Tk. **9,204,491** **9,290,737**

This consist of the following

Purchases of Ceramic Goods
Carrying Cost
Loading & Unloading
Other direct Expenses

	30.06.2014	30.06.2013
Purchases of Ceramic Goods	9,037,500	9,130,020
Carrying Cost	14,750	12,650
Loading & Unloading	105,253	102,872
Other direct Expenses	46,988	45,195
	9,204,491	9,290,737

17.00 Administrative Expenses Tk. **1,372,334** **698,944**

This consist of the following

Salary
Travelling & Conveyance
Office Supplies
Office Rent
Audit Fee
Depreciation Expenses
Fees & Licence
Entertainment
Newspaper Bill
Electric Bill
Gas Bill
Written off Expenses (Note # 7.00)
Written off Expenses (Note # 8.00)
Legal Expense
Office Maintenance
Professional Fee

	30.06.2014	30.06.2013
Salary	260,667	253,377
Travelling & Conveyance	3,566	3,990
Office Supplies	2,390	2,480
Office Rent	6,000	6,000
Audit Fee	20,000	20,000
Depreciation Expenses	26,684	31,039
Fees & Licence	24,810	24,810
Entertainment	2,560	3,450
Newspaper Bill	2,804	2,804
Electric Bill	1,719	1,719
Gas Bill	3,100	3,100
Written off Expenses (Note # 7.00)	-	316,275
Written off Expenses (Note # 8.00)	989,954	-
Legal Expense	10,000	13,900
Office Maintenance	2,080	-
Professional Fee	16,000	16,000
	1,372,334	698,944

18.00 Financial Expense: Tk. **1,500** **3,396**

This Consist of the following

Bank Charge

1,500	3,396
--------------	--------------

19.00 Post Balance Sheet Events

No material events had occurred after reporting date to the date of issue of these Financial statements.

Delta Ceramics Limited
Schedule of Property Plant & Equipment
As at 30 June 2014

PARTICULAES	BALANCE AS AT 01.07.2013	ADDITION DURING THE PERIOD	TOTAL AS AT 30.06.2014	RATE OF DEP.	DEPRECIATION AS AT 01.07.2013	DEPRECIATION DURING THE PERIOD	ACCUMULATED DEPRECIATION	W. D. VALUE AS AT 30.06.2014
Land and Land Development	139,500,452	-	139,500,452	0%	-	-	-	139,500,452
Buildings Under Construction	235,000	-	235,000	0%	-	-	-	235,000
Office Equipment	70,000	-	70,000	15%	10,500	8,925	19,425	50,575
Furniture and Fixture	60,000	-	60,000	10%	6,000	5,400	11,400	48,600
Electric Equipment	96,930	-	96,930	15%	14,540	12,359	26,899	70,032
Total :	139,962,382	-	139,962,382	15%	31,040	26,684	57,724	139,904,659

Delta Ceramics Limited
Schedule of Property Plant & Equipment
As at 30 June 2013

PARTICULAES	BALANCE AS AT 01.07.2012	ADDITION DURING THE PERIOD	TOTAL AS AT 30.06.2013	RATE OF DEP.	DEPRECIATION AS AT 01.07.2012	DEPRECIATION DURING THE PERIOD	TOTAL DEPRECIATION	W. D. VALUE AS AT 30.06.2013
Land and Land Development	138,379,303	1,121,149	139,500,452	0%	-	-	-	139,500,452
Buildings Under Construction	-	235,000	235,000	0%	-	-	-	235,000
Office Equipment	60,000	10,000	70,000	15%	-	10,500	10,500	59,500
Furniture and Fixture	60,000	-	60,000	10%	-	6,000	6,000	54,000
Electric Equipment	-	96,930	96,930	15%	-	14,540	14,540	82,391
Total :	138,499,303	1,463,079	139,962,382	15%	-	31,040	31,040	139,931,343

DELTA SPINNERS LIMITED

Corporate & Registered Office : 254 B Khilgaon, Chowdhury Para, Dhaka 1219
Factory : Kaltapara, P.S. Gouripur, Dist. Mymensingh

PROXY FORM

I/We of
being a Shareholder of Delta Spinners Limited do hereby appoint Mr./Ms.
..... of (or failing him/her
Mr./Ms. of
..... as my/our proxy in absence to attend and vote me/us and on my/our behalf at the 34th Annual General Meeting of the Company to be held on the 30th day of August, 2014 and at any adjournment thereof.

As witness, I put my hand this day of 2014.

(Signature of Proxy)

Revenue

(Signature of Shareholder)

Stamp

Folio/B.O. No.

Tk. 10.00

Folio/B.O. No.

No. of Shares

IMPORTANT

- 1) The proxy form, duly stamped, must be deposited at the Registered Office of the Company at least 48 (forty eight) hours before the time for holding the meeting and in default, the instrument appointing the proxy shall not be treated as valid.
- 2) Signature of the Shareholder and the proxy must conform to the Specimen Signature recorded with the Company.

Signature Verified

DELTA SPINNERS LIMITED

Corporate & Registered Office : 254 B Khilgaon, Chowdhury Para, Dhaka 1219
Factory : Kaltapara, P.S. Gouripur, Dist. Mymensingh

ATTENDANCE SLIP

I do hereby record my attendance at the 34th Annual General Meeting of the Company being held on the 30th day of August, 2014 at the factory premises of the Company at Kaltapara, Gouripur, Mymensingh.

Name of the Shareholder/Proxy :

Folio/B.O. No. Signature

No. of Shares Date

IMPORTANT

- 1) Shareholders attending the meeting in person or by Proxy are requested to complete this Attendance Slip.
- 2) Signature of Shareholder or Proxy should conform to the specimen signature recorded with the Company.
- 3) Please bring this Attendance Slip with you. **Admission in the Meeting Room will not be allowed without it.**



delta spinners limited

Corporate & Regd. Office : 254-B Khilgaon Chowdhury Para
Dhaka - 1219, Bangladesh

Phone : 7213597, 7213697. Fax : (880-2) 7213569

E-mail : delta.spinners@yahoo.com, deltagrp@bdmail.net

Web : www.delta-spinners.com

Factory : Kaltapara, P.O. : Bishka, P.S. : Gouripur, Mymensingh