

ANNUAL REPORT 2012


**Daffodil
Computers**




**Daffodil
Computers**

Daffodil Computers Limited
88/3 Lake Circus, Mirpur Road, Kulsagaan, Dhaka - 1208
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Table of Contents

SL	Subjects	Page
1	Board of Directors	04
2	Management	05
3	AGM Notice	06
4	Mission & Vision	07
5	Branches	08
6	Report of the Board of Directors	10
7	SEC's Compliance report	15
8	Minutes of the 14th AGM	24
9	Auditor's Report	27
10	Statement of Financial Position	29
11	Statement of Comprehensive Income	30
12	Statement of Cash Flow	31
13	Statement of Changes in Shareholders' Equity	32
14	Notes to the Financial Statement	33
15	Schedule of Property & Equipment	54

Board of Directors



Mrs. Shahana Khan

Chairman

Mr. Md. Sabur Khan

Managing Director

Mr. Md. Younus Khan

Director

Mr. Md. Emran Hossain

Director

Mr. Md. Mahatab Uddin

Director



daffodilPC

Management

daffodilRC

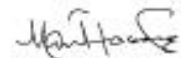
	Mr. Md. Sabur Khan	Managing Director
	Mr. Abdur Rob	AGM, Chief of Operation
	Mr. Jafor Ahmed Patwary	DGM, Business operation
	Mr. Md. Jahir Uddin	AGM & Chief Accounts Officer
	Mr. Md. Monirul Alam	Manager, IDB Branch
	Mr. Md. Monir Hossain	Company Secretary
	M/S. Aziz Halim Khair Choudhury & Co	Chartered Accountants 'Baitul Mesbah' Building # (3rd 4th Floor) House # 79, Road # 12A Dhan mondi, Dhaka-1209
	Registered Office	64/3, Lake Circus, Kalabagan, Mirpur Road, Dhanmondi, (2nd floor to 5th floor) Dhaka-1205. PABX: 8115986, 9116600 Fax: 880-2-8116103 Email- info@daffodil-bd.com

NOTICE OF THE 15th ANNUAL GENERAL MEETING

Notice is hereby given that the 15th Annual General Meeting of the shareholders of Daffodil Computers Limited will be held on Thursday the 27th day of December 2012 at 10.00 a.m. at Daffodil International University (DIU) Auditorium, 4th floor, 4/2, Sobhanbag Campus, Dhanmondi, Dhaka-1207 to transact the following business:

1. To receive, consider and adopt the Audited Accounts for the year ended June 30, 2012 along with reports of the Auditors and the Directors.
2. To declare and approve 10% cash dividend for the year ended June 30, 2012
3. To elect the Directors.
4. To Appoint Auditors for the year ending June 30, 2013 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

Place : Dhaka
31 October 2012

NOTES:

- 1) Record date November 15, 2012.
- 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.
- 4) Entry to the Annual General Meeting is reserved only for shareholders or their proxies.
- 5) Valued shareholders are requested to see the annual report after 10th December from our web site - www.daffodil-bd.com

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 from 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.

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

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.

Annual Report 2011-12



Chariman, Managing Director, Director, Company Secretary & Auditor at 14th AGM





Directors' Report to the Shareholders

بِسْمِ اللّٰهِ الرَّحْمٰنِ الرَّحِیْمِ

Bismillahir-Rahmanir Rahim

Honorable Shareholders,

Assalamu-Alaikum

It is really a great pleasure to welcome you all on behalf of the Board of Directors and on our own behalf to this 15th Annual General Meeting of Daffodil Computers Limited. We have the pleasure to present you the Annual Report with Audit Accounts' and Auditors Report as of 30th June 2012 in the meeting.

Dear Shareholders,

You will be happy to hear that your company has made significant achievements in the year 2011-2012. With 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			
Sales	319,966,399	275,209,157	229,875,624
Cost of Goods Sold	250,857,849	215,431,535	186,865,097
Gross Profit	69,108,550	59,777,622	43,010,527
Net Profit (before tax)	58,880,733	36,384,860	14,640,448
Net Profit (after tax)	55,953,958	34,097,174	14,470,049
Share Capital	499,122,624	479,925,600	228,536,000
Net operating Cash Flow Per Share (NOCFPS)	1.61	.53	2.88
Net Assets Value per share (NAVPS)	11.14	11.02	11.64
EPS	1.12	.94	.63

Daffodil International School

Daffodil International School (DIS), one of the best known growing English medium co-educational chain schools from Play Group to Grade 12 leading to the IGCSE and A-Level examinations held under the University of London External System and the Edexcel examination board, is on its way to provide its education service in 64 districts of Bangladesh and abroad. DIS is continuing its successful operation in Uttara and Dhanmondi along with the branch in Chandpur and preparation is on process to set up two more branches in Mirpur and Motijheel of Dhaka city. However, DIS is following National Curricular of English Version in district levels and the British curricular in all City corporations. With a strong foot step in Education and technology area in Bangladesh, DIS is on a process to prepare students to face the most rigorous higher educational standards at leading institutions throughout the world and at the same time enhance their intellectual growth in order to create highly motivated individuals who would be able to make their places in the global spectrum.

2011- 2012 session of DIS saw the completion of seven new classrooms, the refurbishment of the library, computer Lab, audio visual room, smart board classroom and undercover area. Bringing this project to fruition was a combined effort by many people. These exceptional facilities will enable us to see a practical demonstration of the school's mission to educate the whole child now and well into the future.



As part of our plan to upgrade technology throughout the school, we began the year with a fully operational Audio Visual Studio with DIS at Dhaka, new computers for students, four new LCD monitors with DVD players in kindergarten classrooms and DIS online accounts system.

The celebration of different national and international co-curricular events in last session, like World Environment Day, Green Day, Global Hand Washing Day, Mother's Day, Teacher's Day, Eid Re-union, Pitha Puli Uthshab, Boishakhi Mela, Independence Day, International Mother Language Day, Labour Day, Family Day, Meet the Celebrity, Annual Picnic, visit to Heritage Park, Novo Theatre and Bonsai Exhibition as Study Tour, Students Recognition program, Parents Workshop, Exhibition of students' art and Creative Work, Admission Fair, Science Fair, Career Week, different Awareness programs like Healthy Food, Discipline, Good Manner, Respect, etc. show school's focus to provide holistic education to the future generation.

The school once again competed very successfully a range of competitive events endeavored at the school, interschool and community level. Debate Competitions, Quiz Competitions, Spelling Competition, Reading Skill Contest, Creative Writing Contest, Drawing Competition, Rhyme & Poetry Recitation competition, Music Competition, Extempore Speech contest, Maths Contest were once again a real hit with the students. Our strong emphasis on healthy and active lifestyles has also been enhanced with student and parent involvement.

The school performed well once again in organization of My e-Kids Camp program where students from different reputed schools of all over Bangladesh participated and showed their talents in different co curricular contests. This successful Carnival has given an extra identity to DIS as an International school.



Kids Cultural Program at DIS

The IGCSE and GCE A level results in Dhaka and the JSC results in Chandpur continued to achieve very good position. The results highlighted a need to deepen the children's understanding of commerce subjects. This will become a focus in 2012 - 2013.

The results achieved in Annual Science Fair and Inter school Debate Contest were excellent with the majority of students. This reflects well on our programs in this area. This rigorous approach to measuring student progress will be maintained in next session too.

The year was remarkable also as various fruitful decisions and operations were in implementation like declaration of a curriculum and syllabus development department, examination control department, HR department, etc. that reflected managements noble intention to give a proper shape to the school.

This renewal process will help us to inspire, challenge and support our students, ourselves and our community as we follow our strategic plan focus of striving for excellence.

Dolphin Computers:

Dolphin Computers is one of the most prominent and experienced ICT company in Bangladesh. This is located in the capital city at 'Computer City', Agargaon. The growth rate of the company is higher than other companies because the company is going in right track to computers business. We are always putting more emphases on customer's service. We are bringing users to the updated technology and that is the real business secret behind the common customer-confidence on our company and its incredible growth.

Business Strategy:

- o To be a global provider of IT business and it's allied services.
- o Assist our clients to specify and develop the products that can successfully complete in the market.
- o "Our reputation is for service" -is the business as well as our organizational slogan
- o Our highly trained, motivated and efficient staff are our greatest asset supported by a continual investment in the most advanced technology as the leading edge of development in handling this IT business.

Educational ERP

As we informed you earlier that DCL made a joint collaboration with Malaysian software giant BriteSoft for Educational software development. A group of people became trained up from Malaysia; and experts also came from Malaysia for completion of our job. As we told that 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 already proved our strength and we are quite confident this software will play key role in near future to bring the revenue. We developed this software with true online facility where all latest features are incorporated.

JOBSBD.COM

Jobsbd.com is one of the pioneer job portal in the country established in July 09, 2000. Jobsbd.com always believes in accommodating new technologies and ideas for improving the job seeking experiences of the job seekers and enabling the employers with latest recruitment solutions. Jobsbd.com has also focused on online recruitment and career development training to different level of job seeker. This is helping the job seekers to enhance their professional skill and securing better opportunities for them. Jobsbd also has a pool of recourses from different industries and specializations to conduct these job oriented, skill enhancement trainings. Training topics are carefully selected to equip the participant to face the upcoming challenges in their respective areas. The workshops and trainings are set on a regular basis where respective experts conduct the sessions. Overall, their growth is significant.

Daffodil International Professional Training Institute (DIPTI)

DIPTI is an initiative of Daffodil Computers Ltd. (A public Limited Company by shares) that is the first professional education providing body in Bangladesh. DIPTI provides a very wide range of job oriented and professional development training to convert both skilled/semi skilled and unskilled people to a human resource. These short intense courses offer the opportunity for practitioners, individual, businessman and employees to refresh to development, expand and enhance their skills/professionalism.

Links & Affiliation:

DIPTI is an affiliated institute of Bangladesh Technical Education Board (BTEB). DIPTI has also link with U&I Alliance, University of Dhaka, CEA UK and IIC Malaysia.

What's new in the last financial year:

1. Got approval of Business Management Course under BTEB and already started its 1st batch from July 12 session
2. Established new campus at 64/6, Lake Circus Panthapath, Kalabagan in a 6 stored building with 9000sft floor space



Kalabagan New Campus of DIPTI

Proposed Programs:

In addition to making skill manpower, DIPTI is very close to get approval another two/three programs of 4 years Diploma in engineering under BTEB and hopefully by next academic year (2012-2013) DIPTI will be successful to run these programs.

Dividend:

The Board of Directors has recommended 10% cash dividend for the year 2011-2012.

Election of Directors:

Mr. Md. Younus Khan and Mr. Md. Mahtab Uddin, Directors of the company are retiring by rotation as per Article 90 of Association of the Company; here Mr. Younus Khan resigns from the Board showing his Personal reason and he is no more ready for re-appointment; and Mr. Mahtab Uddin is not interested for re-appointment. Therefore, Mr. Delwar Hossain Chowdhury, who had a more than 2% shares, sponsor group of the Company and Mr. Abdul Halim Patwary, a public shareholder of the company proposed themselves individually as Directors of the Company. The Board of Directors' recommended that Mr. Delwar Hossain Chowdhury to be a Director and Mr. Abdul Halim Patwary to be an independent director of the company subject to the approval of shareholders in the 15th AGM and clearance from SEC.

Appointment of Auditors:

Existing Auditor of the Company M/S. Aziz Halim Khair Choudhury & Co, Chartered Accountants, retires at this meeting; and being eligible for reappointment for the next term i.e. year 2012-2013 at such remuneration will be offered them.

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 the company. You are the strength behind our success.

Ladies and Gentlemen, thank you again for your kind presence at the 15th Annual General Meeting of the Company and making it a success through your cooperation.


Allah Hefez.

With warm Regards

On behalf of the Board of Directors



Md. Sabur Khan
Managing Director



Mrs. Shahana Khan
Chairman

Compliance Report on SEC's Notification :

Status of compliance with the conditions imposed by the Commission's Notification No. SEC/CMRRCD/2006-158/134/Admin/44 dated 07 August 2012 issued under section 2CC of the Securities and Exchange Ordinance, 1969:

Conditions	Title	Compliance Status
1.1	The number of the board members of the company shall not be less than 5 (five) and more than 20 :	Complied
1.2 (i)	At least one fifth (1/5) of the total number of directors in the company's board shall be independent directors.	Complied
1.2 (ii) a)	who either does not hold any share in the company or holds less than one percent (1%) shares of the total paid-up shares of the company	Complied
1.2 (ii) b)	who is not a sponsor of the company and is not connected with the company's any sponsor or director or shareholder who holds one percent (1%) or more shares of the total paid-up shares of the company on the basis of family relationship.	Complied
1.2 (ii) c)	who does not have any other relationship, whether pecuniary or otherwise, with the company or its subsidiary/associated companies	Complied
1.2 (ii) d)	who is not a member, director or officer of any stock exchange	Complied
1.2 (ii) e)	who is not a shareholder, director or officer of any member of stock exchange or an intermediary of the capital market	Complied
1.2 (ii) f)	who is not a partner or an executive or was not a partner or an executive during the preceding 3 (three) years of the concerned company's statutory audit firm	Complied
1.2 (ii) g)	who shall not be an independent director in more than 3 (three) listed companies	Complied
1.2 (ii) h)	who has not been convicted by a court of competent jurisdiction as a defaulter in payment of any loan to a bank or a Non-Bank Financial Institution (NBFI)	Complied
1.2 (ii) i)	who has not been convicted for a criminal offence involving moral turpitude.	Complied
1.2 (iii)	the independent director(s) shall be appointed by the board of directors and approved by the shareholders in the Annual General Meeting (AGM).	Complied
1.2 (iv)	the post of independent director(s) cannot remain vacant for more than 90 (ninety) days.	Complied
1.2 (v)	the Board shall lay down a code of conduct of all Board members and annual compliance of the code to be recorded.	Complied
1.2 (vi)	the tenure of office of an independent director shall be for a period of 3 (three) years, which may be extended for 1 (one) term only.	Complied

Conditions	Title	Compliance Status
1.3 (i)	Independent Director shall be a knowledgeable individual with integrity who is able to ensure compliance with financial, regulatory and corporate laws and can make meaningful contribution to business.	Complied
1.3 (ii)	The person should be a Business Leader/Corporate Leader/Bureaucrat/University Teacher with Economics or Business Studies or Law background/Professionals like Chartered Accountants, Cost & Management Accountants, and Chartered Secretaries. The independent director must have at least 12 (twelve) years of corporate management/professional experiences.	Complied
1.3 (iii)	In special cases the above qualifications may be relaxed subject to prior approval of the Commission.	There was no such event
1.4	Chairman of the Board and Chief Executive Officer The positions of the Chairman of the Board and the Chief Executive Officer of the companies shall be filled by different individuals. The Chairman of the company shall be elected from among the directors of the company. The Board of Directors shall clearly define respective roles and responsibilities of the Chairman and the Chief Executive Officer.	Complied
1.5 (i)	Industry outlook and possible future developments in the industry.	Complied
1.5 (ii)	Segment-wise or product-wise performance.	Complied
1.5 (iii)	Risks and concerns.	Complied
1.5 (iv)	A discussion on Cost of Goods sold, Gross Profit Margin and Net Profit Margin.	Complied
1.5 (v)	Discussion on continuity of any Extra-Ordinary gain or loss.	There was no such event
1.5 (vi)	Basis for related party transactions- a statement of all related party transactions should be disclosed in the annual report.	Complied
1.5 (vii)	Utilization of proceeds from public issues, rights issues and/or through any others instruments.	Complied
1.5 (viii)	An explanation if the financial results deteriorate after the company goes for IPO, RPO, Rights Offer, Direct Listing, etc.	There was no such event
1.5 (ix)	If significant variance occurs between Quarterly Financial performance and Annual Financial Statements the management shall explain about the variance on their Annual Report.	There was no such event
1.5 (x)	Remuneration to directors including independent directors.	Complied
1.5 (xi)	The financial statements prepared by the management of the issuer company present fairly its state of affairs, the result of its operations, cash flows and changes in equity.	Complied
1.5 (xii)	Proper books of account of the issuer company have been maintained.	Complied
1.5 (xiii)	Appropriate accounting policies have been consistently applied in preparation of the financial statements and that the accounting estimates are based on reasonable and prudent judgment.	Complied

Annual Report 2011-12

Conditions	Title	Compliance Status
1.5 (xiv)	International Accounting Standards (IAS)/Bangladesh Accounting Standards (BAS)/International Financial Reporting Standards (IFRS) /Bangladesh Financial Reporting Standards (BFRS), as applicable in Bangladesh, have been followed in preparation of the financial statements and any departure there-from has been adequately disclosed.	Complied
1.5 (xv)	The system of internal control is sound in design and has been effectively implemented and monitored.	Complied
1.5 (xvi)	There are no significant doubts upon the issuer company's ability to continue as a going concern. If the issuer company is not considered to be a going concern, the fact along with reasons thereof should be disclosed. (xvii) Significant deviations from the last year's operating results of the issuer company shall be highlighted and the reasons thereof should be explained.	There was no such event
1.5 (xvii)	Significant deviations from the last year's operating results of the issuer company shall be highlighted and the reasons thereof should be explained	There was no such event
1.5 (xviii)	Key operating and financial data of at least preceding 5 (five) years shall be summarized.	Complied
1.5 (xix)	If the issuer company has not declared dividend (cash or stock) for the year, the reasons thereof shall be given.	There was no such event
1.5 (xx)	The number of Board meetings held during the year and attendance by each director shall be disclosed.	Complied
1.5 (xxi) a)	Parent/Subsidiary/Associated Companies and other related parties (name wise details)	Complied
1.5 (xxi) b)	Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer, Head of Internal Audit and their spouses and minor children (name wise details)	Complied
1.5 (xxi) c)	Executives	Complied
1.5 (xxi) d)	Shareholders holding ten percent (10%) or more voting interest in the company (name wise details).	There was no such event
1.5 (xxii) a)	a brief resume of the director	Complied
1.5 (xxii) b)	nature of his/her expertise in specific functional areas; Complied	
1.5 (xxii) c)	names of companies in which the person also holds the directorship and the membership of committees of the board.	There was no such event
2.1	Appointment: The company shall appoint a Chief Financial Officer (CFO), a Head of Internal Audit (Internal Control and Compliance) and a Company Secretary (CS). The Board of Directors should clearly define respective roles, responsibilities and duties of the CFO, the Head of Internal Audit and the CS.	Complied
2.2	Requirement to attend the Board Meetings: The CFO and the Company Secretary of the companies shall attend the meetings of the Board of Directors, provided that the CFO and/or the Company Secretary shall not attend such part of a meeting of the Board of Directors which involves consideration of an agenda item relating to their personal matters.	Complied

Annual Report 2011-12

Conditions	Title	Compliance Status
3 (i)	The company shall have an Audit Committee as a sub-committee of the Board of Directors. Complied	
3 (ii)	The Audit Committee shall assist the Board of Directors in ensuring that the financial statements reflect true and fair view of the state of affairs of the company and in ensuring a good monitoring system within the business.	Complied
3 (iii)	The Audit Committee shall be responsible to the Board of Directors. The duties of the Audit Committee shall be clearly set forth in writing.	Complied
3.1 (i)	The Audit Committee shall be composed of at least 3 (three) members.	Complied
3.1 (ii)	The Board of Directors shall appoint members of the Audit Committee who shall be directors of the company and shall include at least 1 (one) independent director.	Complied
3.1 (iii)	All members of the audit committee should be "financially literate" and at least 1 (one) member shall have accounting or related financial management experience.	Complied
3.1 (iv)	When the term of service of the Committee members expires or there is any circumstance causing any Committee member to be unable to hold office until expiration of the term of service, thus making the number of the Committee members to be lower than the prescribed number of 3 (three) persons, the Board of Directors shall appoint the new Committee member(s) to fill up the vacancy (ies) immediately or not later than 1 (one) month from the date of vacancy(ies) in the Committee to ensure continuity of the performance of work of the Audit Committee.	Complied
3.1 (v)	The company secretary shall act as the secretary of the Committee.	Complied
3.1 (vi)	The quorum of the Audit Committee meeting shall not constitute without at least 1 (one) independent director.	Complied
3.2 (i)	The Board of Directors shall select 1 (one) member of the Audit Committee to be Chairman of the Audit Committee, who shall be an independent director.	Complied
3.2 (ii)	Chairman of the audit committee shall remain present in the Annual General Meeting (AGM).	Complied
3.3 (i)	Oversee the financial reporting process.	Complied
3.3 (ii)	Monitor choice of accounting policies and principles.	Complied
3.3 (iii)	Monitor Internal Control Risk management process.	Complied
3.3 (iv)	Oversee hiring and performance of external auditors.	Complied
3.3 (v)	Review along with the management, the annual financial statements before submission to the board for approval.	Complied
3.3 (vi)	Review along with the management, the quarterly and half yearly financial statements before submission to the board for approval.	Complied
3.3 (vii)	Review the adequacy of internal audit function.	Complied
3.3 (viii)	Review statement of significant related party transactions submitted by the management.	Complied
3.3 (ix)	Review Management Letters/ Letter of Internal Control weakness issued by statutory auditors.	There was no such event

Conditions	Title	Compliance Status
3.3 (x)	When money is raised through Initial Public Offering (IPO)/Repeat Public Offering (RPO)/Rights Issue the company shall disclose to the Audit Committee about the uses/applications of funds by major category (capital expenditure, sales and marketing expenses, working capital, etc), on a quarterly basis, as a part of their quarterly declaration of financial results. Further, on an annual basis, the company shall prepare a statement of funds utilized for the purposes other than those stated in the offer document/prospectus.	Complied
3.4.1 (i)	The Audit Committee shall report on its activities to the Board of Directors.	Complied
3.4.1 (ii) a)	report on conflicts of interests	There was no such event
3.4.1 (ii) b)	suspected or presumed fraud or irregularity or material defect in the internal control system	There was no such event
3.4.1 (ii) c)	suspected infringement of laws, including securities related laws, rules and regulations	There was no such event
3.4.1 (ii) d)	any other matter which shall be disclosed to the Board of Directors	There was no such event
3.4.2	Reporting to the Authorities :If the Audit Committee has reported to the Board of Directors about anything which has material impact on the financial condition and results of operation and has discussed with the Board of Directors and the management that any rectification is necessary and if the Audit Committee finds that such rectification has been unreasonably ignored, the Audit Committee shall report such finding to the Commission, upon reporting of such matters to the Board of Directors for three times or completion of a period of 6 (six) months from the date of first reporting to the Board of Directors, whichever is earlier.	There was no such event
3.5	Report on activities carried out by the Audit Committee, including any report made to the Board of Directors under condition 3.4.1 (ii) above during the year, shall be signed by the Chairman of the Audit Committee and disclosed in the annual report of the issuer company.	There was no such event
4 (i)	Appraisal or valuation services or fairness opinions.	Complied
4 (ii)	Financial information systems design and implementation.	Complied
4 (iii)	Book-keeping or other services related to the accounting records or financial statements.	Complied
4 (iv)	Broker-dealer services.	There was no such event
4 (v)	Actuarial services.	There was no such event
4 (vi)	Internal audit services.	Complied
4 (vii)	Any other service that the Audit Committee determines.	There was no such event
4 (viii)	No partner or employees of the external audit firms shall possess any share of the company they audit at least during the tenure of their audit assignment of that company.	There was no such event
5 (i)	Provisions relating to the composition of the Board of Directors of the holding company shall be made applicable to the composition of the Board of Directors of the subsidiary company.	Complied

Annual Report 2011-12

Conditions	Title	Compliance Status
5 (ii)	At least 1 (one) independent director on the Board of Directors of the holding company shall be a director on the Board of Directors of the subsidiary company.	Complied
5 (iii)	The minutes of the Board meeting of the subsidiary company shall be placed for review at the following Board meeting of the holding company.	There was no such event
5 (iv)	The minutes of the respective Board meeting of the holding company shall state that they have reviewed the affairs of the subsidiary company also.	There was no such event
5 (v)	The Audit Committee of the holding company shall also review the financial statements, in particular the investments made by the subsidiary company.	There was no such event
6 (i) a)	these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading	Complied
6 (i) b)	these statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards and applicable laws.	Complied
6 (ii)	There are, to the best of knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violation of the company's code of conduct. Complied	
7 (i)	The company shall obtain a certificate from a practicing Professional Accountant/Secretary (Chartered Accountant/Cost and Management Accountant/Chartered Secretary) regarding compliance of conditions of Corporate Governance Guidelines of the Commission and shall send the same to the shareholders along with the Annual Report on a yearly basis.	There was no such event
7 (ii)	The directors of the company shall state, in accordance with the Annexure attached, in the directors' report whether the company has complied with these conditions.	There was no such event

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 sufficient resources to continue its operation in the estimated future and preparing the financial statements where the going concern concept was a basis.

Future Plan:

The Board predict the educational ventures of the company will make a strong position with its commitment, quality, resources. Sensing the confidence and reputation, the Board decided to establish more 64 schools in 64 districts of Bangladesh which is now in operation at Dhaka & Chandpur districts.

Business Risks

The major risks associated with the use of financial instruments are market risk, credit risk and liquidity risk as outlined in notes of financial statements.

Key Performance

The portfolio of asset is the key performance. Under normal market conditions, the assets of the company will have a tendency to increase in value and the performance is considered satisfactory due to the increased benefit owing to the shareholders.

Annual Report 2011-12

Directors/Chief Executive Officer, Company Secretary, Chief Financial Officer, Head of Internal Audit and their spouses and minor children (name wise details):

Name	Position	Spouse	Minor children
Mr. Md. Sabur Khan	Managing Director	Mrs. Shahana Khan	Ms.Samiha Khan Ms.Fariha Khan Master Aqib Arafat Khan
Mrs. Shahana Khan	Chairman	Mr. Md. Sabur Khan	Do
Mr. Younus Khan	Director	Mrs. Rowshan Ara Begum	N/A
Mr. Emran Hossain	Director	Mrs. Fahmia Emran Mumu	Ms.Nowshi Murmahina Zara
Mr.Md. Mahtab Uddin	Independent Director/ Head of internal Audit		
Mr.Md. Jahir Uddin	Chief Financial Officer	Mrs.Tahmina Ahamed	N/A
Mr. Md. Monir Hossain	Company Secretary	Dr.Mahmuda Akhter	Ms. Neeladri Naviya Noveli Ms. Neelormi Nirupoma

Audit Committee:

The Daffodil Computers Audit Committee was established in 2010 as a sub-committee of the Board. The Audit Committee is comprised of three members of the Board including the Independent Director. The Managing Director, the chief Financial Officer, the Company Secretary are permanent member to the Audit Committee meetings. The Audit Committee assists the board in discharging its supervisory responsibilities with respect to internal control, financial reporting, risk management, auditing matters and processes of monitoring compliance with applicable legal and regulatory requirements and the code of conduct. The Audit Committee contract as approved by the Board, defines the purpose, authority, composition, meetings, duties and responsibilities of the Audit Committee.

Attendance of the Committee members of the Audit Committee meeting was as follows:

Name of Director	Total Meeting	Attended	Remarks
Mr. Md. Sabur Khan	4	4	
Mr. Md. Mahatab Uddin	4	4	
Mr.Md. Emran Hossain	4	3	
Mr. Jahir Uddin	4	4	
Mr. Monir Hossain	4	4	

Directors' Attendance in the Board of Directors' Meeting During the year 2011-2012.

Name of Director	Total Meeting	Attended	Remarks
Mrs. Shahana Khan	8	8	
Mr. Md. Sabur Khan	8	8	
Mr. Md. Yunus Khan	8	1	
Mr. Md. Emran Hossain	8	5	
Mr. Md. Mahatab Uddin	8	3	

Share holding position of Directors as on 01-12-2012

Name of Director	Shareholding
Mrs. Shahana Khan	13091273
Mr. Md. Sabur Khan	998245
Mr. Md. Younus Khan	35651
Mr. Md. Emran Hossain	1001040
Mr. Md. Mahtab Uddin	1040

Share holding position of top five executives as on 01-12-2012

Name	Designation	Shareholding
Mr. Abdur Rob	AGM, Chief of Operation	Nil
Mr. Jafar Ahmed Patwary	DGM, Business Operation	Nil
Md. Jahir Uddin	AGM and Chief of Accounts	Nil
Mr. Monirul Alam	Manager, IDB Br.	Nil

Minutes of the Fourteen Annual General Meeting

The 14th Annual General Meeting for the year ended June 30, 2011 of Daffodil Computers Limited was held as per schedule i.e. on December 29, 2011 in the Auditorium of Daffodil International University (DIU), Prince Plaza (4th floor), 4/2 Sobhanbag, Dhaka-1207. The quorum was fulfilled and the meeting started at 10.30 A.M.

The following persons were present in the meeting:

1. Mrs. Shahana Khan, Chairman
2. Mr. Md. Sabur Khan, Managing Director
3. Mr. Emran Hossain, Director
4. Mr. Md. Mahtab Uddin, Director
5. Mr. Md. Mo nir Hossain, Company Secretary
6. Mr. Abdul Halim Gaznabi, FCA, Auditor &
7. The Shareholders (As per attendance)



A Shareholder addresses his speech at 14th AGM

The Chairperson of the Company presided over the meeting welcoming all the valued shareholders and expressed her gratitude for their coming in this meeting. Then she permitted the Managing Director to start the meeting.

A recital from the Holy Qur'an preceded the meeting. After that, the Managing Director started to conduct the meeting as per agenda. In his welcoming speech he thanked the shareholders for attending the meeting and expressed his gratitude on behalf of the Board of Directors and himself.

The Managing Director started to read out the Directors' Report. Mr. Monshi safi Uddin BO-1201850015649821 requested the Managing Director that there was no need of reading out the report line by line as it would be a time consuming otherwise shareholders were read it earlier. Then the Managing Director read out only the main points for better understanding of the shareholders and described some new ventures of the company.

He mentioned that 'Daffodil International School' which is the new venture of the company, 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 in Bangladesh. Over 64 Schools is 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, currently catering for children between the ages of rising 3 and 14+ (from play group to 'O & A' level).

In other projects like, Dolphin Computer, DIPTI, JOBSBD, Daffodil did lot of R&D and investment; as trends of IT prove that will also be one of the dominating factors of sales in near future; although the revenue will be generating slowly from these projects.

The Managing Director then placed the Agenda to the Shareholders for their decision and votes.

Agenda No. 01:

To receive, consider and adopt the Audited Accounts of the company and the Auditors' report and the Directors thereon for the year ended on 30 June 2011

Mr.Khairul Amin - BO no. 1202610006349081 requested the Managing Director to verify the causes of not getting Annual Report and proposed that if courier service makes a mistake then it should be punishment. The Managing Director welcomed his proposal and assured the house to do the needful. MD also mentioned that due this problem DCL already took the proper remedy from last year i.e. the report is available in website, so any one can see any time. He then said the EPS of the Company was such a picture of the company's position that it must not carry sufficient goodwill in the market. He suggested putting extra effort to increase the sales and take initiatives to improve the EPS of the Company. The Managing Director again thanked him for his valuable suggestions and he proposed to receive, consider and adopt the Audited Accounts of the company and the Auditors' report and the Directors thereon for the year ended 30 June 2011. Mr. Nuruzzaman Folio No. 517 seconded the proposal and thereafter all the shareholders present supported it.

In course of its adoption Monshi safi Uddin BO-1201850015649821 expressed his dissatisfaction that the Annual Report was not received by some of them and he termed that it could be a fault of courier service provider. The Managing Director asked the audience how many of them have got the Directors' Report and found that majority of them got but some how very few of them yet to get it. Then the Managing Director assured the audience that it will be taken care very carefully in future and again mentioned the availability through website.

Approval:

The Managing Director declared that the agenda has been received, considered, adopted and passed by the meeting and a record was made thereof.

Agenda no. 02:

To declare and approve 4% stock and 6% cash dividend for the year ended on June 30, 2011

Mr.Khairul Amin - BO no. 1202610006349081 proposed to approve 4% Stock and 6% cash dividend for 2010-11. Mr. Nuruzzaman Folio No. 517 and thereafter all the shareholders present supported it.

Approval:

The Managing Director announced that the meeting passed the 4% Stock and 6% cash dividend for the year 2010-11 and a record was made accordingly.

Agenda no. 03:

To elect Directors

The Managing Director informed the house that Directors Mr. Younus Khan and Mr. Emran Hossain were due to retire in this 14th AGM and they are eligible for re-election as per Article 90 and 92 respective of the Articles of Association of the company. They offer themselves for re-election as a Director.

Part-1:

Monshi safi Uddin BO-1201850015649821 proposed the name of Mr. Younus Khan for reappointment as a Director. Mr. Zamshedur Rahman-Folio No.1157 seconded the proposal and thereafter all the shareholders present supported it.

Part-2:

Mr.Khairul Amin - BO no. 1202610006349081 proposed the name of Mr. Md. Emran Hossain while Mr. Zamshedur Rahman-Folio No.1157 seconded and thereafter all the shareholders present supported it.

Approval:

The Managing Director declared the names of the above two persons Mr. Younus Khan and Mr. Md. Emran Hossain re-appointed as Directors of the Company and a record was made thereof.

Thereafter the Managing Director went for next agenda.

Agenda No. 04:

To consider appointment of Auditors for the year 2011-2012 and to fix their remuneration

The Managing Director informed the meeting that M/S. Aziz Halim Khair Choudhury, Chartered Accountants, audited our accounts for the last year and he is eligible for reappointment and offer himself to appointment as auditor of the company for the year 2011-2012. The Board of Directors' recommended that M/S. Aziz Halim Khair Choudhury, Chartered Accountants may be appointed for the year ended June 2012 subject to the approval of shareholders in the 14th AGM and clearance from SEC and such remuneration as will be fixed here.



Auditor of DCL addresses his speech at 14th AGM

Mr. Nuruzamman - Folio No. 517 proposed the M/S. Aziz Halim Khair Choudhury, Chartered Accountants be appointed as the Auditor of the Company and that its remuneration be 140,000.00. Mr. Khairul Amin - BO no. 1202616349081 seconded and thereafter all the shareholders present supported it.

Approval

The Managing Director announced that the auditor M/S. Aziz Halim Khair Choudhury has been appointed as auditor of the company for 2011-2012 and that its fee has been fixed at Tk. 140,000.00 and a record was made thereof.

Thereafter the last agenda was placed before the meeting.

Agenda No. 05:

To transact any other business of the Company with the permission of the chair

Monshi safi Uddin BO-1201850015649821 came into dais with the permission of the Chair and praised of the company and its efficient and experienced management and added that the company will do far better in future and then he thanked the Chairperson, Managing Director, Management, Company Secretary and all the shareholders to make the meeting successful. He showed his satisfaction to seeing the large gathering of shareholders too. He requested the Managing Director to organise some events with the shareholders, so that they can know the detail activities of the company and the full audience supported it while in replied the Managing Director agreed with their proposal.

At the concluding address the Chairperson thanked all for their coming at the AGM and for their kind support and cooperation for making it a success and declared the Fourteenth Annual General Meeting an end.

Md. Monir Hossain
Company Secretary

Md. Sabur Khan
Managing Director

We have audited the accompanying financial statements of Daffodil Computers Limited (The Company), which comprise the statement of financial position as at June 30, 2012, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Bangladesh Financial Reporting Standards (BFRS)/Bangladesh Accounting Standards (BAS). This responsibility includes: designing, implementing and maintaining internal control relevant to preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in circumstances.

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 (BSA). Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstance, 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 referred to above give a true and fair view of the financial position of Daffodil Computers Limited as at June 30, 2012, and its financial performance and its cash flows for the year then ended in accordance with Bangladesh Financial Reporting Standards (BFRS)/ Bangladesh Accounting Standards (BAS) and comply with the applicable sections of the Companies Act, 1994, the Securities and Exchange Rule 1987 and applicable laws and regulations.

We also 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 the law have been kept by the company so far as it appeared from our examination of those books;
- c) the company's statement of financial position and statement of comprehensive income dealt with by the report are in agreement with the books of accounts and returns; and
- d) the expenditure incurred was for the purposes of the company's business.

Place : Dhaka
31 October 2012


Aziz Halim Khair Choudhury
Chartered Accountants

Annual Report 2011-12

APPLICATION OF FUNDS

Property & Equipment	4	11	135,098,857	138,333,135
Customized Software Development	5	11	51,897,676	45,918,960
Work-in-Progress (Customized Software Dev.)	6	11	8,075,392	7,275,392
Investment in Subsidiaries & Others	7	11	263,911,282	126,971,366
Deferred Revenue Expenditure	8	11	997,600	1,247,000
			459,980,807	319,745,853
Current Assets				
Inventories	9	12	54,596,054	58,058,489
Sundry Debtors	10	12-13	20,350,244	24,448,300
Advances, Deposits and Prepayments	11	13-15	52,937,028	51,647,360
Cash & Cash Equivalents	12	15-16	101,075,036	200,706,434
			228,958,362	334,860,583
Less: Current Liabilities				
Bank Loans, Overdraft and Credit	13	16-17	90,767,434	97,678,565
Trade Creditors	14	17	15,337,522	8,240,741
Liabilities for Expenses	15	17-18	8,998,054	6,151,703
Unclaimed Dividend			1,246,300	30,765
Provision for Income Tax	16	18	16,690,570	13,763,795
			133,039,880	125,865,569
Net Current Assets			95,918,482	208,995,014
Total			555,899,289	528,740,867

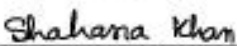
SOURCES OF FUNDS

Capital & Reserves				
Share Capital	17	18-19	499,122,624	479,925,600
Retained Earnings	18	19	56,776,665	48,815,267
Shareholders' Equity			555,899,289	528,740,867
Total:			555,899,289	528,740,867

The accounting policies and other notes from 1 to 36 form an integral part of these Financial Statements. The Financial statements were authorized for issue by the Board of Directors on 31 October 2012 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
31 October 2012


Aziz Halim Khair Choudhury
Chartered Accountants

Annual Report 2011-12

Daffodil Computers Limited Statement of Comprehensive Income for the year Ended 30 June 2012

Particulars	Notes	Page	30 June 2012 Taka	30 June 2011 Taka
Turnover	19	20	319,966,399	275,209,157
Less: Cost of Goods Sold	20	20	250,857,849	215,431,535
Gross Profit			69,108,550	59,777,622
Operating Expenses:			36,033,626	38,466,121
Administrative Expenses	21	21	25,541,880	26,328,191
Selling & Distribution Expenses	22	22	1,593,163	1,469,571
Financial Expenses	23	22	8,898,583	10,668,359
Operating Profit			33,074,924	21,311,501
Income from DIPTI			819,808	935,624
Income from Subsidiaries-Dolphin Computers Ltd.			575,500	602,600
Indirect Income	24	22	24,410,501	13,535,135
Net Profit before Tax			58,880,733	36,384,860
Less: Provision for Income Tax	16	18	2,926,775	2,287,686
Net Profit after Tax			55,953,958	34,097,174
Basic Earning Per Share (EPS)	25	23	1.12	0.94
Restated Basic Earning Per Share (EPS)				0.68

The accounting policies and other notes from 1 to 36 form an integral part of these Financial Statements. The Financial statements were authorized for issue by the Board of Directors on 31 October 2012 and signed on its behalf by :


Md. Monir Hossain
Company Secretary


Md. Sabur Khan
Managing Director


Mrs. Shahana Khan
Chairman

Annual Report 2011-12

Daffodil Computers Limited Statement of Cash Flows for the year Ended 30 June 2012

Particulars	2011 - 12 Taka	2010 - 11 Taka
A. Cash flow from Operating Activities:		
Cash Received from Customers & Others	330,104,212	266,938,594
Cash Paid to Suppliers, Employees & Others	(261,046,490)	(247,417,810)
Cash generated from Operations:	69,057,722	19,520,784
Interest income from deposit	23,752,533	12,826,006
Financial Expenses	(8,898,583)	(10,668,359)
VAT paid	(137,902)	(497,102)
Income Tax	(3,442,254)	(2,126,898)
Net cash flow from operating activities	80,331,516	19,054,431
B. Cash flow from Investing Activities:		
Purchase of property & equipment	(2,005,630)	(8,464,806)
Investment made (Customized software development)	(8,710,173)	(5,208,864)
Work-in-Progress (Customized software development)	(800,000)	(6,421,530)
Investment in - Subsidiaries and Others	(136,939,916)	(91,648,084)
Net cash used in investing activities	(148,455,719)	(111,743,284)
C. Cash flow from Financing Activities:		
Right Share Issue (1:1)	-	228,536,000
Bank Loan, Overdrafts & Credit	(6,911,131)	63,716,062
Dividend Paid	(24,596,064)	(3,600)
Net Cash used in Financing Activities	(31,507,195)	292,248,462
Net Increase/(Decrease) in Cash & Cash Equivalents	(99,631,398)	199,559,609
Cash & Cash Equivalents at Opening	200,706,434	1,146,825
Cash & Cash Equivalents at Closing	101,075,036	200,706,434

The accounting policies and other notes from 1 to 36 form an integral part of these Financial Statements. The Financial statements were authorized for issue by the Board of Directors on 31 October 2012 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
31 October 2012


Aziz Halim Khair Choudhury
Chartered Accountants

Daffodil Computers Limited
Statement of Changes in Shareholders' Equity
For The Year Ended 30 June 2012

Particulars	Share Capital	Proposed Dividend	Retained Earnings	Total
As on 30 June 2011	479,925,600	-	48,815,267	528,740,867
Net Profit after tax during the year	-	-	55,953,958	55,953,958
Issue of Bonus Share	19,197,024	-	-	19,197,024
Dividend	-	-	(47,992,560)	(47,992,560)
Balance as on 30 June 2012	499,122,624	-	56,776,665	555,899,289
Balance as on 30 June 2011	479,925,600	-	48,815,267	528,740,867

The accounting policies and other notes from 1 to 36 form an integral part of these Financial Statements. The Financial statements were authorized for issue by the Board of Directors on 31 October 2012 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
31 October 2012


Aziz Halim Khair Choudhury
Chartered Accountants

Daffodil Computers Limited Notes to the Financial Statements for the Year Ended 30 June 2012

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 129 (One hundred twenty nine) persons.

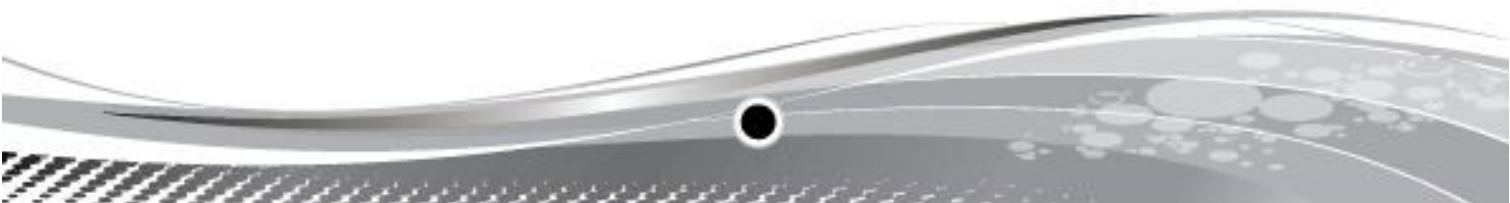
2.00 BASIS OF PREPARATION

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 IFRSs/ IASs adopted by the Institute of Chartered Accountants of Bangladesh (ICAB), as Bangladesh Financial Reporting Standards (BFRSs) / Bangladesh Accounting Standards (BAS). The Statement of financial position and the statement of comprehensive income have been prepared according to IAS 1 (Presentation of Financial Statements) based on accrual basis following going concern assumption and statement of cash flows according to IAS 7 (Cash Flow Statement).

2.02 Basis of measurement

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



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 statement of financial position 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 & Equipment and Depreciation:

Property 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 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 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 weighted 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 statement of financial position and statement of cash flows, 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-16.

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.

3.09 Leases

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

3.10 Earnings per share

- (a) Basic Earnings per Share (BEPS)

Basic Earnings per share has been calculated by dividing the earnings attributable to the number of shares (ordinary) outstanding during the year.

- (b) Weighted average Number of shares outstanding during the year

This represents the number of ordinary shares outstanding at the beginning of the year plus the year the numbers of ordinary shares issued during the year multiplied by a time weighting factor. The time weighting factor is the number of days the specific shares are outstanding as a proportionate of the number of days in the year.

3.11 Statement of Cash flows

Statement Cash flows 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

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:

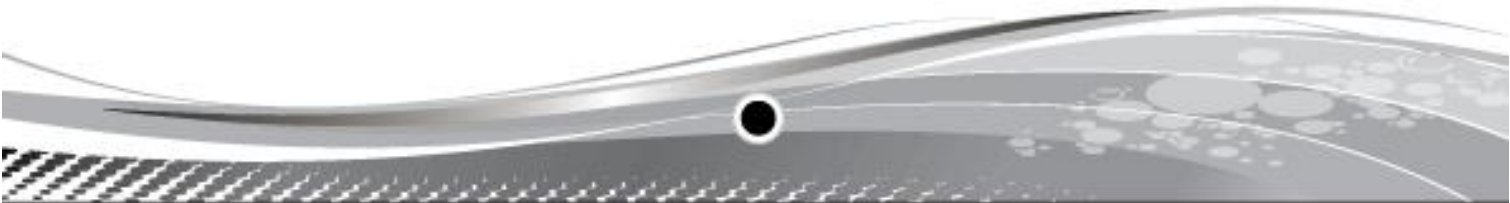
- (i) Statement of Financial Position as at 30 June 2012.
- (ii) Statement of Comprehensive Income for the year ended 30 June 2012
- (iii) Statement of Cash Flows for the year ended 30 June 2012
- (iv) Statement of Changes in Equity for the year ended 30 June 2012.
- (v) Notes to the Financial Statements for the year ended 30 June 2012.

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.

d) Comparative information

Comparative information have been disclosed in respect of the year 2010-2011 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 2010-2011 have been rearranged whenever considered necessary to ensure comparability with the current year.



4.00 PROPERTY & EQUIPMENT (At cost less depreciation)

This is made up as follows

At Cost

Opening Balance	193,030,025	184,565,219
Addition during the year	2,005,630	8,464,806
Total	<u>195,035,655</u>	<u>193,030,025</u>
Depreciation		
Accumulated depreciation up to last year	(54,696,890)	(49,075,657)
Charged for the year	(5,239,908)	(5,621,233)
	<u>(59,936,798)</u>	<u>(54,696,890)</u>
Written down value	<u>135,098,857</u>	<u>138,333,135</u>

Details have been shown in Annexure-A

5.00 CUSTOMIZED SOFTWARE DEVELOPMENT

This represent as under

Opening Balance	45,918,960	43,126,883
Add: Transferred during the year	8,710,173	5,208,864
	<u>54,629,133</u>	<u>48,335,747</u>
Less: Amortization @ 5%	2,731,457	2,416,787
Total	<u>51,897,676</u>	<u>45,918,960</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)

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

Opening Balance	7,275,392	853,862
Add: Incurred during the year	9,510,173	11,630,394
	<u>16,785,565</u>	<u>12,484,256</u>
Less: Transferred to Customized Software Development	8,710,173	5,208,864
	<u>8,075,392</u>	<u>7,275,392</u>

7.00 INVESTMENT IN SUBSIDIARIES & OTHERS

Dolphin Computer Ltd	14,400,000	14,400,000
JS E Recruitment Limited (jobsbd.com)	20,923,282	20,923,282
Daffodil International School (DIS)	228,588,000	91,648,084
Total	<u>263,911,282</u>	<u>126,971,366</u>

This represent the amount investment in subsidiaries & others. Investment in DIS Tk. 228,588,000 includes Tk. 118,874,098 as purchase of land at Uttara, Dhaka.

8.00 DEFERRED REVENUE EXPENDITURE

Opening Balance	1,247,000	1,558,750
Add: Addition during the period	-	-
	<u>1,247,000</u>	<u>1,558,750</u>
Less: Amortization 20%	249,400	311,750
Total	<u>997,600</u>	<u>1,247,000</u>

Annual Report 2011-12

Particulars	Note Ref.	30 June 2012 Taka	30 June 2011 Taka
9.00 INVENTORIES			
This represents as under			
Computers-Finished/HP		10,969,750	11,326,539
Computer-Daffodil PC		10,085,332	10,091,041
Printers		2,616,596	2,472,260
Monitor		5,826,995	5,245,582
Hardware		11,932,560	8,056,893
Accessories		2,966,937	10,248,723
UPS		749,581	672,206
Stabilizer		21,127	16,897
Software		9,427,176	9,928,348
Total		54,596,054	58,058,489
10.00 SUNDRY DEBTORS			
This represents as under			
Trade Debtors	10.01	20,309,794	24,387,850
Other Debtors	10.02	40,450	60,450
Total		20,350,244	24,448,300
This is unsecured but considered good.			
10.01 TRADE DEBTORS			
This is arrived at as under			
Opening balance		24,387,850	10,104,104
Add: Addition during the year		195,985,962	187,894,624
		<u>220,373,812</u>	<u>197,998,728</u>
Less: Realized during the year		200,064,018	173,610,878
Closing Balance		20,309,794	24,387,850
10.02 OTHER DEBTORS			
This is arrived at as under			
Opening balance		60,450	40,500
Add: Addition during the year		45,000	124,500
		<u>105,450</u>	<u>165,000</u>
Less: Realized during the year		65,000	104,550
Closing balance		40,450	60,450
This is unsecured but considered good.			

Annual Report 2011-12

Particulars	Note Ref.	30 June 2012 Taka	30 June 2011 Taka
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10.03 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	2011 - 2012	2010 - 2011
Daffodil Software Ltd. (DSL)	Sales of Software through DSL	"Other Debtors"	40,450	60,450
Total			40,450	60,450

11.00 ADVANCES, DEPOSITS AND PREPAYMENTS

Advances		48,877,371	48,619,208
Income Tax	11.01	16,320,327	12,878,073
Local Purchase	11.02	1,135,000	5,085,500
Office Rent	11.03	1,866,476	2,220,668
Salaries	11.04	785,800	767,047
Development works	11.05	2,441,900	1,441,900
Projects Expenses	11.06	26,182,016	26,182,016
C & F Expenses		145,852	44,004
Deposits		4,059,657	3,028,152
Security Deposit	11.07	359,931	363,227
Earnest Money	11.08	383,290	399,115
Bank Guarantee Margin	11.09	846,810	846,810
L/C Margin	11.10	2,469,626	1,419,000
Total		52,937,028	51,647,360

This is unsecured but considered good.

11.01 ADVANCE INCOME TAX

This consists of

Opening balance		12,878,073	10,751,175
		2,512,472	1,292,711
Deducted by Customs Authority at the time of Import during the year		137,222	10,111
Deducted by Bank a/c		2,375,250	1,282,600
AIT paid in Cash		929,782	834,187
Closing Balance		16,320,327	12,878,073

11.02 ADVANCE AGAINST LOCAL PURCHASE

Party wise break up is as under

Name of Vendors

Sys Computers

- 2,550,000

Next Technology

1,045,000 2,500,000

Sys International

90,000 35,500

Total

1,135,000 5,085,500

11.03 ADVANCE AGAINST OFFICE RENT

Head Office

207,452 316,652

Banani Branch

675,024 800,016

Br.Office Rent - Ctg Br.

900,000 1,020,000

Br. Office Rent - Elephant Road Br.

84,000 84,000

Total

1,866,476 2,220,668

11.04 ADVANCE AGAINST SALARIES

785,800 767,047

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

11.05 ADVANCE AGAINST DEVELOPMENT WORKS

KIOSK

2,441,900 1,441,900

Total

2,441,900 1,441,900

11.06 ADVANCE AGAINST PROJECT EXPENSES

BRTA-IS Project

19,831,258 19,831,258

WASA

6,350,758 6,350,758

Total

26,182,016 26,182,016

The company filed a case to Honorable High Court Division against chairman, BRTA to realize the project money and the decision is still pending with the High Court Division.

11.07 SECURITY DEPOSIT

The movement is as under

Opening balance

363,227 365,687

Add: Addition during the year

- -

363,227 365,687

Less: Matured and collected during the year

3,296 2,460

Closing balance

359,931 363,227

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 2011-12

Particulars	Note Ref.	30 June 2012 Taka	30 June 2011 Taka
11.08 EARNEST MONEY			
The movement is as under			
Opening balance		399,115	417,095
Add: Addition during the year		42,000	12,600
		<u>441,115</u>	<u>429,695</u>
Less: Withdrawal during the year		57,825	30,580
Closing balance		<u>383,290</u>	<u>399,115</u>
This amount represents the money that is required at the time of bidding tenders.			
11.09 BANK GUARANTEE MARGIN			
It consists of			
BARI		33,960	33,960
Bangladesh Road Transport Authority (BRTA)		798,000	798,000
UNDP		14,850	14,850
Total		<u>846,810</u>	<u>846,810</u>
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.			
11.10 L/C MARGIN			
This consists of			
L/C No. DN-174610010509		100,000	-
L/C No. DN-174610010589		1,585,000	-
L/C No. DN-174610010770		784,626	-
L/C No. DN-1746110101188		-	393,000
L/C No. DN-1746110101190		-	1,026,000
Total		<u>2,469,626</u>	<u>1,419,000</u>
This represents that portion of imports for which L/C has been opened.			
12.0 CASH AND CASH EQUIVALENTS			
This consists of as follows			
Cash at Bank	12.01	596,780	327,628
Cash in Hand	12.02	375,696	239,934
Cheques in Hand	12.03	102,560	138,872
Fixed deposit	12.04	100,000,000	200,000,000
Total		<u>101,075,036</u>	<u>200,706,434</u>
The break up is given below			
12.01 CASH AT BANK			
Name of Bank	Account Type		
The Premier Bank Ltd., Banani Br., Dhaka	CD	522	17,839
Mercantile Bank, Dhanmondi Br., Dhaka	CA	508	8,641
Mercantile Bank, Dhanmondi Br.	CD	550	-

Annual Report 2011-12

Particulars	Note Ref.	30 June 2012 Taka	30 June 2011 Taka
HSBC, Anchor Tower Br., Dhaka	CD	6,072	84,557
Islami Bank BD Limited, IDB Bhaban Br.	CD	310,667	98,082
Standard Chartered Bank	CA	-	232
BRAC Bank Ltd.	CA	-	1,020
Southeast Bank Ltd.	CD	1,054	1,054
Social Islami Bank Limited (SIBL)	CD	47,925	24,273
Dutchbangla Bank Ltd.	CA	13,029	24,368
Dutchbangla Bank Ltd.	CD	3,142	39,860
Dutchbangla Bank Ltd.	CD	2,500	8,523
National Bank	CD	204,701	7,659
Mercantile Bank Ltd.	STD	6,110	11,520
Total		596,780	327,628
Cash at bank balances have been confirmed with Bank Statements and Bank Balance Confirmation Certificate and reconciliation statements have been prepared where necessary.			
12.02 CASH IN HAND			
This is as follows			
H.O. - Main Cash		50,160	65,170
IDB Bhaban Br.		224,593	10,020
Banani Br.		48,383	14,144
Chittagong Br.		52,560	136,527
Bashundhara City Branch		-	14,073
Total		375,696	239,934
Balance has been confirmed with book balance and supported by certificate.			
12.03 CHEQUES IN HAND		102,560	138,872
This represents Credit card & cheques received but not deposited within 30-06-2012			
12.04 FIXED DEPOSIT			
his is as follows			
Opening Balance		200,000,000	-
Add: FDR during the year		-	200,000,000
Add: Interest received during the year		23,752,533	12,826,006
		223,752,533	212,826,006
Less : Tax deducted at source		2,375,253	1,282,600
		221,377,280	211,543,406
Less : Encashed to adjust CC, LTR & Term loan		121,377,280	11,543,406
Closing Balance		100,000,000	200,000,000
13.00 BANK LOAN, OVERDRAFT AND CASH CREDIT			
Loan against Trust Receipt (LTR)	13.01	6,466,332	7,337,694
CC (Hypo)	13.02	31,110,647	26,478,986
Term Loan - MBL	13.03	7,271,216	11,744,668
Term Loan - SIBL	13.04	30,746,666	52,117,217
Trust Receipt - SIBL	13.05	15,172,573	-
Total		90,767,434	97,678,565

Particulars	Note Ref.	30 June 2012 Taka	30 June 2011 Taka
13.01 LOAN AGAINST TRUST RECEIPT (LTR)		<u>6,466,332</u>	<u>7,337,694</u>
<p>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 creation. Rate of interest is 17% p.a. and is chargeable quarterly basis on outstanding amount. This credit facility is secured by 1st charge on the fixed and floating assets of the company.</p>			
13.02 CC (Hypo)		<u>31,110,647</u>	<u>26,478,986</u>
<p>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 17% p.a. and is chargeable 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.</p>			
13.03 TERM LOAN - MBL		<u>7,271,216</u>	<u>11,744,668</u>
<p>This item of Credit Facility has been created after full adjustment of SOD(WO) and bears interest @ 16% p.a and is repayable in 36 equal monthly installments commencing from August 2008.The loan is secured by hypothecation of stock in trade.</p>			
13.04 TERM LOAN - SIBL		<u>30,746,666</u>	<u>52,117,217</u>
<p>This item of Credit Facility has been created , bears interest @ 16% p.a and is repayable in 36 equal monthly installments commencing from March 2011.The loan is secured by hypothecation of stock in trade.</p>			

Annual Report 2011-12

Particulars	Note Ref.	30 June 2012 Taka	30 June 2011 Taka
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15.00 LIABILITIES FOR EXPENSES

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

Salaries & Allowances		507,435	532,326
Contribution to Employees PF		5,154,229	4,851,818
Audit Fee		161,000	120,000
Telephone Bill		32,560	35,468
Electricity Bill		62,560	64,600
Paper Bills		1,885	1,902
Internet Bills		11,200	10,500
Insurance premium		142,531	109,213
Renewal Fee		50,100	425,876
Dividend distribution Tax		2,874,554	-
Total		8,998,054	6,151,703

16.00 PROVISION FOR INCOME TAX

Opening Balance		13,763,795	11,476,109
Total Income as per Profit & Loss Account before tax		58,880,733	36,384,860
Less: Income from Software	16.01	48,237,914	28,066,002
Taxable Income		10,642,819	8,318,858
Provision for Income Tax @ 27.5%		2,926,775	2,287,686
Closing Balance		16,690,570	13,763,795

16.01 INCOME FROM SOFTWARE

Sale of Software		79,316,080	69,569,618
Less : Expenditure		31,078,166	41,503,616
Direct Expenses		18,356,058	28,272,029
Administrative Expenses		6,843,127	7,173,421
Selling & Distribution Expenses		477,949	440,871
Financial Expenses		2,669,575	3,200,508
Add : Amortization Expenses on CSD		2,731,457	2,416,787
Total		48,237,914	28,066,002

Assessment status of income tax of the company's are given below

Accounting Year	Assessment Year	Present Status
2001-02	2002-03	Appealed High Court
2005-06	2006-07	Appealed High Court
2006-07	2007-08	Appealed High Court
2008-09	2009-10	Appealed Tribunal
2009-10	2010-11	Assessment not yet completed
2010-11	2011-12	Assessment not yet completed

Annual Report 2011-12

Particulars	Note Ref.	30 June 2012 Taka	30 June 2011 Taka
17.00 SHARE CAPITAL			
17.01 Authorized			
50,000,000 Ordinary Shares of Tk. 10.00 each		500,000,000	500,000,000
17.02 Issued, Subscribed and paid up			
17,500,000 shares of Tk.10.00 each fully paid up in cash.		175,000,000	175,000,000
1,750,000 bonus share of Tk.10each issued in 2006-2007		17,500,000	17,500,000
1,155,000 bonus share of Tk.10 each issued in 2007-2008		11,550,000	11,550,000
2,448,600 bonus share of Tk.10 each issued in 2008-2009		24,486,000	24,486,000
2,285,360 bonus share of Tk. 10 each issued in 2009 - 2010		22,853,600	22,853,600
22,853,600 right share of Tk. 10 each issued in 2009 - 2010		228,536,000	228,536,000
1,919,702.4 bonus share of Tk. 10 each issued in 2010 - 2011		19,197,024	-
		499,122,624	479,925,600

Shareholding position was as follows

Name of the Shareholders	No. of Shares	%	Amount
Promoters	22,570,326.00	45%	225,703,260
General Public	27,341,936.40	55%	273,419,364
Total	49,912,262.40	100%	499,122,624

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	5,988	1,630,353	3.27%	16,303,530
501 to 5,000 Shares	7,134	12,240,466	24.52%	122,404,660
5,001 to 10,000 Shares	494	3,744,019	7.50%	37,440,190
10,001 to 20,000 Shares	213	3,095,421	6.20%	30,954,210
20,001 to 30,000 Shares	52	1,354,307	2.71%	13,543,070
30,001 to 40,000 Shares	16	581,187	1.16%	5,811,870
40,001 to 50,000 Shares	21	1,045,112	2.09%	10,451,120
50,001 to 100,000 Shares	20	1,445,020	2.90%	14,450,200
100,001 to 1,000,000 Share	9	3,541,940	7.10%	35,419,400
Over 1,000,000 Shares	7	21,234,437	42.54%	212,344,374
Total	13,954	49,912,262	100.00%	499,122,624

18.00 RETAINED EARNINGS

Opening Balance	48,815,267	37,571,693
Add: Addition during the year	55,953,958	34,097,174
	104,769,225	71,668,867
Dividend paid	47,992,560	22,853,600
Closing Balance	56,776,665	48,815,267

Annual Report 2011-12

Particulars	Note Ref.	30 June 2012 Taka	30 June 2011 Taka
19.00 TURNOVER:			
This is made up as follows			
Sales of Computer and Computer Goods	19.01	240,650,319	205,639,539
Sales of Customized Software		79,316,080	69,569,618
Total net sales		319,966,399	275,209,157
Revenue recognition has been discussed in Note-3.08.			
19.01 SALES OF COMPUTER & COMPUTER GOODS			
Name of Item			
Computers		146,203,805	127,823,647
Printers		15,944,699	12,284,752
Monitor		16,098,169	13,452,570
Hardware		21,520,364	17,753,698
Accessories		21,250,654	16,975,645
UPS		7,968,377	5,212,478
Stabilizer		843,710	1,024,543
Software		11,075,893	11,778,958
		240,905,671	206,306,291
Less: Return		117,450	169,650
Less: VAT		137,902	497,102
Total		240,650,319	205,639,539
20.00 COST OF GOODS SOLD			
It consists of			
Computer and Computer Goods	20.01	232,501,791	187,159,506
Customized Software & Web hosting etc.	20.02	18,356,058	28,272,029
Total		250,857,849	215,431,535
20.01 COMPUTER & COMPUTER GOODS			
Cost of Materials	20.01.01	227,378,262	184,591,836
Add: Direct Expenses		5,123,529	2,567,670
Carriage Inward		92,200	71,760
C & F expenses		184,200	98,000
Freight		741,130	295,400
PSI Charges & Other import levies & duties		3,244,357	1,671,092
Insurance premium		413,132	158,990
Development surcharge		398,510	231,008
Assembling Expenses		50,000	37,820
Network Expenses		-	3,600
Total		232,501,791	187,159,506
20.01.01 COST OF MATERIALS			
Opening Stock		58,058,489	36,577,632
Add: Purchase		223,915,827	206,072,693
Foreign		29,998,933	17,278,231
Local less return		193,916,894	188,794,462
		281,974,316	242,650,325
Less: Closing Stock		54,596,054	58,058,489
Total		227,378,262	184,591,836

Annual Report 2011-12

Particulars	Note Ref.	30 June 2012 Taka	30 June 2011 Taka
20.02 CUSTOMIZED SOFTWARE & WEB HOSTING			
Cost of Production		15,480,208	26,831,529
Add: Direct Expenses		2,875,850	1,440,500
Consultancy Fees		300,000	300,000
Resource Hiring		2,575,850	1,140,500
Total		18,356,058	28,272,029
21.00 ADMINISTRATIVE EXPENSES			
Directors Remuneration		456,000	456,000
Salaries & Allowances		7,635,265	7,333,395
Bonus		629,983	647,500
Co's Contribution to Employees' Provident Fund		238,696	264,611
Office Rent		3,222,741	3,214,536
AGM Expenses		904,812	538,386
Audit fee		161,000	180,000
Bank charges		81,193	121,470
Business Tour & Traveling exp.		124,800	216,000
Car maintenance		162,239	268,899
Commission paid on credit cards		23,199	91,605
Computer Fair exp.		246,000	51,920
Consultation Fees		11,600	361,004
Conveyance		143,704	170,433
Discount allowed		4,150	6,421
Directors meeting attendance fee		41,490	34,000
Donation		35,000	87,900
Electricity		295,458	427,372
Right Share Expenses		-	1,532,000
Entertainment		149,895	155,548
Internet bills		59,355	66,624
Miscellaneous		33,829	32,500
Office Maintenance		158,920	89,470
Papers & Periodicals		12,586	15,936
Printing & Stationery		213,138	388,050
Renewal expenses		1,601,261	579,905
Repairs & Maintenance		101,140	111,507
Schedule purchase		500	1,000
Staff welfare Expenses		85,936	112,143
Subscriptions		20,600	12,450
Telephone bills		215,216	256,558
Training Expenses		45,000	23,542
Utilities		75,909	30,700
Human Resource Dev. Expanse.		40,940	25,500
R & D Expenditure		28,560	13,036
Corporate Social Response (CSR)		61,000	60,500
Deferred Revenue Expenditure written off 20%		249,400	311,750
Depreciation		5,239,908	5,621,233
Total		22,810,423	23,911,404

Annual Report 2011-12

Particulars	Note Ref.	30 June 2012 Taka	30 June 2011 Taka
Allocation			
Hardware & Network activities 70%	21.01	15,967,296	16,737,983
Customized Software & Web hosting activities 30%	21.02	6,843,127	7,173,421
		<u>22,810,423</u>	<u>23,911,404</u>
Add: Amortization expenses 5% on cost of Customized Software & Web hosting Development		2,731,457	2,416,787
Total		<u>25,541,880</u>	<u>26,328,191</u>
22.00 SELLING & DISTRIBUTION EXPENSES			
Postage & Stamp		37,545	7,635
Advertisement		19,100	68,900
Business Promotion Expenses		500,260	805,630
Carriage outward		5,100	1,000
Replacement of sold goods		50,550	21,600
Sales incentives		980,608	564,806
Total		<u>1,593,163</u>	<u>1,469,571</u>
Allocation			
Hardware & Network activities 70%	22.01	1,115,214	1,028,700
Customized Software & Web hosting activities 30%	22.02	477,949	440,871
Total		<u>1,593,163</u>	<u>1,469,571</u>
23.00 FINANCIAL EXPENSES			
Bank Interest		8,768,02	7,107,930
Rental charge for Lease Assets		130,558	3,560,429
Total:		<u>8,898,583</u>	<u>10,668,359</u>
Allocation:			
Hardware & Network activities 70%	23.01	6,229,008	7,467,851
Customized Software & Web hosting activities 30%	23.02	2,669,575	3,200,508
Total		<u>8,898,583</u>	<u>10,668,359</u>
24.00 INDIRECT INCOME			
Interest on Fixed Deposit		23,752,533	12,826,006
Income from DCL general service section	24.01	556,715	610,549
Income from Dpc service section	24.02	101,253	98,580
Total		<u>24,410,501</u>	<u>13,535,135</u>
24.01 INCOME FROM DCL GENERAL SERVICE SECTION			
Service bills received		4,047,027	4,411,157
Less: Cost of Spare parts		3,490,312	3,800,608
Total		<u>556,715</u>	<u>610,549</u>
24.02 INCOME FROM DPC SERVICE SECTION			
Service bills received		459,520	267,650
Less: Cost of Spare parts		358,267	169,070
Total		<u>101,253</u>	<u>98,580</u>

Particulars	Note Ref.	30 June 2012 Taka	30 June 2011 Taka
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25.00 BASIC EARNING PER SHARE (EPS) Disclosure under BAS 33* Earning per Share*

The computation of EPS is given below

(a) Net Profit after Tax	55,953,958	34,097,174
(b) Weighted aver. number of Ordinary Shares outstanding during the year	49,912,262	36,284,003
(c) Basic EPS	<u>1.12</u>	<u>0.94</u>

Restated

(a) Net Profit after Tax		34,097,174
(b) Weighted aver. number of Ordinary Shares outstanding during the year		49,912,262
Basic EPS		<u>0.68</u>

Calculation of weighted number of ordinary shares outstanding during the year from 01.07.2011 to 30.06.2012.

Period of Share Holdings	Particulars	"No. of Shares"	Total Days	" Weighted Average Nos. of Shares of Outstanding "
1.07.2011	* Opening Balance *	47,992,560	365	47,992,560
01.07.2010 to 30.06.2011	Bonus Share	1,919,702	365	1,919,702
Total		49,912,262		49,912,262

26.00. Quantitative and Figurative Statement of Purchase, Sales and Inventories of Goods For the year ended 30 June, 2012.

As per requirements of Schedule -XI (Part-II) Section 3 (0)(e) of Companies Act 1994-In case of trading companies, the purchase made and the opening and closing stocks, giving break up in respect of each class of goods traded in by the company and indicate

Other than Hardware Items :

	Computers Finished	Computer Daffodil PC	Printers	Monitor	Accessories	UPS	Stabilizer	Software	Total Taka
Opening quantity	460	422	198	792	Various	251	9	Various	
Add : Purchases- quantity.	2,458	3,221	1,296	2,096	Various	2,835	363	Various	
Goods available for sale - quantity	2,918	3,643	1,494	2,888	Various	3,086	374	Various	
Less: Goods sold quantity	2,461	3,219	1,278	2,111	Various	2,795	363	Various	
Closing Balance Quantity	457	424	216	777	Various	291	11	Various	
Opening Balance	460	422	198	792	Various	251	9	Various	
Average Unit Cost- Taka	24622.91	23912.42	12486.16	6623.21	Various	2678.11	1877.41	Various	
Total cost of operating Stock Taka	11,326,539	10,091,041	2,472,260	5,245,582	10,248,723	672,206	16,897	9,928,348	50,001,596
Add : Purchases- quantity	2,458	3,221	1,296	2,096	Various	2,835	363	Various	
Average Unit Cost- Taka	25,423.21	23,982.32	12,075.62	7,100.26	Various	2,550.67	1,912.64	Various	
Total cost of Purchase Taka	62,490,250	77,247,053	15,650,004	14,882,145	13,555,469	7,231,149	698,114	9,685,780	201,439,964
Less: Goods sold	2,461	3,219	1,278	2,111	Various	2,795	363	Various	
Unit Sales price -- Average	27,064.98	24,727.21	12,476.29	7,623.85	Various	2,850.94	2,324.27	Various	
Total Sales - Taka	66,606,916	79,596,889	15,944,699	16,098,169	21,250,654	7,968,377	843,710	11,075,893	219,385,307
Closing Quantity	457	424	216	777	Various	291	11	Various	
Average Unit Cost- Taka	24003.83	23786.16	12113.87	7499.35	Various	2575.88	1920.65	Various	
Total cost of Closing Stock- Taka	10,969,750	10,085,332	2,616,396	5,826,995	2,966,937	749,581	21,127	9,427,176	42,663,494
Cost of materials	62,847,039	77,252,762	15,505,668	14,300,732	20,837,255	7,153,774	693,884	10,186,952	208,778,066

26.01 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	175	119	177	87	615	24	177	370	162	24	32	Various	
Add : Purchases- quantity	786	841	845	93	2,035	41	1,056	1,027	524	24	132	Various	
Goods available for sale- quantity	961	960	1,022	180	2,650	65	1,233	1,397	686	48	164	Various	
Less: Goods sold quantity	783	835	665	95	2,021	36	988	983	492	26	126	Various	
Closing Balance quantity	178	125	357	85	629	29	255	404	194	22	38	Various	
Opening Balance	175	119	177	87	615	24	177	370	162	24	32	Various	
Average Unit Cost Taka	6,929.51	4,286.36	3,312.47	1,378.27	251.16	599.17	1,685.96	1,034.26	2,477.29	1,054.96	2,678.31	Various	
Total cost of opening Stock Taka	1,212,664	510,077	586,307	119,909	156,308	14,380	298,418	378,976	401,321	25,319	85,706	4,267,508	8,056,493
Add : Purchases - quantity	786	841	845	93	2,035	41	1,056	1,027	524	24	132	Various	
Average Unit Cost - Taka	6,100.25	4,695.64	4,903.28	1,348.61	226.32	605.24	1,611.41	999.75	1,512.69	1,012.32	2,523.29	Various	
Total cost of Purchase Taka	4,794,797	3,949,033	4,143,272	125,421	460,361	24,815	1,701,649	1,026,543	792,650	25,016	333,074	5,098,832	22,475,863
Less: Goods sold	783	835	665	95	2,021	36	998	993	492	26	126	Various	
Unit Sales price - Average	6,163.42	4,841.43	5,103.29	1,419.74	240.61	642.39	1,728.89	1,063.77	1,801.33	1,059.27	2,694.94	Various	
Total Sales - Taka	4,825,958	4,042,594	3,393,688	134,875	486,273	23,126	1,725,432	1,056,324	886,254	27,541	339,562	4,578,737	21,520,364
Closing Quantity	178	125	357	85	629	29	235	404	194	22	38	Various	
Average Unit Cost - Taka	7,201.41	4,625.32	4,900.69	1,356.77	238.51	609.69	1,678.22	1,011.96	1,696.61	1,064.26	2,609.84	Various	
Total cost of Closing Stock - Taka	1,281,851	578,165	1,749,546	115,325	150,023	17,681	394,382	408,832	329,142	23,414	99,174	6,785,025	11,932,560
Cost of materials	4,725,610	3,880,945	2,980,033	130,005	466,846	21,514	1,605,685	996,887	864,829	26,921	319,606	2,581,315	18,600,196

SUMMARY OF COST OF MATERIALS AND SALES & CLOSING INVENTOR

	Other than Hardware	Hardware	Total
Opening Stock	50,001,596	8,056,893	58,058,489
Add: Purchase	201,439,964	22,475,863	223,915,827
Less: Closing Stock	251,441,560	30,532,756	281,974,316
Cost of Materials	42,663,494	11,932,560	54,596,054
Gross Sales	208,778,066	18,600,196	227,378,262
	219,385,307	21,520,364	240,905,671

27.00 Foreign Exchange Earned and Payment

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

28.00 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-21.

ii) No amount of money was expended by the company for compensating any member of the board for special services rendered.

iii) Board meeting attendance fee was paid to the directors of the company.

29.00 Capital Expenditure Commitment

There was no Capital Expenditure Commitment as on 30 June 2012.

30.00 Contingent Liabilities

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

31.00 Claim Not Acknowledged

There was no claim against the company as on 30 June 2012.

32.00 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-21.

33.00 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.

34.00 Subsequent Events-Disclosures under IAS 10 "Events after the Balance Sheet Date"

Proposed Dividend

Subsequent to the statement of financial position date, the Board of Directors in their meeting held on October 31, 2012 recommended 10% cash dividend for the year ended June 30, 2012. Thus, the amount of cash dividend is Tk.49,912,263. The dividend proposal is subject to shareholders' approval at the

35.00 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.

36.00 Special Reports as per Companies Act, 1994

(a) 129 (One hundred twenty nine) employees engaged in the Company who received a total remuneration over Taka 36,000/- per year.

(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 Limited Schedule of Property & Equipment As at 30 June 2012

Particulars	COST				DEPRECIATION				W.D.V as on 30.06.12	
	Opening as on 01.07.11	Addition During the yr.	Sales/ Adjustment	Total as on 30.06.12	Rate	Opening as on 01.07.11	Charged During the yr.	Sales/ Adjustment		Total as on 30.06.12
Leasehold Property	518,477	-	-	518,477	0%	-	-	-	-	518,477
Land	93,750,000	-	-	93,750,000	0%	-	-	-	-	93,750,000
Generator	571,700	-	-	571,700	15%	240,000	49,755	-	289,755	281,945
Furniture & Fixture	13,233,529	25,000	-	13,258,529	10%	6,489,909	676,862	-	7,166,771	6,091,758
Air cooling System	7,386,140	-	-	7,386,140	15%	4,959,455	364,003	-	5,323,458	2,062,682
Computer Set up in Office	7,422,900	-	-	7,422,900	15%	5,693,791	259,366	-	5,953,157	1,469,743
Office Equipment	2,819,269	-	-	2,819,269	15%	1,720,089	164,877	-	1,884,966	934,303
Vehicles	1,773,760	1,412,000	-	3,185,760	15%	1,513,973	250,768	-	1,764,741	1,421,019
Telephone & PAEX	686,100	-	-	686,100	15%	562,571	18,529	-	581,100	105,000
Office Decoration	20,908,736	300,000	-	21,208,736	10%	13,053,184	815,555	-	13,868,739	7,339,997
Video Overhead Projector	380,000	-	-	380,000	15%	309,913	10,513	-	320,426	59,574
Water purifying Machine	62,000	-	-	62,000	15%	53,297	1,305	-	54,602	7,398
Stabilizer Making Plant	2,468,282	-	-	2,468,282	10%	1,427,481	104,080	-	1,531,561	936,721
Daffodil PC Assembling Plant	13,720,130	-	-	13,720,130	10%	7,157,835	656,230	-	7,814,064	5,906,066
Sales Centre Establishment	10,214,134	-	-	10,214,134	10%	4,974,108	524,003	-	5,498,111	4,716,023
Call Centre	5,083,920	-	-	5,083,920	10%	2,652,297	243,162	-	2,895,459	2,188,461
Library	2,046,500	-	-	2,046,500	15%	641,529	210,746	-	852,274	1,194,226
Campus Decoration	4,270,380	118,000	-	4,388,380	10%	1,174,592	321,379	-	1,495,970	2,892,410
Lab Equipment	5,714,068	150,630	-	5,864,698	15%	2,072,870	568,774	-	2,641,644	3,223,054
TOTAL (30.06.12)	193,030,025	2,005,630	-	195,035,655	-	54,696,890	5,239,908	-	59,936,798	135,098,857

Daffodil Computers Limited

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

Proxy Form

Stamp

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 15th Annual General Meeting of the Company to be held on 27 December 2012 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 15th Annual General Meeting of the Company being held on 27 December 2012 at 10:00 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.