

# Arvind Textile Mills Limited

**Financial Statements  
For the year ended 31 March 2014**



**ACNABIN**

*Chartered Accountants*

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**Independent Auditor's Report**  
**To the Shareholders of Arvind Textile Mills Limited**

We have audited the accompanying financial statements of **Arvind Textile Mills Limited**, which comprise with balance sheet as at 31 March 2014, and the profit and loss account, statement of changes in equity, cash flow statement 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 presentation 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.

*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 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 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.

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

*Opinion*

In our opinion, the financial statements present fairly, in all material respects, of the financial position of Arvind Textile Mills Limited as at 31 March 2014, and its financial performance and its cash flows for the year then ended in accordance with Bangladesh Financial Reporting Standards and other applicable laws and regulations.

We further report that:

- a. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit and made due verification thereof;
- b. In our opinion, proper books of account as required by law have been kept by the company so far as it appeared from our examination of those books; and
- c. The company's balance sheet and Profit and Loss Account dealt with by the report are in agreement with the books of accounts maintained by the company and examined by us.


Dhaka  
25 April 2014

  
**ACNABIN**  
Chartered Accountants

**Arvind Textile Mills Limited**  
**Balance Sheet**  
**As at 31 March 2014**

	Notes	31.03.14 Taka	31.03.13 Taka
<b>ASSETS</b>			
<b>Non Current Assets</b>			
Fixed Assets at WDV	3	24,914,542	28,903,122
<b>Current Assets</b>			
Cash and Bank Balances	4	670,347	1,778,759
Accounts Receivable	5	2,669,215	2,669,215
Advances for Office Rent	6	3,450,500	4,686,500
Security Deposit	7	-	-
		<u>6,790,061</u>	<u>9,134,473</u>
<b>Total</b>		<b><u>31,704,603</u></b>	<b><u>38,037,596</u></b>
<b>EQUITIES &amp; LIABILITIES</b>			
<b>Equity</b>			
Paid up Capital	8	3,200,000	3,200,000
Share Money Deposit	9	118,018,829	114,227,938
Share Premium	10	21,454,765	21,454,765
Retained Earnings		<u>(110,968,990)</u>	<u>(100,845,107)</u>
		<b><u>31,704,603</u></b>	<b><u>38,037,596</u></b>

The annexed notes form an integral part of the balance sheet.

  
**Director**  
(Jayesh Shah)

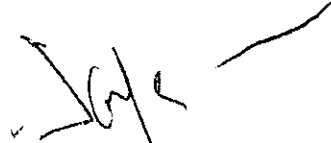
  
**Director**  
(Jagdish Dalal)


Dhaka  
25 April 2014

**Arvind Textile Mills Limited**  
**Profit and Loss Account**  
**For the year ended 31 March 2014**

	Note	2013-14 Taka	2012-13 Taka
Turnover/Revenue		-	-
Cost of Sales		-	-
<b>Gross Profit</b>		-	-
Add: Other Income		67,000	66,478
Exchange gain/(loss)		1,065	(79,001)
		<b>68,065</b>	<b>(12,523)</b>
Less: Operating Expenses:	11	10,191,949	25,333,800
<b>Net Loss</b>		<b>(10,123,883)</b>	<b>(25,346,323)</b>
Add: Accumulated Loss, brought forward		(100,845,107)	(75,498,785)
<b>Accumulated (Loss) transferred to Balance Sheet</b>		<b>(110,968,990)</b>	<b>(100,845,107)</b>

The annexed note forms an integral part of the Profit and Loss Account.

  
**Director**  
(Jayesh Shah)

  
**Director**  
(Jagdish Dalal)

Dhaka,  
25 April 2014

**Arvind Textile Mills Limited**  
**Statement of changes in equity**  
**For the year ended 31 March 2014**

Particulars	Paid-up Capital	Share Premium	Share Money Deposit	Accumulated Profit/(Loss)	Total
Balance as at 31 March 2013	3,200,000	21,454,765	114,227,938	(100,845,107)	38,037,596
Addition during the period	-	-	3,790,891	(10,123,883.32)	(6,332,992)
Balance as at 31 March 2014	<b>3,200,000</b>	<b>21,454,765</b>	<b>118,018,829</b>	<b>(110,968,990)</b>	<b>31,704,603</b>

  
 Director  
 (Jayesh Shah)

  
 Director  
 (Jagdish Dalal)

**Arvind Textile Mills Limited**
**Statement of Cash Flows  
 For the year ended 31 March 2014**

	<b>2013-14 Taka</b>	<b>2012-13 Taka</b>
<b>a. Cash Flow from Operating Activities</b>		
Net Loss	(10,123,883)	(25,346,323)
Adjustment for items not involving movement of cash:		
Depreciation	6,303,797	7,338,517
(Gain)/loss on sale of fixed assets	-	-
Tax paid	-	-
	<u>(3,820,086)</u>	<u>(18,007,805)</u>
Changes in working capital components:		
Decrease in Prepayments	-	7,822,503
Decrease in Receivable	-	4,063,767
Decrease in Prepayments	1,236,000	1,184,500
<b>Net cash flow from operating activities</b>	<b><u>(2,584,086)</u></b>	<b><u>(4,937,035)</u></b>
<b>b. Cash Flow from Investing Activities</b>		
Purchase of Fixed Assets	(2,315,217)	(28,512,338)
<b>Net Cash flow from Investing Activities</b>	<b><u>(2,315,217)</u></b>	<b><u>(28,512,338)</u></b>
<b>c. Cash Flow from Financing Activities</b>		
Share Application	3,790,891	34,123,650
<b>Net Cash flow from Financing Activities</b>	<b><u>3,790,891</u></b>	<b><u>34,123,650</u></b>
Net surplus/(deficit) of cash & bank balance for the year (a+b+c)	(1,108,412)	674,277
Cash & bank balance at beginning of the year	1,778,759	1,104,481
<b>Cash &amp; bank balance at end of the year</b>	<b><u>670,347</u></b>	<b><u>1,778,759</u></b>

**Arvind Textile Mills Limited**

**Notes to the Financial Statements  
For the period from 01 April 2013 to 31 March 2014**

**1. Formation, Status and Activities**

**1.1 Formation and Status**

Arvind Textile Mills Ltd., a private company limited by shares, was incorporated in Bangladesh on 25 September 2006, under the Companies Act, 1994, with authorized capital Tk.500,000,000 (fifty crores) divided in to 50,000,000 (five crores) shares of Tk.10 (ten) each. The Majority of paid up share capital is beeing held by Arvind Limited, the holding company.

**1.2 Activities**

The company was established with the principal objectives of carrying of business of spinning, weaving, or manufacturing or importing, exporting or dealing in colton or other fabrous substances and the preparation, dyeing or coloring of any of the said substances and the sale, import, export yarn, cloth or other manufactured

**2. Significant Accounting Policies**

**2.1 Basis of the Preparation of Financial Statements**

These financial statements have been prepared under the historical cost convention in accordance with International Accounting Standards as adopted in Bangladesh.

**2.2 Depreciation on Fixed Assets**

Fixed assets in the Balance Sheet are stated at WDV i.e. cost less accumulated depreciation. Depreciation on fixed assets is computed using reducing balance method at the following rates based on the estimated useful lives of the assets.

<b>Name of Fixed Assets</b>	<b>Rate (%)</b>
Office equipment	20%
Computer equipment (EDP)	33.33%
Office Renovation	20%
Laundry Renovation	20%
Power Supply-Sub Station	20%
Water Treatment Plant	20%
Machinery	20%
Leaser Room Renovation	20%

Full year's depreciation is charged on addition to fixed assets irrespective of the date of acquisition.

**2.3 General**

a. Figures in the financial statements have been rounded off to the nearest Taka.



	<b>31.03.2014</b> <b>Taka</b>	<b>31.03.2013</b> <b>Taka</b>
<b>3. Fixed assets</b>		
Cost:		
Opening balance	38,236,151	9,723,813
Add: Addition during the period	2,315,217	28,512,338
	<u>40,551,367</u>	<u>38,236,151</u>
Accumulated depreciation:		
Opening balance	9,333,028	1,994,511
Add: Depreciation charged during the year	6,303,797	7,338,517
	<u>15,636,825</u>	<u>9,333,028</u>
Written down value as at 31 December 2014 (A schedule of fixed assets is given in Annexure-A)	<u><b>24,914,542</b></u>	<u><b>28,903,122</b></u>
<b>4. Cash and Bank Balances</b>		
Cash in Hand	19,854	1,354
Cash at Bank:		
A/C # 05420256920201	650,493	1,514,612
A/C # 06120001220001 (Accounts closed on 30.06.2013)	-	262,793
	<u><b>670,347</b></u>	<u><b>1,778,759</b></u>
<b>5. Accounts Receivable</b>		
Opening Balance	2,669,215	6,732,982
Add: Addition during the year	-	-
	<u>2,669,215</u>	<u>6,732,982</u>
Less: Received during the year	-	4,063,767
	<u><b>2,669,215</b></u>	<u><b>2,669,215</b></u>
<b>6. Advances for Office Rent</b>		
Opening balance	4,686,500	5,871,000
Add: Addition paid during the year	-	-
	<u>4,686,500</u>	<u>5,871,000</u>
Less: Adjusted/ Realized during the year (Note: 6.01)	1,236,000	1,236,000
	<u>3,450,500</u>	<u>4,635,000</u>
Add: Over adjustment of advance rent	-	51,500
	<u><b>3,450,500</b></u>	<u><b>4,686,500</b></u>
<b>6.01 Adjusted/ Realized during the year</b>		
Adjusted of advance office rent	<u><b>1,236,000</b></u>	<u><b>1,236,000</b></u>

Advance office rent paid Tk 61,80,000 for five years and these amounts will be adjusted on monthly basis Tk. 103,000 effective from 16 January 2012 to 15 January 2017.





	31.03.2014 Taka	31.03.2013 Taka
<b>7. Security Deposit</b>		
Opening balance	-	7,822,503
Add: Addition paid during the year	-	-
	-	7,822,503
Less: Realized during the year	-	5,748,110
	-	2,074,392
Less: Adjusted for rent payment by T&S for delayed period*	-	2,074,392
	-	-

\*T&S Garments Ltd. has refunded the security deposit lying with BEPZA to Arvind Textile Mills Ltd. after adjusting the rent paid by T&S Garments for the delayed period in handing over the BEPZA plot.

<b>8. Share Capital</b>		
Authorized capital: 50,000,000 ordinary shares of Tk.10 each	<u>500,000,000</u>	<u>500,000,000</u>
Issued, subscribed and paid-up capital: 320,000 ordinary shares of Tk.10 each fully paid-up (Note: 8.01)	<u>3,200,000</u>	<u>3,200,000</u>

**8.01** Details of shareholdings are as under:

<u>Name of the shareholder</u>	<u>No. of share</u>		
Arvind Limited.	318,600	3,186,000	3,186,000
Mr. Jayesh Kantilal Shah	700	7,000	7,000
Mr. Jagdish Gajanand Dalal	700	7,000	7,000
	<u>320,000</u>	<u>3,200,000</u>	<u>3,200,000</u>

<b>9. Share Money Deposit</b>		
Opening Balance	114,227,938	80,104,288
Less: Transfer to share capital and Share Premium on Allotment	-	-
	114,227,938	80,104,288
Add: Share application received during the year	4,045,853	34,123,650
	118,273,791	114,227,938
Less: Refund of Share Money deposit	254,962	-
	<u>118,018,829</u>	<u>114,227,938</u>
<b>10. Share Premium</b>		
70,000 shares @ 64.71	4,529,705	4,529,705
250,000 shares @ 67.70	16,925,060	16,925,060
	<u>21,454,765</u>	<u>21,454,765</u>

**11. Operating Expenses**

	2013-14 Taka	2012-13 Taka
Lease rental	-	5,311,885
Bank charge	11,860	60,575
Advertisement	-	8,000
Travelling	-	118,476
Office Expenses	-	81,857
Professional Fee	313,421	264,080
Miscellaneous Expenses	19,000	26,823
Utilities	-	213,950
Salaries and Allowances	965,640	2,004,551
Entertainment	-	8,108
Office Renovation Expense	-	1,371,641
Insurance Expense	149,400	141,653
Communication and Mailing	-	65,320
Security service	-	474,069
C&F Charges	135,750	828,019
Repair and Maintenance	161,865	411,919
Office Rent	1,914,780	5,887,349
Depreciation	6,303,797	7,338,518
Licensing and other Fees	47,060	83,560
Membership Fee	10,000	30,000
Generator Expense	-	536,444
Laundry Expense	-	67,003
ETP Chemical	159,375	-
	<b>10,191,949</b>	<b>25,333,800</b>

Arvind Textile Mills Limited  
Schedule of Fixed Assets  
For the year ended 31 March 2014

Particulars	COST			Rate%	DEPRECIATION			Written down value as of 31.03.2014
	Balance as of 01.04.2013	During the year	Balance as of 31.03.2014		Balance as of 01.04.2013	During the year	Balance as of 31.03.2014	
		Addition				Charged		
Office equipment	661,140	-	661,140	20%	238,010	84,626	322,636	338,503.68
Computer equipment (EDP)	800,979	-	800,979	33.33%	349,896	150,346	500,242	300,736.79
Office Renovation	17,640,990	-	17,640,990	20%	4,918,513	2,544,495	7,463,008	10,177,981.57
Laundry Renovation	1,980,480	-	1,980,480	20%	396,096	316,877	712,973	1,267,507.20
Power Supply-Sub Station	1,808,000	-	1,808,000	20%	361,600	289,280	650,880	1,157,120.00
Water Treatment Plant	2,688,364	-	2,688,364	20%	537,673	430,138	967,811	1,720,552.96
Machinery	12,656,198	1,845,248	14,501,445	20%	2,531,240	2,394,041	4,925,281	9,576,164.54
Leaser Room Renovation	-	469,969	469,969	20%	-	93,994	93,994	375,975.20
<b>As of 31 March 2014</b>	<b>38,236,151</b>	<b>2,315,217</b>	<b>40,551,367</b>		<b>9,333,028</b>	<b>6,303,797</b>	<b>15,636,825</b>	<b>24,914,542</b>
<b>As of 31 March 2013</b>	<b>9,723,813</b>	<b>28,512,338</b>	<b>38,236,151</b>		<b>1,994,511</b>	<b>7,338,517</b>	<b>9,333,028</b>	<b>28,903,122</b>