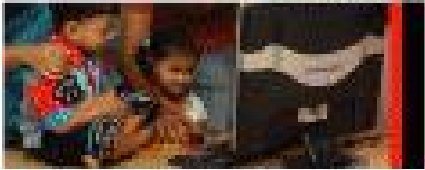


daffodilPC



**Daffodil  
Computers**

**Daffodil Computers Ltd.**

54/3, Loka Cemas, Kalibegon (Ded-5th Floor), Alipuri Road, Dhaka, Bangladesh.  
Tel: 080-2-8116008, 8115966, Fax: 8116102, E-mail: info@daffodil-bd.com

0800-2-8116008

**Daffodil  
Computers**  
*Annual Report*  
2007-08



# Annual Report 2007-08

## Table of Contents

SL	Subjects	Page
1	Board of Directors	04
2	Management	05
3	Notice	06
4	Mission & Vision	07
5	Branches	08
6	Report of the Board of Directors	10
7	Corporate Governance & SEC'S Compliance report	15
8	Auditor's Report	21
9	Balance Sheet	22
10	Profit & Loss Account	23
11	Cash Flow Statement	24
12	Statement of Changes in Equity	25
13	Notes to the Financial Statement	26
14	Schedule of Assets	48

daffodil PC



# Annual Report 2007-08

## Management

Mr. Md. Sabur Khan

Managing Director

Mr. Quazi M. Morshed

Chief Operating officer

Mr. Sabbir Ahmed Polash

General Manager

Mr. Md. Alauddin

Assistant General Manager

Mr. Md. Jahir Uddin

Asst. Chief Accounts Officer

Mr. Abdul Khaleque Patwary

Manager, Accounts

Mr. Md. Mahbubul Gani

Head, Import & Distribution

Mr. Jafor Ahmed Patwary

Head, DaffodilPC

Mr. Md. Monir Hossain

Company Secretary

M/S Sarwar Solamat & Co

Chartered Accountants  
Modern Manssion, 11th Floor,  
Room-1/A, 53, Motijheel C/A, Dhaka.

Registered Office

64/3, Lake Circus, Kalabagan  
Mirpur Road, Dhanmondi  
(2nd floor to 5th floor) Dhaka-1205.  
PABX: 8115986, 9116600  
Fax: 880-2-8116103, info@daffodil-bd.com

daffodilPC

www.daffodil-bd.com

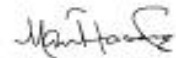
# Annual Report 2007-08

## Notice of the 11th annual general meeting

Notice is hereby given that the 11th Annual General Meeting of the Shareholders of Daffodil Computers Limited will be held on Wednesday, 31st Day of December, 2008 at 09.00 a.m. at DIU Auditorium, 4th floor, 4/2, Prince Plaza, Sobhanbag, Dhanmondi, Dhaka-1207. to transact the following business:

1. To receive, consider and adopt the Audited Accounts for the year ended June 30, 2008 along with reports of the Auditors and the Directors.
2. To approve 6% Stock Dividend (6 shares per 100 shares) and 4% cash dividend totaling 10% for the year ended June 30, 2008.
3. To elect the Directors
4. To Appoint Auditors for the year ending June 30, 2009 and to fix their remuneration.
5. To transact any other business of the company with the permission of the Chair.

By order of the Board



(Md. Monir Hossain)  
Company Secretary

Date: November 10 2008

### NOTES:

- 1) Record date December 01, 2008.
- 2) A member entitled to attend and vote at the General Meeting may appoint a proxy to attend and vote in his/her stead.
- 3) The proxy form, duly stamped, must be submitted at the registered office of the company not later than 48 hours before the meeting. Proxy must be a member of the company.
- 3) Entry to the Annual General Meeting is reserved only for shareholders or their proxies.





# Annual Report 2007-08

---

## Mission

Use of technology concern the ways people think, express identify and communicate. Information and communication technologies combine Computers and tele-communications to create a new form of communications. The potential impact of new technologies is increasing the positive involvement of all people in the successful development of their own and in particular people at risk of exclusion form these benefits due to factors such as poverty, lack of education and disability.

## Vision

To reach the highest level of ICT sector and contribute in the micro and macro economy of the country and provide better IT services to the nation. Achieving the target of the services ultimate is to expand from national proximity and approach in the international market. Since the inception the company enriches the human resource to compete in the international market and the entity become national proud.

# Annual Report 2007-08

## *Branches* Branches

### **IDB Bhaban Branch**

Shop No-SR 123/3,123/4E/8A  
Rokeya Sharani,Dhaka.  
Ph-8129029

### **Banani Branch**

54, Kamal Ataturka Avenue  
Banani,Dhaka. Ph-9883339

### **Bashundara Branch**

Shop No-1-4,Block-B,Level-6  
Bashundara City Market, Dhaka. Ph-9111440/206003

### **Chittagong Branch**

223,sk. Mojib Road,A.K. Tower, Chowmohany  
Agrabad,Chittagong, Ph-031-727662

### **Ware House**

House No-7,Road 14(new), Dhanmondi,Dhaka.  
Ph-9143158.

### **Elephant Road Branch**

95, New Elephant Road  
City Super Market, Dhaka. Ph: 9553116

### **Khulna Branch**

70, K.D.A Avenue, Khulna, Ph: 01713493196

# Annual Report 2007-08



Chairman, Managing Director, Director, Auditor & Company Secretary at 10th AGM



Partial view of the 10th AGM



# Annual Report 2007-08

## Directors' Report to Shareholders

بِسْمِ اللَّهِ الرَّحْمَنِ الرَّحِيمِ

Honorable Shareholders,

Assalamu-Alaikum



We take the opportunity to welcome you all on behalf of the Board of Directors and on our own behalf to this 11th Annual General Meeting of Daffodil Computers Limited. We have the pleasure to present you the Annual Report with Audited Accounts' and Auditors Report as of 30th June 2008 in the meeting.

### Dear Shareholders,

As you are aware that in the year of 2007- 08 and till to date we were adversely affected by certain national and international affairs.

World is moving too fast, and lot of remarkable achievements in the software and telecommunication sectors are going globally where still we have experienced abnormal downtrend in our ICT sector especially in computer hardware and software business last few years and till the same situation is continuing.

Despite of lot of barriers we tried our best to run the company smoothly. A new website is also developed where all key information of the company is highlighted. We keep an investor's site also so that all of our investors can get their information from this site.

With the best efforts of the management, excellent financial control, extra ordinary care and attention, the growth and sustainability of the company with upward trends could be kept continued as is evident from the following comparative operational positions:

Particulars	2007-2008/Taka	2006-2007/Taka	2005-2006/Taka
Sales	224,174,298	255,605,075	318,358,099
Cost of Goods Sold	181,218,236	206,631,145	259,996,275
Gross Profit	42,956,062	48,973,930	58,361,824
Net Profit (before tax)	9,180,204	14,418,800	25,648,099
Net Profit (after tax)	9,059,053	12,056,827	24,277,262
Share Capital	192,500,000	175,000,000	175,000,000
EPS	0.47	0.69	1.39

# Annual Report 2007-08

## Future Plan:

As mentioned earlier that despite of our best efforts in software and Hardware, we did not achieve our target, but at the same time, you may aware that educational ventures of the Group make a strong position with its commitment, quality, resources and various Research activities. Seeing the confidence and reputation, we moved to the educational area in the last few years. As you are aware that DIPTI (Daffodil International Professional Training Institute) & DGITEL are doing well and making a strong position in the country.



DaffodilPC notebook launching at BCS computer city

## Daffodil International School (DIS) :

DIS, Daffodil International School strives to create a harmonious balance between academic demands, sporting, cultural activities and community life. Founded in 2008, DIS is an institution of Daffodil Computers Ltd., Bangladesh. It has a long tradition of leadership in educational & ICT development sector in Bangladesh. The activities of the school are just started and we hope by June 2009 we can start its operation i.e class & admission in full sewing. Over 64 Schools are going to be established in 64 districts in Bangladesh in various phases. DIS, Daffodil International School is a self-governing English Medium School. It is a co-educational day-School, catering for children between the ages of rising 4 and 14+ (from play group to 'O & A' level). At DIS, Daffodil International School there exist a welcoming, family atmosphere of warmth, security, trust and friendliness where firmness is mixed with encouragement and challenge to stimulate the children with a great care of its CPD, Children's Potential Development. An emphasis is placed on Mathematics /English/Science/GK and IT so that students can grow up with a global tone. DIS, Daffodil International School will be one of the world's leading institutions in the development of outcomes based education.

## DaffodilPC Surveillance Audit:

"DaffodilPC" country's one and only ISO 9001 certified international standard local brand PC has successfully passed its 7th surveillance audit. By this time, DaffodilPC has been able to earn its market reputation and acceptability in various sectors corporations, Multinational Organizations, Government and Foreign Missions in Bangladesh. Since laptop is getting popular day by day, we committed at our last AGM '07 that we would introduce DaffodilPC laptop which we have already launched, and gradually it is getting confidence of the customers.



ISO Surveillance Audit for Daffodil PC for the year 2008

In the last IDC Report 2008 it has been mentioned that Local brand PC of daffodil is getting the major attraction competing with International reputed brand.



# Annual Report 2007-08

## **Daffodil International Professional Training Institute (DIPTI)**

As we mentioned at our last AGM that DIPTI is going to attract all professionals for their training needs. We are confident now because DIPTI has already earned good confidence. Internationally renowned organization like Microsoft, SUN, CISCO and Oracle are now working with DIPTI for their training solutions. DIPTI is going to make some joint collaboration with various renowned organizations. DIPTI works diligently to bridge the gap between the typical academic-classroom experience and providing education necessary for the day-to-day demands of business and society.

We took the initiative to make DIPTI's all activities in true online. Insha-allah before the next AGM we will be able to make our dream true.

DIPTI has started its operation in Chittagong also.

## **Daffodil Grameen IT Education Limited (DGITEL)**

You are also aware that after forming the DGITEL, we have experienced lot of R & D, and some limited operation also we did. Now we are getting some good responses. Few Organizations have already made contract with us, and we are hopeful that within next year we will be able to reach all major districts. New Teams of DGITEL are working hard to achieve their target.

## **Daffodil Kiosk:**

Kiosk is IT & ICT, educational service based system, equipped with modern computers and Internet facilities which provide IT & ICT enabled services to the urban & rural community people to bring them into the mainstream of technology development. Daffodil for the first time is going to introduce Kiosk idea in Bangladesh for rural people to attach the underprivileged section to the technology-based knowledge society. With hard work over the last several years Daffodil research & developed the multifunctional Kiosk with strong development team. Kiosk includes many features where people able to get required information, searching jobs, and first aid. It is a portable and independent stand from which merchandise is sold in a common area like shopping mall, railway station, bus stand, bazaar and any crowded areas.

This project has been established and all related software also has been completed. This project needed the govt. support and we hope that after forming the new govt. we can start the implementation of this project in countrywide. 2 demo projects are also running well during the last few months.

## **Educational ERP**

As we informed you earlier that DCL has made a joint collaboration with Malaysian software giant BriteSoft for Educational software development. A group of people got training to Malaysia and Expert also came from Malaysia for completion of our job. As we told that we will develop this Educational ERP software for our local market as well as international market. Our software are now using by one educational venture where we have already proved our strength and we are quite confident that this software will play key role in near future to earn revenue. We developed this software with true online facility where all latest features are incorporated.

# Annual Report 2007-08

## Dolphin Computers

We mentioned in our last AGM '07 that Dolphin Computers is one of the great achievements of your company which is a reputed company having the biggest computer shop in the IDB Bhaban, BCS computer City.

As we told in our last AGM '07 that we have done a lot of formalities in order to transfer and register Dolphin Computer in favor of DCL. Now it is almost ready and we hope before December 08 we will complete all renovation and from January 2009 it will play a key role in Computer market.



► Dolphin Computers: The Target showroom at IDB Bhaban

## Dividend:

The Board of Directors has recommended. 6 % stock dividend (6 shares per 100 shares) and 4 % cash dividend totaling 10% dividend for the year 2007-2008.

## Election of Directors:

Directors of the company Mr. Yunus Khan and Mr. Md. Sabur Khan are due to retire by rotation as per Article 90 of the Articles of Association of the Company and being eligible for re-appointment, they have offered themselves for re-election as per Articles 92 of the Articles of Association of the Company.

## Auditors' Appointment:

This is to inform the shareholders of the Company that as per SEC's inability letter vide Ref # SEC/CFD/227/2004/54 dated on March 2, 2008 for issuance of clearance in favour existing statutory auditors M/S. Aziz Halim Khair Choudhury, Chartered Accountants, the Board of Directors of Daffodil Computers Ltd appointed M/S. Sarwar Salamat & Co, Chartered Accountants as the Auditors in place of M/S. Aziz Halim Khair Choudhury, Chartered Accountants for the year 2007-2008 in the Company's Board meeting held on June 28, 2008 and fixed their remunerations at the same amount of Tk. 120,000.00 as approved in the last AGM held on December 31 2007.

Now, the Company's existing Auditors M/S. Sarwar Salamat Co., Chartered Accountants, will retire at this meeting and being eligible to offer themselves for reappointment for the next term and also M/S. Aziz Halim Khair Choudhury, Chartered Accountants is offer themselves for appointment as auditors of the company for the year 2008-2009. The Board of Directors' recommended that M/S. Aziz Halim Khair Choudhury, Chartered Accountants may be appointed for the year ended June 2009 subject to the approval of shareholders in the 11th AGM and clearance from SEC at such remuneration as will be fixed here.



# Annual Report 2007-08

## Conclusion:

We would like to show our appreciation and sincere gratitude to our valued shareholders, stakeholders, customers, government agencies, financial institutions, SEC, DSE, CSE, vendors, suppliers and our employees for their wholehearted cooperation and contribution towards the growth and achievements of your company. You are the strength behind our success.

Ladies and Gentlemen thank you again for your kind presence at the 9th Annual General Meeting of the Company and making it a success through your cooperation.

Allah Hafez.

With warm Regards  
On behalf of the Board of Directors



Md. Sabur Khan  
Managing Director



Mrs. Shahana Khan  
Chairman



# Annual Report 2007-08

## Corporate Governance

The maintenance of effective corporate governance remains a key priority of the Board of Directors of Daffodil Computers Ltd. Recognizing the importance of it, the board and other senior management remained committed to standards of corporate governance. To exercise clarity about director's responsibilities towards the shareholders, corporate governance must be dynamic and remain focused to the business objectives of the Company and create a culture of openness and accountability. Keeping this in mind, clear structure and accountabilities supported by well understood policies and procedures to guide the activities of Company's management both in its day-today business and in the areas associated with internal control have been instituted.

### Internal Financial Control

The directors are responsible for the Company's system of internal financial control. Although no system of internal control can provide absolute assurance against material misstatement and loss, the Company's system is designed to provide the directors with reasonable assurance that problems are timely identified and dealt appropriately. Key procedures to provide effective internal financial control can be described in following heads:

**Management structure:** The Company is operating through a well defined management structure headed by Managing Director (MD) under whom there are managers for various departments and according to hierarchy, various senior and mid level management staffs. The MD and the managers meet at regular intervals.

**Budgeting:** There are comprehensive management reporting disciplines which involve the preparation of annual budgets by all operating departments. Executive management reviews the budgets and actual results are reported against the budget and revised forecasts are prepared regular intervals.

**Asset management:** The Company has sound asset management policy, which reasonably assures the safeguarding of assets against unauthorized use or disposition. The Company follows proper records also and policy regarding capital expenditures.

**Reporting:** In pursuance with keeping the reliability of financial information used within the business or for publication, the management has identified some key areas which are subject to monthly reporting to the board. These include monthly treasury operations and financial statements. Other areas are also given emphasis by reviewing on a quarterly basis. These include information for strategy, environmental and insurance matters.

### Statement of Director's Responsibilities for Preparation and Presentation of the Financial Statements:

The following statement is made with a view to distinguishing from shareholders the respective responsibilities of the directors and the auditors in relation to the financial statements. The Companies Act, 1994 requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company as at the end of the financial year and of the profit for the year to that date. In preparing those financial statements, the directors:

# Annual Report 2007-08

- o Select suitable accounting policies and then apply them in a consistent manner;
- o Make reasonable and prudent judgments and estimates where necessary;
- o State whether all applicable accounting standards have been followed, subject to any material departures disclosed and explained in the notes to the financial statements;
- o Take such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities;
- o Ensure that the Company keeps accounting records which disclose with reasonable accuracy the financial position of the Company;
- o Ensure that the financial statements comply with disclosure requirements of the Companies Act, 1994 and the Securities and Exchange Rule, 1987; and
- o Prepare the financial statements on a going concern basis unless it is inappropriate to presume that the Company will continue in business.

#### **Board Committees:**

The Board-The board is responsible to the shareholders for the strategic development of the Company, the management of the Company's assets in a way that maximizes performance and the control of the operation of the business. The board of directors is responsible for approving Company policy and is responsible to shareholders for the Company's financial and operational performance. Responsibility for the development and implementation of Company policy and strategy, day-to-day operational issues is delegated by the board to the management of the Company.

**Board structure and procedure:** The membership of the board during the year end as on 30th June 2008 stood at five directors. All directors are equally accountable as per law to the shareholders for the proper conduct of the business.

The Company's board currently comprises the chairman, Managing Director and three directors along with one independent director.

#### **Internal Audit Committee:**

The Company's Internal Audit Committee consists of Mr. Emran Hossain, independent directors of the Company as chairman of the internal audit committee and Md. Jahir Uddin, ACFO and Md. Monir Hossain, Company Secretary as members of the Committee to met the internal audit and report to the Board any conflict of interest.

#### **Rights and Relations with Shareholders:**

**Control rights of shareholders-** At Annual General Meeting shareholders have rights of participation. They have the right to ask questions and request for information from the board regarding item on the agenda to the extent necessary to make an informed judgment of the Company's affairs.

**Relations with shareholders-** The Annual General Meetings are used as an important opportunity for communication with both institutional and general shareholders through the corporate affairs secretarial department.



# Annual Report 2007-08

The following information can be addressed through the secretarial department:

- o Dividend payment enquiries;
- o Dividend mandate instruction;
- o Loss of share certificate/dividend warrants;
- o Nominations of change of address; and
- o Transfer of share.

The board believes that it is important to respond adequately to all the queries of both institutional and general shareholders. At the AGM, the shareholders are offered opportunities to raise with the board any specific question they have concerning the Company. In addition, meeting is also held between individual directors and institutional shareholders at various times during the year.

### Going Concern:

The Directors have made an assessment of the Company's ability to continue as a going concern and they are convinced that the company has adequate resources to continue its operation in the foreseeable future and preparing the financial statements where the going concern concept was a basis.

### Compliance Report on SEC's Notification:

The Securities and Exchange Commission (SEC) requires all listed companies to report on the compliance of the conditions described in SEC's notification dated 20 February 2006 on "Company or Explain" basis. The Board of Directors of the Company has taken appropriate steps to comply with the conditions and implemented as many of those as practicable. Status report on compliance is given below in prescribed format:

Conditions	Title	Compliance Status
1.0	Board of Directors & its report	
1.1	The members of the Board should not be less than 5 (five) and more than 20 (twenty).	Complied
1.2	Appointment of Independent Non-shareholder Director (at least one-tenth of total number of Board of Directors)	Complied
1.3	Chairman of the Board and Chief Executive Officer (CEO) be different person with different roles and responsibilities	Complied
1.4	Directors Report to include declarations on : a. Fairness of Financial Statements b. Maintenance of proper books of accounts c. Consistent application of Accounting Policies in preparation of Financial Statements d. Observance of Bangladesh Accounting Standards (BAS) e. Soundness and efficiency of Internal Control f. Ability to continue as a going concern g. Significant deviations in operating results from last year h. Presentation of key operating and financial data for at least last three years i. Declaration of dividend j. Number of Board Meeting held during the year and attendance by each Directors k. Shareholding pattern	Complied Complied Complied Under process Complied Complied Complied Complied Complied Complied Complied Complied
1.5	Number of Independent Director	Complied
1.6	Appointment of Independent Director	Complied

# Annual Report 2007-08

Conditions	Title	Compliance Status
1.7	FS present fairly its state of affairs, results of its operations, cash flows & changes in equity	Complied
1.8	IASs, as applicable in Bangladesh, followed in FS preparation & any departure adequately disclosed	Complied
1.9	The system of internal control sound in g\design & effectively implemented & monitored	Complied
1.11	BO significant doubt upon its ability to continue as a going concern	Complied
2.0	Appointment of CFO, Company Secretary etc.	
2.1	Appointment of CFO, Company Secretary and Head of Internal Audit and defining their responsibility.	Complied
2.2	Attendance of CFO and Company Secretary in the Board of Director's meeting	Complied
3.0	Formation of Audit Committee & its Reporting	
3.1	i. Number of members of Audit Committee ii. Inclusion of Independent Director in the Audit Committee iii. Fill the casual vacancy in Audit Committee	Complied Complied Complied
3.2	i. Chairman of the Board Audit Committee ii. Qualification and experience of Audit Committee Chairman	Complied
3.3	i. Reporting by Audit Committee on its activities to the Board ii. Report to the Board by the Audit Committee on conflict of interest etc.	Complied Non such matters to report on
3.4	Report by Audit Committee on the qualified point to the SEC	Non such matters to report on
3.5	Report to the Shareholders in the event of findings of certain occurrences under condition 3.3(ii) above.	There was no such event
4.0	Statutory Auditors not to engage in: i. Appraisal or valuation services ii. Financial Information systems design and implementation iii. Book keeping or other services related to financial statements iv. Brokers-dealer services v. Actuarial services vi. Internal Audit Services vii. Any other services that the Audit Committee determines.	Complied Complied Complied Complied Complied Complied Complied

## DIRECTOR'S ATTENDANCE IN THE BOARD OF DIRECTOR'S MEETINGS DURING THE YEAR 2007-2008

Name of Director	Total Meeting	Attended	Remarks
Mrs. Shahana Khan	6	6	
Mr. Md. Sabur Khan	6	6	
Mr. Md. Yunus Khan	6	2	
Mr. Emran Hossain	6	6	
Mr. M.S. Shekil Chowdhury	6	4	

# Annual Report 2007-08

## SHARE HOLDING POSITION OF DIRECTORS AS ON 10-12-2007

Name of Director	Shareholding
Mrs. Shahana Khan	50,49,000
Mr. Md. Sabur Khan	3,85,000
Mr. Md. Younus Khan	13,750
Mr. Emran Hossain	Nil
Mr. M.S.Shekil Chowdhury	Nil

## SHARE HOLDING POSITION OF TOP FIVE EXECUTIVES AS ON 01-12-2008

Name	Designation	Shareholding
Mr. Quazi M. Morshed	Chief Operating Officer	Nil
Mr. Sabbir Ahmed Polash	General Manager	550
Mr. Alauddin Al-Azad	Asst. General Manager	Nil
Mr. Abdul Khaleque Patwary	Manager, Accounts	Nil
Mr. Jafar Ahmed Patwary	Head, Daffodil PC	Nil





daffodil PC



# Financial Statement

Sarwar Salamat & Co.  
Chartered Accountants



[www.daffodil.bd.com](http://www.daffodil.bd.com)



# Annual Report 2007-08

## Auditors' Report To The Shareholders Of Daffodil Computers Limited

We have audited the accompanying financial statements of Daffodil Computers Limited comprising of Balance Sheet at June 30, 2008 and Profit and Loss Account, Cash Flow Statement, Statement of Changes in Equity year to that date and the related notes.

### RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

The Company's directors are responsible for preparing the annual report. This includes responsibility for preparing the financial statements, which give a true and fair view, in accordance with the Companies Act 1994, the Securities and Exchange Rules 1987 and the Bangladesh Accounting Standards (BAS). Our responsibility is to express an independent opinion based on our audit on those statements and to report our opinion to you. This responsibility is established in Bangladesh by the Companies Act 1994 and Bangladesh Standards on Auditing (BSA).

### BASIS OF AUDIT OPINION

We conducted our audit in accordance with Bangladesh Standards on Auditing (BSA). An audit includes examining, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations, which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement. In forming our opinion, we also evaluated the overall adequacy of the presentation of information in the financial statements. We believe that our audit provides a reasonable basis for our opinion.

### OPINION:

In our opinion, the financial statements prepared in accordance with Bangladesh Accounting Standards, give a true and fair view of the state of affairs of the company as of June 30, 2008 and of the results of the operation and cash flows for the year then ended and comply with the Companies Act 1994, The Securities and Exchange Rules 1987 and other applicable laws and regulations.

### WE REPORT THAT:

- (a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit and made due verification thereof;
- (b) In our opinion, proper books of account as required by law have been kept by the company so far as it appeared from our examination of those books
- (c) The Company's Balance Sheet and Income Statement dealt with by this report are in agreement with the books of account; and
- (d) The expenditures incurred were for the purpose of the Company's business.

Place : Dhaka  
11th November 2008



**Sarwar Salam & Co.**  
Chartered Accountants

# Annual Report 2007-08

## Daffodil Computers Limited Balance Sheet As at 30 June 2008

Particulars	Notes	30 June 2008 (Taka)	30 June 2007 (Taka)
<b>APPLICATION OF FUNDS</b>			
<b>Non-Current Assets</b>			
Fixed Assets (At cost)	4	123,787,301	73,989,988
Less: Accumulated Depreciation		38,166,553	31,692,765
		85,620,748	42,297,223
Customized Software Development	5	34,515,564	32,791,653
Work-in-Progress (Customized Software Development)	6	5,239,217	832,861
Investment in Subsidiary - Dolphin Computers Ltd.	7	16,000,000	-
Investment in Subsidiary- JS E-Recruitment Ltd.	8	18,049,678	18,049,678
Deferred Revenue Expenditure	9	2,435,548	3,044,435
<b>Current Assets</b>			
Inventories	10	50,232,575	49,758,534
Sundry Debtors	11	58,328,336	48,062,844
Advances, Deposits and Prepayments	12	67,776,427	130,058,457
Cash & Cash Equivalents	13	1,506,453	3,488,997
		177,843,791	231,368,832
<b>Less: Current Liabilities</b>			
Bank Loans, Overdraft and Credit	14	70,719,544	68,348,609
Trade Creditors	15	6,871,537	6,918,217
Liabilities for Expenses	16	5,763,031	5,706,021
Unclaimed Dividend		90,580	332,185
Provision for Income Tax	17	11,144,350	11,023,199
		94,589,042	92,328,231
<b>Net Current Assets</b>		83,254,749	139,040,601
<b>Total Taka</b>		<b>245,115,504</b>	<b>236,056,451</b>
<b>SOURCES OF FUNDS</b>			
<b>Shareholders' Equity:</b>			
Share Capital	18	192,500,000	175,000,000
<b>Reserve &amp; Surplus:</b>			
Profit & Loss A/c	19	33,365,504	43,556,451
<b>Dividends:</b>			
Proposed Dividend		19,250,000	17,500,000
<b>Shareholders' Equity</b>		245,115,504	236,056,451
<b>Total Taka</b>		<b>245,115,504</b>	<b>236,056,451</b>

The accounting policies and other notes from 1 to 37 form an integral part of the Financial Statements. The Financial statements were authorized for issue by the Board of Directors on 10-11-2008 and signed on its behalf by :

  
Md. Monir Hossain  
Company Secretary

  
Md. Sabur Khan  
Managing Director

  
Mrs. Shahana Khan  
Chairman

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

Place : Dhaka  
11th November 2008

  
Sarwar Salammat & Co.  
Chartered Accountants



# Annual Report 2007-08

## Daffodil Computers Limited Profit and Loss Account For the year ended 30 June 2008

Particulars	Notes	2007- 2008 (Taka)	2006-2007 (Taka)
Turnover	20	224,174,298	255,605,075
Cost of Goods Sold	21	(181,218,236)	(206,631,145)
<b>Gross Profit</b>		<b>42,956,062</b>	<b>48,973,930</b>
<b>Operating Expenses:</b>			
Administrative Expenses	22	(26,873,546)	(25,699,185)
Selling & Distribution Expenses	23	(2,044,846)	(2,166,554)
Financial Expenses	24	(5,935,257)	(7,207,517)
		(34,853,649)	(35,073,256)
<b>Operating Profit</b>		<b>8,102,413</b>	<b>13,900,674</b>
Operating Income from DIPTI		373,085	-
Indirect Income	25	704,706	518,126
<b>Net Profit Before Tax</b>		<b>9,180,204</b>	<b>14,418,800</b>
Provision for Income Tax	17	(121,151)	(2,361,973)
<b>Net Profit After Tax</b>		<b>9,059,053</b>	<b>12,056,827</b>
Profit/(Loss) brought forward		43,556,451	51,599,624
<b>Prior year adjustment:</b>			
Short Provision for Income Tax for the year 2004-05		-	(2,600,000)
<b>Profit available for Appropriation</b>		<b>52,615,504</b>	<b>61,056,451</b>
Proposed Dividend		(19,250,000)	17,500,000
<b>Profit/(Loss) carried forward</b>		<b>33,365,504</b>	<b>43,556,451</b>
<b>Earning per Share (EPS)</b>	26	<b>0.47</b>	<b>0.69</b>

The accounting policies and other notes from 1 to 37 form an integral part of the Financial Statements. The Financial statements were authorized for issue by the Board of Directors on 10-11-2008 and signed on its behalf by :

  
Md. Monir Hossain  
Company Secretary

  
Md. Sabur Khan  
Managing Director

  
Mrs. Shahana Khan  
Chairman

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

Place : Dhaka  
11th November 2008

  
Sarwar Salamat & Co.  
Chartered Accountants

# Annual Report 2007-08

## Daffodil Computers Limited Cash Flow Statement For the year ended 30 June 2008

Particulars	2007- 2008 (Taka)	2006-2007 (Taka)
<b>A. Cash flow from Operating Activities:</b>		
Cash Received from Customers & Others	216,086,623	270,003,037
Cash Paid to Suppliers, Employees & Others	(138,684,626)	(234,631,621)
Cash generated from Operations:	77,401,997	35,371,416
Interest income on FDR	13,938	416,841
Financial Expenses	(5,935,257)	(7,207,517)
VAT paid	(1,113,964)	(2,819,961)
Income Tax Paid/ Income Tax paid in advance	(734,399)	(2,103,532)
<b>Net cash flow from operating activities</b>	<b>69,632,315</b>	<b>23,657,247</b>
<b>B. Cash flow from Investing Activities:</b>		
Net Purchase of property, plant & equipment	(49,797,313)	(166,160)
Investment in Subsidiary-Dolphin Computers Ltd.	(16,000,000)	-
Investment made (Customized software development)	(3,540,520)	(1,869,391)
Work-in-Progress (Customized software development)	(4,406,356)	1,186,835
Investment made in JS E-Recruitment Ltd.	-	(1,850,000)
<b>Net cash used in investing activities</b>	<b>(73,744,189)</b>	<b>(2,698,716)</b>
<b>C. Cash flow from Financing Activities:</b>		
Bank Loan, Overdrafts & Credit	2,370,935	(11,183,040)
Dividend Paid	(241,605)	(22,141,015)
<b>Net Cash used in Financing Activities</b>	<b>2,129,330</b>	<b>(33,324,055)</b>
Net Increase/(Decrease) in Cash & Cash Equivalents	(1,982,544)	(12,365,524)
Cash & Cash Equivalents at Opening	3,488,997	15,854,521
<b>Cash &amp; Cash Equivalents at Closing</b>	<b>1,506,453</b>	<b>3,488,997</b>

The accounting policies and other notes from 1 to 37 form an integral part of the Financial Statements. The Financial statements were authorized for issue by the Board of Directors on 10-11-2008 and signed on its behalf by :

  
Md. Monir Hossain  
Company Secretary

  
Md. Sabur Khan  
Managing Director

  
Mrs. Shahana Khan  
Chairman

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

Place : Dhaka  
11th November 2008

  
Sarwar Salamat & Co.  
Chartered Accountants



# Annual Report 2007-08

## Daffodil Computers Limited Statement of Changes in Equity For the year ended 30 June 2008

Particulars	Spare Capital	Proposed Dividend	Retained Earnings	Total
As on 30 June 2007	175,000,000	17,500,000	43,556,451	236,056,451
Net Profit after tax during the year	-	-	9,059,053	9,059,053
Proposed Dividend - Bonus Share	-	11,550,000	(11,550,000)	-
Proposed Dividend - Cash	-	7,700,000	(7,700,000)	-
Issue of Bonus Share	17,500,000	(17,500,000)	-	-
Balance as on 30 June 2008	192,500,000	19,250,000	33,365,504	245,115,504
Balance as on 30 June 2007	175,000,000	17,500,000	43,556,451	236,056,451

The accounting policies and other notes from 1 to 37 form an integral part of the Financial Statements. The Financial statements were authorized for issue by the Board of Directors on 10-11-2008 and signed on its behalf by :

  
Md. Monir Hossain  
Company Secretary

  
Md. Sabur Khan  
Managing Director

  
Mrs. Shahana Khan  
Chairman

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

Place : Dhaka  
11th November 2008

  
Sarwar Salamat & Co.  
Chartered Accountants



# Annual Report 2007-08

---

## **Daffodil Computers Limited Notes To The Financial Statements For The Year Ended 30 June 2008.**

### **1.00 REPORTING ENTITY:**

#### **1.01 Legal form of Company**

Daffodil Computers Limited started its business in the year 1990 as a sole proprietorship business organization. It was converted into a Private Limited Company on 26 January 1998 under the Companies Act, 1994 and registered with the Registrar of Joint Stock Companies and Firms and its Registration No. is C-34749. Again it was converted into a Public Limited Company on 25 April 2002. The company is listed with the Dhaka & Chittagong Stock Exchange of Bangladesh.

#### **1.02 Address of the Registered and Corporate Office**

The Registered Office and principal place of business of the company is situated at 64/3 Lake Circus, Kalabagan (2nd Floor), Mirpur Road, Dhaka - 1205.

#### **1.03 Nature of Business Activities**

The main objectives of the Company is to carry on the business of buying component parts, assembling, selling and marketing all types of computer, computer peripherals, accessories, hardware, software, software development including network installation, services, electric, electronics office equipments, training aids, communication equipments, audio visual equipments and all other allied items.

#### **1.04 Number of Employees**

The numbers of employees at year-end were 140 (One hundred forty) persons.

### **2.00 BASIS OF PREPARATION:**

#### **2.01 Statement of Compliance**

The financial statements have been prepared and the disclosures of information made in accordance with the requirements of the Companies Act 1994, the Securities and Exchange Rules 1987 and IASs adopted by the Institute of Chartered Accountants of Bangladesh (ICAB), as Bangladesh Accounting Standard (BAS). The Balance Sheet and the Profit and Loss Account have been prepared according to IAS 1 (Presentation of Financial Statements) based on accrual basis following going concern assumption and cash flow statement according to IAS 7 (Cash Flow Statement).



# Annual Report 2007-08

---

## 2.02 Basis of measurement

The financial statements have been prepared on the historical cost basis.

## 2.03 Functional and presentational currency and level of precision

The financial statements are prepared in Bangladesh Taka (Taka/Tk.) which is the company's functional currency. All financial information presented in Taka has been rounded off to the nearest taka.

## 2.04 Use of estimates and judgment

The preparation of financial statements requires management to make judgments estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual result may differ from the estimates. Estimates and underlying assumptions are reviewed on an on going basis.

## 2.05 Reporting period

The financial period of the company covers one year from 01 July to 30 June and is followed consistently.

## 3.00 SIGNIFICANT ACCOUNTING POLICIES:

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

### 3.01 Application of Standards

In preparing and presenting these financial statements, considering relevant for the significant accounting issues of the company, which were issued by the ICAB formulated in the light of the IASs originally issued by the International Accounting Standard Board and the conditions and practices prevailing in Bangladesh and which also stand valid as on the Balance Sheet date.

### 3.02 Impact of Recently Issued Accounting Standards

There was no such impact on these financial statements as no new accounting standard was issued by the ICAB during the year under audit.

### 3.03 Recognition of Property, Plant & Equipment and Depreciation:

Property, Plant and Equipment are stated at their cost less accumulated depreciation in accordance with IAS 16 "Property, Plant and Equipment". Cost represents cost of acquisition or construction. Full year's depreciation has been charged on additions irrespective of the date when the related assets are put into use. Depreciation on all other property, plant and equipment are computed using the reducing balance method in amounts sufficient to write off depreciable assets over their estimated useful economic lives. Depreciation has been charged at varying rate from 10% to 15% for all assets.



Depreciation has been charged to administration expenses consistently.

Property, Plant and Equipment acquired under leases were not capitalized but the lease rentals were expensed as they were incurred.

#### **3.04 Inventories**

Inventories comprise computers, computer peripherals, accessories, hardware, software, etc. They are stated at the lower of cost and net realizable value in accordance with IAS 2 "Inventories" after making due allowances for any obsolete or slow moving items.

The cost is calculated on average method consistently. Costs comprise expenditure incurred in the normal course of business in bringing such inventories to its location and conditions. Where necessary, provision is made for obsolete, slow moving and defective inventories (if any) identified at the time of physical verification of inventories.

#### **3.05 Cash and Cash Equivalents**

For the purpose of balance sheet and cash flow statement, cash in hand and bank balances represent cash and cash equivalents considering the IAS 1 "Presentation of Financial Statements" and IAS 7 "Cash Flow Statement", which provide, that cash and cash equivalents are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value and are not restricted as to use.

#### **3.06 Creditors and Accrued Expenses**

Liabilities are recognized for amounts to be paid in the future for goods and services received whether or not billed by the suppliers.

#### **3.07 Taxation**

The Company is a listed public limited company. As per the Income Tax Ordinance, 1984, provision for tax has been made at the existing rate of 27.5%. Details calculation of provision for taxation for Income Tax is shown in note-17.

#### **3.08 Revenue Recognition**

Revenue is recognized as per IAS 18 "Revenue Recognition" as follows:

- a) Revenue has been recognized at the time of invoice made for the goods and services rendered by the company.
- b) Other Incomes are recognized at the time of receipt of money from other purpose than the normal course of business of the Company.



# Annual Report 2007-08

---

### 3.09 Leases

Lease rentals against assets acquisition have been expensed as they were incurred.

### 3.10 Earning per shares (EPS)

The Company calculates Earning per Share (EPS) in accordance with IAS-33 "Earning per Share" as adopted in Bangladesh.

Basic Earning per share is calculated by dividing the earnings attributable to ordinary shareholders by the weighted average number of ordinary share outstanding during the year.

### 3.11 Cash flow Statement

Cash flow Statement is prepared principally in accordance with IAS 7 "Cash Flow Statement" and the cash flow from the operating activities have been presented under direct method considering the provision of Paragraph 19 of IAS -7 which provides that Enterprises are encouraged to report Cash Flow from Operating Activities using the Direct Method.

### 3.12 Additional information on Financial Statements

#### a) Responsibility for Preparation and Presentation of Financial Statements

The Board of Directors is responsible for the preparation and presentation of Financial Statement under Section 183 of The Companies Act 1994 and as per the provisions of the Framework for the Preparation And Presentation of Financial Statements" issued by the International Accounting Standards Committee (IASC).

#### b) Components of the Financial Statements

According to the International Accounting Standard (IAS) 1 "Presentation of Financial Statements", the complete set of Financial Statements includes the following components:

- (i) Balance Sheet as of 30 June 2008.
- (ii) Profit and Loss Account for the year ended 30 June 2008.
- (iii) Statement of Changes in Equity for the year ended 30 June 2008.
- (iv) Cash Flow Statement for the year ended 30 June 2008.
- (v) Accounting Policies and Explanatory notes.

#### c) Risk and Uncertainties for use of estimates in preparation of financial Statements

The preparation of Financial Statements in conformity with the International Accounting Standards requires management to make estimates and assumptions that effect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and revenues and expenses during the period reported. Actual results could differ from those estimates. Estimates are used for accounting certain items, such as, provision for Doubtful accounts, depreciation and amortization, taxes reserves and contingencies.

# Annual Report 2007-08

## 4.00 FIXED ASSETS (AT COST LESS DEPRECIATION): 85,620,748

This is made up as follow :

Particulars	2007- 2008 (Taka)	2006-2007 (Taka)
Opening Balance at Cost	73,989,988	73,823,828
Addition During the year	49,797,313	166,160
Closing Balance at Cost	123,787,301	73,989,988
Accumulated depreciation up to last year	(31,692,765)	(26,731,842)
	92,094,536	47,258,146
Depreciation charged for the year	(6,473,788)	(4,960,923)
Written down value	<u>85,620,748</u>	<u>42,297,223</u>

Details have been shown in schedule -A

## 5.00 CUSTOMIZED SOFTWARE DEVELOPMENT: 34,515,564

This represent as under:

Opening Balance	32,791,653	32,648,138
Add: Development cost during this year	3,540,520	1,869,391
	36,332,173	34,517,529
Less: Amortization @ 5%	1,816,609	1,725,876
<b>Total:</b>	<u>34,515,564</u>	<u>32,791,653</u>

This represents the cost of Customized Software developed by the Company through various Programmers engaged on contractual as well as regular employment basis.

## 6.00 WORK-IN-PROGRESS (Customized Software Development): 5,239,217 832,861

This represents cost allocated to Customized Software which are under progress of development.

## 7.00 INVESTMENT IN SUBSIDIARY CO.-Dolphin Computer Ltd.: 16,000,000 -

This represent the amount invested for purchase of Dolphin Computers Ltd.

## 8.00 INVESTMENT IN SUBSIDIARY JS E-RECRUITMENT LTD.: 18,049,678

This is as per last account and made up as follows:

As Share Capital	1,850,000	1,850,000
Add: Transferred from web development as investment	16,199,678	16,199,678
<b>Total:</b>	<u>18,049,678</u>	<u>18,049,678</u>

In the year 2005-06 DCL has entered into a joint venture agreement with Jobstreet Malaysia and formed a company in the name of 'JS E-Recruitment Ltd'. Where Daffodil Computers Ltd holds 40% and Jobstreet Malaysia holds 60% share.



# Annual Report 2007-08

9.00 DEFERRED REVENUE EXPENDITURE: 2,435,548

Particulars	2007- 2008 (Taka)	2006-2007 (Taka)
Opening Balance	3,044,435	3,805,544
Add: Addition during the period	-	-
	3,044,435	3,805,544
Less: Amortization 20%	608,887	761,109
<b>Total:</b>	<b>2,435,548</b>	<b>3,044,435</b>

10.00 INVENTORIES: 50,232,575

This represents as under :

Computers-Finished/Compaq	5,679,176	5,263,548
Computer-Daffodil PC/WIP	10,153,155	11,368,454
Printers	1,607,429	1,463,590
Monitor	3,129,995	3,439,248
Hardware	6,099,723	6,163,549
Accessories	9,505,025	8,829,824
UPS	329,334	271,372
Stabilizer	204,216	180,024
Software	13,524,522	12,778,925
	<b>50,232,575</b>	<b>49,758,534</b>

11.00 SUNDRY DEBTORS: 58,328,336

This represents as under :

Trade Debtors (Note-11.01)	58,017,894	47,894,683
Other Debtors (Note-11.02)	310,442	168,161
<b>Total:</b>	<b>58,328,336</b>	<b>48,062,844</b>

This is unsecured but considered good.

11.01 TRADE DEBTORS: 58,017,894

This is arrived at as under :

Opening balance	47,894,683	58,059,282
Add: Addition during the year	102,729,793	114,573,684
	150,624,476	172,632,966
Less: Realized during the year	92,606,582	124,110,047
Less: AIT deducted by Clients in previous year	-	628,236
<b>Closing Balance</b>	<b>58,017,894</b>	<b>47,894,683</b>

# Annual Report 2007-08

## 11.02 OTHER DEBTORS: 310,442

This is arrived at as under :

Particulars	2007- 2008 (Taka)	2006-2007 (Taka)
Opening balance	168,161	1,480,278
Add: Addition during the year	165,787	173,455
	333,948	1,653,733
Less: Realized during the year	23,506	1,485,572
Closing balance	310,442	168,161

## 12.00 ADVANCES, DEPOSITS AND PREPAYMENTS : 67,776,427

### Advances:

Income Tax (Note-12.01)	9,871,394	9,136,995
Local Purchase (Note-12.02)	5,274,050	3,155,500
Office Rent (Note-12.03)	2,675,252	3,352,452
Salaries (Note-12.04)	756,888	1,017,164
Advance against Development works (Note-12.05)	8,020,126	37,747,006
Advance against Projects Expenses (Note-12.06)	33,877,431	34,975,171
Advance to Daffodil Group Limited (DGL) for land purchase	-	33,750,000
Advance against C & F Expenses	235,000	619,295

### Deposits:

Security Deposit (Note-12.07)	1,308,775	1,570,708
Earnest Money (Note-12.08)	2,089,275	2,117,365
Bank Guarantee Margin (Note-12.09)	1,187,705	1,368,850
L/C Margin (Note-12.10)	2,480,531	1,247,951

### Total:

**67,776,427**                      **130,058,457**

This is unsecured but considered good.

## 12.01 ADVANCE INCOME TAX : 9,871,394

This consists of :

Opening balance	9,136,995	7,033,463
	184,399	1,028,532
Deducted by Customs Authority at the time of Import during the year	-	-
Deducted by Clients	184,399	1,028,532
AIT paid in cash	550,000	1,075,000
Closing Balance	9,871,394	9,136,995

## 12.02 ADVANCE AGAINST LOCAL PURCHASE: 5,274,050

Party wise break up is as under :

Name of Vendor		
S.Y.S Computers	2,025,800	-
Next Technology	2,230,250	1,168,000
Sys International	1,018,000	1,987,500
<b>Total:</b>	<b>5,274,050</b>	<b>3,155,500</b>

# Annual Report 2007-08

12.03 ADVANCE AGAINST OFFICE RENT: 2,675,252

Particulars	2007- 2008 (Taka)	2006-2007 (Taka)
Head Office	644,252	702,452
Banani Branch	375,000	500,000
Br.Office Rent - Ctg Br.	1,380,000	1,500,000
Br Office Rent - Motijheel Br.	-	350,000
Br.Office Rent - Khulna Br.	276,000	300,000
<b>Total:</b>	<b>2,675,252</b>	<b>3,352,452</b>

12.04 ADVANCE AGAINST SALARIES :

This amount has been paid to the staff and officers of the company which is being adjusted against their monthly salary.

12.05 ADVANCE AGAINST DEVELOPMENT WORKS: 8,020,126

Daffodil Grameen Education Program	6,049,806	5,850,406
China Branch Office	-	2,935,800
DIPTI ( Education Program)	-	12,210,800
KIOSK	1,220,320	-
Advance against Land & Bldg - Moghbazar Branch	750,000	750,000
Purchase of Dolphin Computer Ltd.	-	16,000,000
<b>Total:</b>	<b>8,020,126</b>	<b>37,747,006</b>

12.06 ADVANCE AGAINST PROJECT EXPENSES: 33,877,431

BRTA-IS Project	19,831,258	19,831,258
UNDP	2,329,855	3,254,855
KAFCO	5,060,560	5,420,560
KIOSK	-	61,740
WASA	6,350,758	6,326,758
Other works	305,000	80,000
<b>Total:</b>	<b>33,877,431</b>	<b>34,975,171</b>

12.07 SECURITY DEPOSIT : 1,308,775

The movement is as under:

Opening balance	1,570,708	3,465,609
Add: Addition during the year	35,730	44,890
	1,606,438	3,510,499
Less: Matured and collected during the year	297,663	1,939,791
<b>Closing balance</b>	<b>1,308,775</b>	<b>1,570,708</b>

This is against supply to different Government and Corporate Authorities. This amount has been kept by the buyer/clients as security in compliance with terms of tenders and work orders. It is required for certain supplies and varies from 5% to 10% of the invoice value. The amount will be brought to fund on the event of maturity.



# Annual Report 2007-08

## 12.08 EARNEST MONEY : 2,089,275

The movement is as under:

Particulars	2007- 2008 (Taka)	2006-2007 (Taka)
Opening balance	2,117,365	6,009,429
Add: Addition during the year	297,300	188,520
	2,414,665	6,197,949
Less: Withdrawal during the year	325,390	4,080,584
Closing balance	2,089,275	2,117,365

This amount represents the money that is required at the time of bidding tenders.

## 12.09 BANK GUARANTEE MARGIN: 1,187,705

It consists of :

BARI	33,960	-
Bangladesh Road Transport Authority	525,000	525,000
Bangladesh Bank	7,095	-
DC, Immigration & Passport	6,800	6,800
UNDP	14,850	-
WASA	600,000	600,000
Bangladesh Public Administration Training Centre	-	28,800
PD.DIITA	-	36,250
Dhaka City Corporation	-	50,000
ICB	-	52,000
UCBL	-	70,000
<b>Total:</b>	<b>1,187,705</b>	<b>1,368,850</b>

This relates to normal trading supply to corporate type clients. These guaranties were issued from Mercantile Bank Ltd. Dhanmondi Branch in compliance with the work order for supply to trading goods. These were issued for certain periods from one or two years depending upon the terms of work orders.

## 12.10 L/C MARGIN: 2,480,531

This consists of:

L/C No. DN-174607010171	-	225,276
L/C No. DN-174607010147	-	141,729
L/C No. DN-174607010120	-	418,446
L/C No. DN-174607010108	-	462,500
L/C No DN-174608010115	482,920	-
L/C No. DN-174608010134	979,301	-
L/C No. DN-174608010172	348,085	-
L/C No. DN-174608010238	670,225	-
	2,480,531	1,247,951

This represents that portion of imports for which L/C has been opened.

# Annual Report 2007-08

## 12.11 Related Party Transactions- Disclosures Under BAS 24 " Related Party Disclosures"

No amount was due by the Directors ( including Chairman & Managing Director ), Managing agent, Manager and officers of the Company and any of them severally or jointly with any other person. However during the period under review, the company carried out a number of transactions with related party in the normal course of business. The nature of these transactions and their value have been set out in accordance with the provisions of BAS 24 " Related party Disclosures" Details are given below.

Name of Company	Nature of Transactions	Head of A/C.	2007-2008	2006-2007
Daffodil Software Ltd. (DSL)	Sales of Software through DSL	Other Debtors	310,442	168,161
Daffodil Group Ltd (DGL)	Land purpose	Fixed Assets	-	33,750,000
<b>Total :</b>			<b>310,442</b>	<b>33,918,161</b>

## 13.00 CASH AND CASH EQUIVALENTS: 1,506,453

This consists of as follows:

Particulars	2007- 2008 (Taka)	2006-2007 (Taka)
Cash at Bank (Note-13.01)	647,605	2,187,400
Fixed Deposit (Note-13.02)	-	585,227
Cash in Hand (Note-13.03)	688,628	701,435
Cheques in hand (Note-13.04)	170,220	14,935
<b>Total:</b>	<b>1,506,453</b>	<b>3,488,997</b>

The break up is given below:

## 13.01 CASH AT BANK: 647,605

This consists of:

Name of Bank	Name of A/C.	2007-2008	2006-2007
Al- Baraka Bank, IDB Bhaban Br., Dhaka	CD	703	703
The Premier Bank Ltd., Banani Br., Dhaka	CD	29,892	13,437
Arab Bangladesh Bank, Elephant Road Br., Dhaka.	CD	6,362	1,780
Uttara Bank, Nasirabad Br., Chittagong	CD	1,624	1,624
Uttara Bank, Green Road Br., Dhaka	CD	2,110	2,110
Mercantile Bank, Dhanmondi Br., Dhaka	CA	202,492	524,904
Mercantile Bank, Dhanmondi Br.	CD	120,200	356,280
HSBC, Anchor Tower Br., Dhaka	CD	10,976	29,820
Islami Bank BD Limited, IDB Bhaban Br.	CD	32,525	161,277
Standard Chartered Bank	CA	5,152	148,791
BRAC Bank Ltd.	CD	731	731
BRAC Bank Ltd.	CA	13,285	76,379
Southeast Bank Ltd.	CD	1,206	1,206
SIBL	CD	10,130	71,235
Dutchbangla Bank Ltd.	CA	29,937	2,219
Dutchbangla Bank Ltd.	CD	149,669	770,928
Bangladesh Krishi Bank	CA	1,294	1,294
National Bank	CD	12,651	19,470
Mercantile Bank Ltd.	STD	16,666	3,212
<b>Total</b>		<b>647,605</b>	<b>2,187,400</b>

Cash at bank balances have been confirmed with Bank Statements and Bank Balance Confirmation Certificate and reconciliation statements have been prepared where necessary.

# Annual Report 2007-08

## 13.02 FIXED DEPOSIT:

NIL

Particulars	2007- 2008 (Taka)	2006-2007 (Taka)
Principal:	585,227	7,300,000
Opening Balance	585,227	7,300,000
Purchase	-	-
Interest:	-	5,705,554
Opening Balance	-	5,327,862
Add: Received during the year	-	377,692
<b>Total</b>	<b>585,227</b>	<b>13,005,554</b>
Less : Encashed to adjust CC, LTR & Term loan	585,227	12,420,327
Balance as on 30 June 2008	-	585,227

## 13.03 CASH IN HAND:

688,628

This consists of:

H.O. - Main Cash	75,619	123,777
IDB Bhaban Br.	312,200	416,364
Banani Br.	41,203	29,896
Elephant Road Br.	44,126	12,361
Chittagong Br.	89,800	86,964
Motijheel Branch	-	6,174
Bashundhara City Branch	20,440	11,031
Khulna Branch	105,240	14,868
<b>Total:</b>	<b>688,628</b>	<b>701,435</b>

Balance has been confirmed with book balance and supported by certificate.

## 13.04 CHEQUES IN HAND:

170,220

14,935

This represents Credit card & cheques received but not deposited within 30-06-2008.

## 14.00 BANK LOAN, OVERDRAFT AND CASH CREDIT: 70,719,544

Loan against Trust Receipt (LTR) (Note-14.01)	10,245,575	9,938,825
CC (Hypo) (Note-14.02)	35,733,185	31,951,196
Term Loan (Note-14.03)	24,740,784	26,458,588
<b>Total:</b>	<b>70,719,544</b>	<b>68,348,609</b>

## 14.01 LOAN AGAINST TRUST RECEIPT (LTR) :

10,245,575

9,938,825

This is payable to Mercantile Bank Ltd. Dhanmondi Br.Dhaka. This amount was drawn against a credit facility granted from the said Bank for financing import of computer, computer Accessories and peripherals. Maximum time limit of LTR adjustment is 1 (one) year but each LTR shall have to be adjusted by a maximum period of 90 days from the date of creation. Rate of interest is 15% p.a. and is chargeable in quarterly basis on outstanding amount. This credit facility is secured by Hypothecation of stock in trade and 1st charge on the fixed and floating assets of the company.



# Annual Report 2007-08

## 14.02 CC (Hypo) :

35,733,185

31,951,196

This is payable to Mercantile Bank Ltd . Dhanmondi Br .Dhaka .This amount was used for L/C opening, endorsement, working capital financing and to maintain satisfactory stocks of Computers & Computer accessories. Rate of interest is 16% p.a. and is chargeable in quarterly basis. This cash credit facility is secured by Hypothecation of stock in trade and 1st charge on the fixed and floating assets of the company.

## 14.03 TERM LOAN

24,740,784

26,458,588

This item of Credit Facility has been created after full adjustment of SOD(WO) and bears interest @ 15.50% p.a and is repayable in 36 equal monthly installments commencing from August 2008.The loan is secured by hypothecation of stock in trade.

## 15.00 TRADE CREDITORS

6,871,537

This is arrived at as under :

Particulars	2007- 2008 (Taka)	2006-2007 (Taka)
Opening balance	6,918,217	4,205,859
Add: Addition during the year	49,237,580	52,363,521
	<u>56,155,797</u>	<u>56,569,380</u>
Less: Paid/ Adjusted during the year	49,284,260	49,651,163
Closing balance	<u>6,871,537</u>	<u>6,918,217</u>

This is against credit purchase of trading goods from local vendors .

## 16.00 LIABILITIES FOR EXPENSES:

5,763,031

This amount consists of liabilities for salaries , office rent , utilities bill and others purchase. Break up of the above amount is as under :

Salaries and Allowances	661,620	656,135
Contribution to Employees PF	4,132,120	3,926,720
Audit Fee	120,000	110,000
Telephone Bill	46,994	33,798
Electricity Bill	68,839	57,595
Paper Bills	2,483	2,500
Internet Bills	291,000	171,000
Insurance premium	110,225	171,273
Renewal Fee	209,750	277,000
Office Rent (Motijheel Branch)	-	240,000
Other Liabilities	120,000	60,000
<b>Total</b>	<u>5,763,031</u>	<u>5,706,021</u>

# Annual Report 2007-08

## 17.00 PROVISION FOR INCOME TAX: 11,144,350

This is arrived at as under :

Particulars	2007- 2008 (Taka)	2006-2007 (Taka)
Opening balance	11,023,199	6,061,226
Total income-as per profit & loss a/c before tax	9,180,204	14,418,800
Less: Income from software		
Sales of software	50,148,325	40,472,466
Less: Expenditure:		
Direct expenses	29,680,950	22,196,820
Administrative Exp.	7,517,081	7,191,993
Selling & Distribution Exp.	613,454	649,966
Financial Exp.	1,780,577	2,162,255
Add: Amortization expenses 5% on cost of Customized SW Development	1,816,609	1,725,876
	41,408,671	33,926,910
	8,739,654	6,545,556
Taxable Income	440,550	7,873,244
Provision for Income Tax @ 27.5%	121,151	2,361,973
Short Provision for Income Tax for the year 2004-05	-	2,600,000
Closing Balance	11,144,350	11,023,199

Assessment of income tax for the accounting year 2001-2002 is still pending as it is under process of settlement by the High Court. Provision for some years of which assessment are completed is yet to be adjusted.

## 18.00 SHARE CAPITAL:

192,500,000

### 18.01 Authorized :

30,000,000 Ordinary Shares of Tk. 10.00 each

300,000,000

300,000,000

18.02 Issued, Subscribed and paid up :

17500000 shares of Tk.10.00 each fully paid up in cash.

175,000,000

175,000,000

1750000 bonus share of Tk.10each issued in 2006 -2007

17,500,000

-

192,500,000

175,000,000

Shareholding position was as follows :

Name of the Shareholders	No. of Shares	%	Amount
Promoters	11,000,000	57.14	110,000,000
ICB	1,100	0.01	11,000
Institution	550	-	5,500
General Public	8,248,350	42.85	82,483,500
<b>Total</b>	<b>19,250,000</b>	<b>100</b>	<b>192,500,000</b>

# Annual Report 2007-08

Distribution Schedule-Disclosure under the listing regulations of stock exchange

This distribution schedule showing the number of shareholders and their shareholdings in percentage has been disclosed below a requirement of the "Listing Regulations of Dhaka & Chittagong Stock Exchange":

Shareholders Range in number of Shares	Number of Holders	Number of Shares	% of holdings	Amount of Share Capital
Less than 500 Shares	-	-	-	-
500 to 5,000 Shares	2,494	3,615,250	92.17	36,152,500
5,001 to 10,000 Shares	103	898,150	3.81	8,981,500
10,001 to 20,000 Shares	53	850,850	1.96	8,508,500
20,001 to 30,000 Shares	18	474,100	0.67	4,741,000
30,001 to 40,000 Shares	11	416,350	0.41	4,163,500
40,001 to 50,000 Shares	6	303,600	0.22	3,036,000
50,001 to 100,000 Shares	15	1,514,050	0.55	15,140,500
100,001 to 1,000,000 Share	4	5,677,650	0.15	56,776,500
Over 1,000,000 Shares	2	5,500,000	0.07	55,000,000
<b>Total</b>	<b>2,706</b>	<b>19,250,000</b>	<b>100.00</b>	<b>192,500,000</b>

**19.00 PROFIT & LOSS A/C:** **33,365,504**

This is arrived at as under :

Particulars	2007- 2008 (Taka)	2006-2007 (Taka)
Opening balance	43,556,451	51,599,624
Add: Addition during the year	9,059,053	12,056,827
	<u>52,615,504</u>	<u>63,656,451</u>
Short Provision for Income Tax for the years 2004-05	-	2,600,000
	<u>52,615,504</u>	<u>61,056,451</u>
Proposed Dividend	(19,250,000)	17,500,000
<b>Closing balance</b>	<b><u>33,365,504</u></b>	<b><u>43,556,451</u></b>



# Annual Report 2007-08

**20.00 TURNOVER** **224,174,298**

This is made up as follows :

Particulars	2007- 2008 (Taka)	2006-2007 (Taka)
Sales of Computer and Computer Goods (Note-20.01)	174,025,973	215,132,609
Sales of Customized Software	50,148,325	40,472,466
<b>Total Net Sales</b>	<b><u>224,174,298</u></b>	<b><u>255,605,075</u></b>

Revenue recognition has been discussed in Note-3.08.

**20.01 SALES OF COMPUTER & COMPUTER GOODS: 174,025,973**

Name of Item

Computers	114,817,935	138,085,048
Printers	11,411,233	18,242,020
Monitor	8,794,739	7,453,650
Hardware	16,094,519	16,063,040
Accessories	11,633,835	13,763,663
UPS	1,299,728	1,563,544
Stabilizer	348,318	536,800
Software	10,882,480	22,281,255
	<u>175,282,787</u>	<u>217,989,020</u>
Less: Return	142,850	36,450
Less: VAT	1,113,964	2,819,961
<b>Total:</b>	<b><u>174,025,973</u></b>	<b><u>215,132,609</u></b>

**21.00 COST OF GOODS SOLD** **181,218,236**

It consists of :

Computer and Computer Goods (Note-21.01)	151,537,286	184,434,325
Customized Software & Web hosting etc. (Note-21.02)	29,680,950	22,196,820
<b>Total:</b>	<b><u>181,218,236</u></b>	<b><u>206,631,145</u></b>

**21.01 COMPUTER & COMPUTER GOODS** **151,537,286**

Cost of Materials : (21.01.01)

Add: Direct Expenses:

Salaries and Allowances (Warehouse)	450,000	447,955
Carriage Inward	88,912	75,487
C & F expenses	754,325	767,087
Freight	699,135	693,927
PSI Charges & Other import levies & duties	1,383,202	1,388,014
Insurance premium	171,090	466,584
Development surcharge	1,568,928	1,595,703
Assembling Expenses	255,000	223,978
Network Expenses	117,254	84,623
	<u>5,487,846</u>	<u>5,743,358</u>
<b>Total:</b>	<b><u>151,537,286</u></b>	<b><u>184,434,325</u></b>

# Annual Report 2007-08

## 21.1.1 COST OF MATERIALS:

146,049,440

Particulars	2007- 2008 (Taka)	2006-2007 (Taka)
Opening Stock	49,758,534	53,224,857
Add: Purchase - Foreign	33,064,473	51,810,327
Purchase - Local less return	113,459,008	123,414,317
	146,523,481	175,224,644
	196,282,015	228,449,501
Less: Closing Stock	50,232,575	49,758,534
	<u>146,049,440</u>	<u>178,690,967</u>

## 21.02 CUSTOMIZED SOFTWARE & WEB HOSTING: 29,680,950

Cost of Production	27,025,750	19,956,320
Add: Direct Expenses:		
Consultancy Fees	125,000	75,000
Resource hiring	2,530,200	2,165,500
	2,655,200	2,240,500
<b>Total:</b>	<u>29,680,950</u>	<u>22,196,820</u>

## 22.00 ADMINISTRATIVE EXPENSES

26,873,546

This consists of as follows :

Directors Remuneration	456,000	456,000
Salaries & Allowances	8,521,681	8,294,631
Bonus	759,273	767,038
Co's Contribution to Employees' Provident Fund	269,823	268,911
Office Rent	3,691,410	4,065,613
AGM Expenses	136,689	134,416
Audit fee	120,000	110,000
Bank charges	155,564	146,793
Business Tour & Travelling exp.	140,540	50,910
Car maintenance	181,411	184,399
Commission paid on credit cards	65,333	68,040
Computer Fair exp.	73,596	136,155
Consultation Fees	-	52,500
Conveyance	298,905	288,961
Discount allowed	955	19,036
Donation	57,850	99,429
Electricity	541,174	641,351
Enlistment Fees	1,000	2,500
Entertainment	77,730	95,856
Internet bills	127,350	122,750
Leave encashment	54,710	50,869
Legal Fees	-	3,500
Miscellaneous	44,125	91,557

# Annual Report 2007-08

Particulars	2007- 2008 (Taka)	2006-2007 (Taka)
Office Maintenance	140,666	158,514
Papers & Periodicals	28,006	25,665
Printing & Stationery	362,922	312,699
Renewal expenses	318,105	219,895
Repairs & Maintenance	265,855	228,243
Schedule purchase	26,514	26,886
Staff welfare Expenses	113,589	134,667
Subscriptions	20,200	88,147
Telephone bills	589,728	775,142
Training expenses	40,200	50,325
Utilities	100,003	20,800
Human Resource Dev. Expanse.	78,200	9,273
R & D Expenditure	50,455	24,280
Corporate Social Response (CSR)	64,700	25,525
Deferred Revenue Expenditure written off 20%	608,887	761,109
Depreciation	6,473,788	4,960,923
<b>Total:</b>	<b>25,056,937</b>	<b>23,973,308</b>
Allocation:		
22.01 Hardware & Network activities 70%	17,539,856	16,781,316
22.02 Customized Software & Web hosting activities 30%	7,517,081	7,191,993
	25,056,937	23,973,308
Add: Amortization expenses 5% on cost of Customized SW Development	1,816,609	1,725,876
<b>Total:</b>	<b>26,873,546</b>	<b>25,699,184</b>
<b>23.00 SELLING &amp; DISTRIBUTION EXPENSES</b>	<b>2,044,846</b>	
This consists of as follows :		
Postage & Stamp	11,212	26,505
Advertisement	38,990	100,000
Business Promotion Expenses	1,360,577	1,353,240
Carriage outward	10,150	47,738
Replacement of sold goods	55,836	51,500
Sales incentives	568,081	587,571
<b>Total:</b>	<b>2,044,846</b>	<b>2,166,554</b>
Allocation:		
23.01 Hardware & Network activities 70%	1,431,392	1,516,588
23.02 Customized Software & Web hosting activities 30%	613,454	649,966
<b>Total:</b>	<b>2,044,846</b>	<b>2,166,554</b>
<b>24.00 FINANCIAL EXPENSES</b>	<b>5,935,257</b>	
(Bank Interest)	5,035,769	4,888,159
Rental charge for Leased Assets	899,488	2,319,358
<b>Total:</b>	<b>5,935,257</b>	<b>7,207,517</b>
Allocation:		
24.01 Hardware & Network activities 70%	4,154,680	5,045,262
24.02 Customized Software & Web hosting activities 30%	1,780,577	2,162,255
<b>Total:</b>	<b>5,935,257</b>	<b>7,207,517</b>



# Annual Report 2007-08

## 25.00 INDIRECT INCOME 704,706

Particulars	2007- 2008 (Taka)	2006-2007 (Taka)
Interest on Deposit	13,938	416,841
Income from DCL general service section (Note-25.01)	366,464	101,285
Income from Dpc service section (Note-25.02)	324,304	-
<b>Total :</b>	<b>704,706</b>	<b>518,126</b>

## 25.01 INCOME FROM DCL GENERAL SERVICE SECTION: 366,464

Service bills received	2,010,257	1,403,580
Less: Cost of Spare parts	1,643,793	1,302,295
<b>Total :</b>	<b>366,464</b>	<b>101,285</b>

## 25.02 INCOME FROM DPC SERVICE SECTION: 324,304

Service bills received	538,965	-
Less: Cost of Spare parts	214,661	-
<b>Total :</b>	<b>324,304</b>	<b>-</b>

## 26.00 BASIC EARNING PER SHARE (EPS) Disclosure under BAS 33" Earning per Share"

The computation of EPS is given below :

a) Net Profit after Tax	9,059,053	12,056,827
(b) Weighted aver. number of Ordinary Shares outstanding during the year	19,250,000	17,500,000
(c) Basic EPS	0.47	0.69

Calculation of weighted number of ordinary shares outstanding during the year from 01.07.2007 to 30.06.2008.

Date of Share Holdings	No. of Shares	Period	Days	Weighted Average Nos of Shares of Outstanding
30.06.2008	19,250,000	01.07.07 to 30.06.08	365	19,250,000
<b>Total</b>	<b>19,250,000</b>		<b>365</b>	<b>19,250,000</b>

# Annual Report 2007-08

## 27.00 Quantitative and Figurative Statement of Purchase, Sales and Inventories of Goods For the period ended 30 June 2008

As per requirements of Schedule -XI (Part-II) Section 3 (f)(e) of Companies Act 1994-In case of trading companies, the purchase made and the operating and closing stocks, giving break up in respect of each class of goods traded in by the company and indicating the quantities thereof:

### Other than Hardware Items :

Elements	Computers Finished	Computer Daffodil PC	Printers	Monitor	Accessories	UPS	Stabilizer	Software	Total Taka
Opening quantity	243	543	109	757	Various	90	94	Various	
Add : Purchases- Qty.	1,445	2,394	812	1,999	Various	368	175	Various	
Goods available for sale- Qty	1,688	2,937	921	2,756	Various	458	269	Various	
Less: Goods sold Qty.	1,430	2,456	802	2,044	Various	352	167	Various	
Closing Balance Qty.	258	481	119	712	Various	106	102	Various	
Opening Balance	243	543	109	757	Various	90	94	Various	
Average Unit Cost-- Taka	21,660.69	20,936.38	13,427.43	4,543.26	Various	3,015.24	1,915.15	Various	
Total cost of opening Stock Tk.	5,263,548	11,368,454	1,463,590	3,439,248	8,829,834	271,372	180,024	12,778,925	43,594,985
Add : Purchases-- Qty	1,445	2,394	812	1,999	Various	368	175	Various	
Average Unit Cost-- Taka	24,342.72	26,152.21	11,968.32	3,704.00	Various	3,475.24	1,872.23	Various	
Total cost of Purchase Tk.	35,175,230	62,608,391	9,718,276	7,404,296	11,684,972	1,278,888	327,640	9,299,988	137,497,681
Less: Goods sold	1,430	2,456	802	2,044	Various	352	167	Various	
Unit Sales price -- Average	28,342.95	30,247.36	14,228.47	4,302.71	Various	3,692.41	2,085.74	Various	
Total Sales -- Taka	40,530,419	74,287,516	11,411,233	8,794,739	11,633,835	1,299,728	348,318	10,882,480	159,188,268
Closing Quantity	258	481	119	712	Various	106	102	Various	
Average Unit Cost-- Taka	22012.31	21108.43	13507.81	4996.06	Various	3106.92	2082.12	Various	
Total cost of Cl. Stock Tk.	5679176	10153155	1607429	3129995	9505025	329334	204216	13524522	44132852
Cost of materials	34,759,602	63,823,690	9,574,437	7,713,549	11,009,771	1,220,926	303,448	8,554,391	136,959,814

# Annual Report 2007-08

## 28.01 Hardware Items

Elements	Processor	Mother Board	Harddisk	CD Rom Drive	Key Board	FDD	DVD/COMBO Drive	RAM	AGP Card	Sound Card	CD Writer	Others	Total Taka
Opening quantity	99	64	87	79	441	284	94	220	132	45	23	Various	
Add : Purchases- Qty.	221	462	391	48	291	616	271	276	398	376	158	Various	
Goods available for sale- Qty	320	526	478	127	732	900	365	496	530	421	181	Various	
Less: Goods sold Qty.	216	453	385	57	344	720	278	286	406	383	152	Various	
Closing Balance Qty.	104	73	93	70	388	180	87	210	124	38	29	Various	
Opening Balance	99	64	87	79	441	284	94	220	132	45	23	Various	
Average Unit Cost- Taka	6,997.25	4,825.23	3,452.25	1,125.25	205.26	527.25	1,520.25	1,125.73	2,433.22	1,120.36	2,745.21	Various	
Total cost of opening Stock Tk.	692,728	308,815	300,346	88,895	90,520	149,759	142,904	247,661	321,185	50,416	63,140	3,707,200	6,163,549
Add : Purchases- Qty	221	462	391	48	291	616	271	276	398	376	158	Various	
Average Unit Cost- Taka	4,698.02	3,518.93	2,875.52	1,046.77	179.81	526.30	1,028.95	870.38	2,060.93	904.92	2,169.27	Various	
Total cost of Purchase Tk.	1,038,262	1,625,745	1,124,328	50,245	52,325	324,201	278,845	240,225	820,250	340,250	342,745	2,788,379	9,025,800
Less: Goods sold	216	453	385	57	344	720	278	286	406	383	152	Various	
Unit Sales price - Average	7,926.26	6,532.14	4,624.31	1,627.80	285.26	1,240.35	1,982.34	1,498.98	2,928.62	1,296.62	3,882.21	Various	
Total Sales - Taka	1,712,072	2,959,059	1,780,359	92,785	98,129	893,052	551,091	428,708	1,189,020	496,605	590,096	5,303,543	16,094,519
Closing Quantity	104	73	93	70	388	180	87	210	124	38	29	Various	
Average Unit Cost- Taka	6,493.03	4,450.03	3,282.24	1,288.74	222.28	624.03	1,572.48	1,122.78	2,389.05	1,115.21	2,698.28	Various	
Total cost of Cl. Stock Tk.	675,275	324,852	305,248	90,212	86,245	112,325	136,806	235,784	296,242	42,378	78,250	3,716,106	6,099,723
Cost of materials	1,055,715	1,609,708	1,119,426	48,928	56,600	361,615	284,943	252,102	845,193	348,288	327,635	2,779,473	9,089,626

## SUMMARY OF COST OF MATERIALS AND SALES & CLOSING INVENTOR

	Other than Hardware	Hardware	Total
Opening Stock	43,594,985	6,163,549	49,758,534
Add: Purchase	137,497,681	9,025,800	146,523,481
	181,092,666	15,189,349	196,282,015
Less: Closing Stock	44,132,852	6,099,723	50,232,575
Cost of Materials	136,959,814	9,089,626	146,049,440



#### **d) Comparative information**

Comparative information have been disclosed in respect of the year 2006-07 for all numerical information in the financial Statements and also the narrative and descriptive information when it is relevant and for understanding of the current year's financial statement. Figures of the year 2006-07 have been rearranged whenever considered necessary to ensure comparability with the current year.

#### **28. Foreign Exchange Earned and Payment:**

During the year under audit the Company has not earned or made payment any amount in Foreign Currency.

#### **29. Payment/Perquisites to Director and Officers**

- i) No compensation was allowed by the company to Directors of the company other than Directors' Remuneration as reported in Note-22.
- ii) No amount of money was expended by the company for compensating any member of the board for special services rendered.
- iii) No board meeting attendance fee was paid to the directors of the company.

#### **30. Capital Expenditure Commitment**

There was no Capital Expenditure Commitment as on 30 June 2008.

#### **31. Contingent Liabilities**

There may arise some contingent liability for tax assessments pending with the High Court and other levels.

#### **32. Claim Not Acknowledged**

There was no claim against the company as on 30 June 2008.

#### **33. Commission, Brokerage or Discount against Service**

No commission, Brokerage or discount was allowed or incurred or paid during the year under review except which mentioned in note-22.

#### **34. Credit Facility Not Availed**

There are no credit facilities available to the company under any contracts other than trade credit available in the ordinary course of business at the balance sheet date.

# Annual Report 2007-08

## 35. Subsequent Events-Disclosures under IAS 10 "Events after the Balance Sheet Date"

### Proposed Dividend:

Subsequent to the balance sheet date, the Board of Directors recommended 6% Stock Dividend and 4% Cash Dividend for 2007-2008. The dividend proposal is subject to shareholders' approval at the forthcoming Annual General Meeting.

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

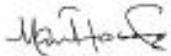
## 36. Miscellaneous

No individual expenses include under miscellaneous expenses, which exceed 1 percent of the total revenue of the company or Tk. 5,000.00, whichever is higher.

## 37. Special Reports as per Companies Act, 1994

(a) 139 (One hundred thirty nine ) employees engaged in the Company who received a total remuneration over Taka 36,000/- per year and 1 (one) employees drawing yearly remuneration below Taka 36,000/-

(b) There was no non-resident Bangladeshi shareholder during the year under audit



**Md. Monir Hossain**  
Company Secretary



**Md. Sabur Khan**  
Managing Director



**Mrs. Shahana Khan**  
Chairman

**Daffodil Computers LTD.**  
**Schedule of Fixed Assets**  
**As on 30 June 2008**

Particulars	COST			DEPRECIATION				W.D.V as on 30.06.08		
	Opening as on 01.07.07	Addition During the yr.	Sales/ Adjustment	Total as on 30.06.08	Rate	Opening as on 01.07.07	Charged During the yr.		Sales/ Adjustment	Total as on 30.06.08
Leasehold Property	518,477	-	-	518,477	0%	-	-	-	-	518,477
Land	-	33,750,000	-	33,750,000	0%	-	-	-	-	33,750,000
Generator	-	445,000	-	445,000	15%	-	66,750	-	66,750	378,250
Furniture & Fixture	8,122,162	2,021,053	-	10,143,215	10%	4,086,390	605,683	-	4,692,073	5,451,142
Air cooling System	4,441,205	2,535,850	-	6,977,055	15%	2,965,586	601,721	-	3,567,307	3,409,748
Computer Set up in Office	6,282,565	830,800	-	7,113,365	15%	4,299,405	422,094	-	4,721,499	2,391,866
Office Equipment	1,629,735	537,460	-	2,167,195	15%	1,095,507	160,753	-	1,256,260	910,935
Vehicles	1,773,760	-	-	1,773,760	15%	1,276,089	74,651	-	1,350,740	423,020
Telephone & PAEX	686,100	-	-	686,100	15%	449,456	35,497	-	484,953	201,147
Office Decoration	18,607,518	2,015,950	-	20,623,468	10%	9,023,929	1,159,954	-	10,183,883	10,439,585
Video Overhead Projector	380,000	-	-	380,000	15%	245,735	20,140	-	265,875	114,125
Water purifying Machine	62,000	-	-	62,000	15%	45,327	2,501	-	47,828	14,172
Stabilizer Making Plant	2,468,282	-	-	2,468,282	10%	881,936	158,635	-	1,040,571	1,427,711
Daffodil PC Assembling Plant	13,720,130	-	-	13,720,130	10%	3,718,155	1,000,198	-	4,718,353	9,001,777
Sales Centre Establishment	10,214,134	-	-	10,214,134	10%	2,227,508	798,663	-	3,026,171	7,187,963
Call Centre	5,083,920	-	-	5,083,920	10%	1,377,742	370,618	-	1,748,360	3,335,560
Library	-	1,020,000	-	1,020,000	15%	-	153,000	-	153,000	867,000
Campus Decoration	-	3,065,000	-	3,065,000	10%	-	306,500	-	306,500	2,758,500
Lab Equipment	-	3,576,200	-	3,576,200	15%	-	536,430	-	536,430	3,039,770
<b>TOTAL TAKA (30.06.08)</b>	<b>73,989,988</b>	<b>49,797,313</b>	<b>-</b>	<b>123,787,301</b>		<b>31,692,765</b>	<b>6,473,788</b>	<b>-</b>	<b>38,166,553</b>	<b>85,620,748</b>

**TOTAL TAKA (30.06.07)**      73,823,828      166,160      -      73,989,988      26,731,842      4,960,923      -      31,692,765      42,297,223



# Daffodil Computers Limited

Registered Office 64/3, Lake Circus, Kalabagan, Dhanmondi, Dhaka-1205.

## Proxy Form

I/We.....  
of.....

being a Shareholders of Daffodil Computers Limited do hereby appoint

Mr./Ms.....  
of.....

as my/our proxy, to attend and vote for me/us and on my/our behalf at the 11th Annual General Meeting of the Company to be held on 31 December 2008 and at any adjournment thereof to at any ballot to be taken in consequence thereof.

As witness my/our hand this.....day of.....

Signature of Proxy : .....

Signature of Shareholders: .....

Folio/ BO. No : .....

Folio/ BO. No : .....

### Important

1. The Proxy Form duly completed, must be deposited at least 48 hours before the meeting at the Company's Registered office. Proxy is invalid if not signed and stamped as explained above.
2. Signature of the shareholder should agree with Specimen signature registered with the Company

# Daffodil Computers Limited

Registered Office 64/3, Lake Circus, Kalabagan, Dhanmondi, Dhaka-1205.

## Attendance Slip

I do hereby record my attendance at the 11th Annual General Meeting of the Company being held on 31 December 2008 at 9 A.M. at DIU Auditorium (4th Floor), 4/2 Prince Plaza, Sobhanbag, Dhanmondi, Dhaka-1207

Name of the Shareholder/ Proxy : .....

Folio/ BO. No.....

No. Shares.....

.....  
Signature

Date : .....

### N.B. :

1. Shareholders attending the meeting in person or by proxy are requested to complete this Slip.
2. Signature of Shareholders should confirm to the specimen recorded with the company
3. Please bring this attendance slip with you. Admission into the meeting place will not be allowed without this.