



**Daffodil
Computers**

ANNUAL REPORT
2009

daffodilPC

Daffodil Computers Ltd.

64/3, Lala Glass, Saketpuri 2nd-5th floor, Mirza Road, Dhaka, Bangladesh.
Tel: 880-2-9116802, 9113784, Fax: 8134193, Email: info@daffodil-bd.com

www.daffodil-bd.com



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Company Profile

Name of the Company	: Daffodil Computers Limited
Corporate Office	: 64/3, Lake Circus, Kalabagan, Dhanmondi, Dhaka.
Represented By	: Md. Sabur Khan, Managing Director
Communication	: Ph: 88-02-9116600, Fax: 8116103
Internet Reference	: www.daffodil-bd.com
Year of establishment	: 1990
Incorporation	: Registered with Joint Stock Company-Jan 1998
Conversion as Public Limited Company	: April 2002
Nature of Business	: Computer Product, Network Solution Provider Web and e-Commerce Development Consultation & Training, Banking Software & other Software Solutions Provider.
Representing Brands	: DaffodilPC, Intel, Maxtor, Kingston, Cyber CISCO, TVS, Albarton, BTC, ELSA, HP, IBM, SUN, AMIGO Sonicwall, APC, Chintex, McAfee, Norton, CTCO Calcomp SWANN, CA, Microsoft are mains.
Main Focus	: DaffodilPC in total solution; HP Enterprise and small business solution, HP authorized service provider, Software Development & Export, Web Dev & Export, Education and Training.
Membership	: Australia - Bangladesh Business Council American Chamber of Commerce (AmCham) Bangladesh Computer Samity (BCS) Bangladesh Asso. of Software & Information Services (BASIS) Board of Investment Dhaka Chambers of Commerce & Industries (DCCI) The Federation of Bangladesh Chambers of Commerce & Industries (FBCCI) Malaysia - Bangladesh Chamber of Commerce

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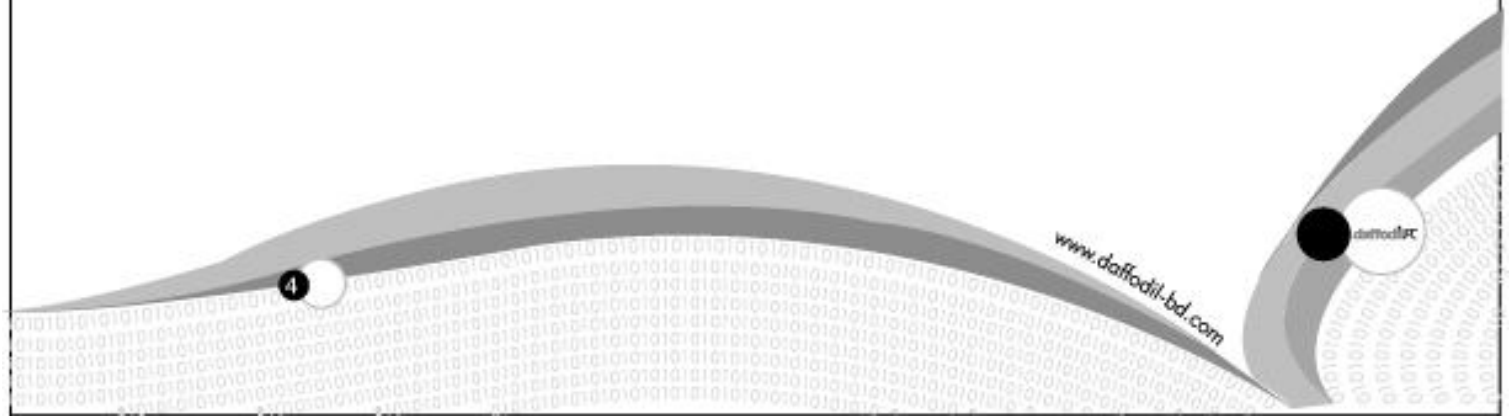
Board of Directors



Mrs. Shahana Khan
Mr. Md. Sabur Khan
Mr. Younus Khan
Mr. Emran Hossain
Mr. M. S. Shekil Chowdhury

Chairman	
Managing Director	
Director	
Director	
Director	

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Management

Mr. Md. Sabur Khan

Managing Director

Mr. Sabbir Ahmed Polash

Chief Operating officer

Mr. Md. Jahir Uddin

Assistant General Manager

Mr. Abdul Khaleque Patwary

Manager, Branch

Mr. Md. Mahbubul Gani

Head, Import & Distribution

Mr. Jafor Ahmed Patwary

Head, DaffodilPC

Mr. Md. Monir Hossain

Company Secretary

M/S Sarwar Salamat & Co

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

Registered Office

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

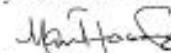
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NOTICE OF THE 12th ANNUAL GENERAL MEETING

Notice is hereby given that the 12th Annual General Meeting of the shareholders of Daffodil Computers Limited will be held on Thursday 24th Day of December, 2009 at 09.30 a.m. at Auditorium of Daffodil International University(DIU), 4th floor, Prince Plaza, Sobhanbag, Dhanmondi, Dhaka-1207. to transact the following business:

1. To receive, consider and adopt the Audited Accounts for the year ended June 30, 2009 along with reports of the Auditors and the Directors.
2. To approve Stock Dividend @ 12% for the year ended June 30, 2009.
3. To Elect the Directors.
4. To Appoint Auditors for the year ending June 30, 2009 and 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

Dated: December 03, 2009

NOTES:

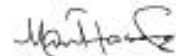
- 1) Record date was November 01, 2009, whose name appeared in the Share Register of the Company on the Record Date he/she would be entitled to the dividend.
- 2) A member entitled to attend and vote at the General Meeting may appoint a proxy to attend and vote in his/her stead.
3. The proxy form, duly 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 AGM is reserved only for shareholders or their proxies.

Notice of Extra-Ordinary General Meeting (EGM)

Notice is hereby given that Extra Ordinary General Meeting (EGM) of the shareholders of Daffodil Computers Limited will be held on Thursday 24th Day of December, 2009 at 09.10 a.m. at Auditorium of Daffodil International University(DIU), 4th floor, Prince Plaza, Sobhanbag, Dhanmondi, Dhaka-1207. to transact the following business and to adopt resolution as special resolution:

1. To consider enhancement of Paid-up Capital through issuance of Rights Share @1:1 (one Rights share against each existing share) at an issue price of Tk.10/-each at par to the shareholders of the Company as determined on the 'Record Date' for entitlement which will be disseminated within 3(three) working days after having approval for Rights Issue from the Securities and Exchange Commission (SEC).
2. To consider increase of Authorise Capital from existing 30 crore divided into 3 crore ordinary share of Tk.10/- each to 50 crore BDT of 5 crore ordinary share of Tk.10/- each from the subject to approval of EGM & the regulatory authorities

By order of the Board



(Md. Monir Hossain)
Company Secretary

Dated: December 03, 2009

Notes:

1. The 'Record Date' is Thursday, November 01, 2009;
Shareholders whose names has appeared in the Members Register of the Company or in the Depository on the 'Record Date' will be eligible to attend the meeting;
2. A Member entitled to attend and vote at the Extra-Ordinary General Meeting (EGM) can appoint a Proxy to attend and vote on his/her behalf. Forms of Proxy, duly stamped, must be deposited at the Registered Office of the Company at least 48 hours before the time fixed for the meeting; and
3. Admission into the venue of the EGM will be allowed on production of the Attendance Slip sent with the Notice as well as verification of signature of Member(s) and/or Proxy holder(s).
- 4) Entry to the EGM is reserved only for shareholders or their proxies.

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Mission

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

Vision

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

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Branches **Branches**

IDB Bhaban Branch

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

Banani Branch

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

Bashundara Branch

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

Chittagong Branch

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

Ware House

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

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Honorable Prime Minister Sheikh Hasina awarding crest to Mr. Md. Sabur Khan
Chairman of Daffodil for magnificent contribution to ICT sector.



Honorable Speaker Advocate Abdul Hamid visits our pavilion & inaugurates
discount coupon at ICT fair '09.

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Chairman, Managing Director, Director, Auditor & Company Secretary at 11th AGM



Partial view of the 11th AGM

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Directors' Report to Shareholders

Directors' Report to 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 12th 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 2009 in the meeting.

Dear Shareholders,

You will be happy to hear that that considering lot of problem of local market of ICT; your company has made significant achievement in the year 2008-2009. It is true International market gradually developing and we are also trying our best to fit for international and retail market.

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	2008-2009 Taka	2007-2008 Taka	2006-2007 Taka
Sales	235,173,277	224,174,298	255,605,075
Cost of Goods Sold	188,304,793	181,218,236	206,631,145
Gross Profit	46,868,484	42,956,062	48,973,930
Net Profit (before tax)	14,383,500	9,180,204	14,418,800
Net Profit (after tax)	14,222,140	9,059,053	12,056,827
Share Capital	204,050,000	192,500,000	175,000,000
EPS	0.70	0.47	0.69

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Future Plan:

As we mentioned earlier due to local market high competition and lack of new project initiated by the Govt. & despite of our best efforts in software and Hardware, we did not achieve our actual target, but same time, you may aware that educational venture of the company make a strong position with its commitment, quality, resources and various Research activities. Seeing the confidence and reputation, the Board Directors of Daffodil Computers Ltd. decided to establish 64 schools in 64 districts of Bangladesh which is now in operation. From Play Group to 'A' level, the British Curricular will be followed in all city corporations. In district level, British Curricular will be followed from Play Group to standard V and National Curricular; English Version will be followed from class VI to HSC level.



In 2008, Daffodil initiated a program of an integrated pathway of academic institutions, dedicated to expanding access to education of an international standard of excellence. The Board Directors of Daffodil Computers Ltd. decided to establish 64 schools in 64 districts of Bangladesh. From Play Group to 'A' level, the British Curricular will be followed in all city corporations. In district level, British Curricular will be followed from Play Group to standard V and National Curricular; English Version will be followed from class VI to HSC level.

DIS aims to be Bangladesh's leading chain of schools with branches across the country and abroad. The vision of DIS extends beyond the narrow walls of classrooms and textbooks, as it aims to give the students a truly global perspective while preparing them for the careers of tomorrow. As a chain of schools located across the length and breadth of Bangladesh, DIS will empower its vision with a unique educational programme, where learning comes alive.

HRD Institute, Daffodil International University leads the team for Educational Research & Training for DIS. The institute has been primarily responsible for developing the curricular, designing the systems, policy framework, curriculum based students' hand books, teachers manual, service rules, franchise policy on both the latest research findings and changing needs.

DIS will be the first computerised chain school in Bangladesh. Guardian, teachers, & students will get all information, class materials, A to Z reports through online. Private coaching & dependency on private tuition outside the class rooms will overcome through technology.

Features of DIS

- To make learning creative, interesting, interactive and engaging, through a system which is constructive, comprehensive, practical and futuristic. We aim to realize our mission by:
- Offering a creative, caring, innovative, stress free and harmonious learning environment for children.
- Imparting quality education through opportunities to discover, explore & experiment with hands on material.
- Providing a lively curriculum; practical in approach, innovative in methods, scholarly in content and global in scope.
- Developing communication skills to enable the students to express their thoughts and feelings fluently & in a confident manner.
- Creating opportunities for learning basic life-skills such as self-dependency, critical thinking & decision-making.
- Preparing children for the global challenges while maintaining the rich Bangladeshi culture, morals and values.



Honorable Foreign Minister Dipu Moni inaugurate Daffodil International School at Chandpur and award the prize among the best student.

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

As we told in our last AGM we did lot of formalities to transfer and register in favor of DCL. Now it is also complete and it will play a key role in Computer market.

We are almost in last position to introduce the country's 1st Digital Shop for ICT product named <http://www.dolphin.com.bd>. and we hope it will play a key role and should bring a great impact in IT industry.



Inauguration of DaffodilPC Laptop at BCS Computer City at IDB Bhaban

The main advantage of online shopping is that it allows people to browse through many items and categories without leaving their house, to compare the prices of as many shops as they want, and also to order as many items as they can afford without having to worry about how they will transport them, because the online shopping websites also deliver the things to the buyer's home. Furthermore, the Internet is open 24 hours a day, 365 days a year, so you don't have to hurry or worry about finding a parking spot.

Some other benefits you won't find shopping in a store or at the mall is the internet are open around the clock. Seven days a week...24 hours a day. Some of the top benefits are:

1. You can generally find what you are looking for online easier then finding it at the local mall or department store.
2. The variety of the goods you are looking for is more diverse because the market is national or global and not just local.
3. Prices are almost always lower. This has to do with the competition as well as most businesses do not need to have a physical store.



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. In this process Jobsbd.com again successfully completed its effort to improve its services and giving a make-over to its web pages to give it an international standard. Jobsbd.com is now more powerful with database of over 1,00,000 job seekers. In August 16, 2006 jobsbd.com has formed a partnership with JobStreet.com to bring its services to Bangladesh and share their expertise in World Wide Web. JobStreet.com is the regional leader in online recruitment with a strong presence in Malaysia, Singapore, Philippines, India, Japan, Hong Kong, Indonesia and Thailand. JobStreet.com has more than 10 years of experience in online recruitment. Association with JobStreet.com has enriched jobsbd in many ways like well managed business process, advanced technologies and exposure for Bangladesh job seekers to international market. Recently Jobsbd.com proposed to buy full share and ownership of JobStreet.com Bangladesh operation which we are expecting will be mature within 2-3 months. Over One Lakh job seeker database will be transferred from JobStreet.com Bangladesh to Jobsbd.com. JobStreet.com will be working as a strategic partner of jobsbd.com. They will also help Bangladeshi corporate to find suitable candidate from Asia Pacific region through Jobsbd.com.

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This time jobsbd.com is not only focused on online recruitment but also to extend career development training to different level of job seeker. This will help the job seeker to enhance their professional skill and secure better opportunities for them. The back end support will be provided by the Daffodil Education Network which has different nationally and internationally recognized institutes. 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.



We mentioned in our last AGM that DIPTI is going to attract all professional for their training needs. We are confident now because DIPTI already earned good confidence. International renowned organization like Microsoft, SUN, CISCO and Oracle are now working with DIPTI for their training solutions. DIPTI gets affiliation from Bangladesh Technical Educational Board (BTEB) last year and trying to make some joint collaboration with various renowned organizations. DIPTI works diligently to bridge the gap between employee and employer providing job oriented professional training so that DIPTI can transfer our huge population to skilled manpower to boost-up the countries socioeconomic condition.



Fresher Reception and Class Room of DIPTI

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

DIPTI also started its operation in Chittagong.



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

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 got training to Malaysia and Expert 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 feature are incorporated.

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Dividend:

The Board of Directors has recommended 12 % stock dividend for the year 2008-2009.

Election of Directors:

Directors of the company Mr. M.S. Shekil Chowdhury and Mr. Md. Emran Hossain are due to retire by rotation as per Article 90 of the Articles of Association of the Company and being eligible for re-appointment, they have offered themselves for re-election as per Articles 92 of the Articles of Association of the Company.

Appointment of Auditors:

The Company's existing Auditors M/S. Sarwar Salamat Co., Chartered Accountants, retire at this meeting and being eligible to offer them for reappointment for the next term i.e. year 2009-2010 at such remuneration as will be fixed here.

Conclusion:

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

Ladies and Gentlemen thank you again for your kind presence at the 12th Annual General Meeting of the Company and making it a success through your cooperation

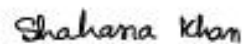
Allah Hefez.

With warm Regards

On behalf of the Board of Directors,



Md. Sabur Khan
Managing Director



Mrs. Shahana Khan (Kakoly)
Chairman

Corporate Governance

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

Internal Financial Control

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

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

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

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

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

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

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

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

Board Committees:

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

Board structure and procedure- The membership of the board during the year end as on 30th June 2009 stood at five directors. All directors are equally accountable as per law to the shareholders for the proper conduct of the business.

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

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Internal Audit Committee:

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

Rights and Relations with Shareholders:

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

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

The following information can be addressed through the secretarial department:

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

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

Going Concern:

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

Compliance Report on SEC's Notification :

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

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Conditions	Title	Compliance Status
1.0	Board of Directors & its report	
1.1	The members of the Board should not be less than 5 (five) and more than 20 (twenty).	Complied
1.2	Appointment of Independent Non-shareholder Director (at least one-tenth of total number of Board of Directors)	Complied
1.3	Chairman of the Board and Chief Executive Officer (CEO) be different person with different roles and responsibilities	Complied
1.4	Directors Report to include declarations on :	Complied
	Fairness of Financial Statements	
	Maintenance of proper books of accounts	Complied
	Consistent application of Accounting Policies in preparation of Financial Statements	Complied
	Observance of Bangladesh Accounting Standards (BAS)	Complied
	Soundness and efficiency of Internal Control	Complied
	Ability to continue as a going concern	Complied
	Significant deviations in operating results from last year	Complied
	Presentation of key operating and financial data for at least last three years	Complied
	Declaration of dividend	Complied
	Number of Board Meeting held during the year and attendance by each Directors	Complied
	Shareholding pattern	Complied
1.5	Number of Independent Director	Complied
1.6	Appointment of Independent Director	Complied
1.7	FS present fairly its state of affairs, results of its operations, cash flows & changes in equity	Complied
1.8	IASs, as applicable in Bangladesh, followed in FS preparation & any departure adequately disclosed	Complied
1.9	The system of internal control sound in g\ design & effectively implemented & monitored	Complied

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Conditions	Title	Compliance Status
1.10	BO significant doubt upon its ability to continue as a going concern	Complied
2.0	Appointment of CFO, Company Secretary etc.	
2.1	Appointment of CFO, Company Secretary and Head of Internal Audit and defining their responsibility.	Complied
2.2	Attendance of CFO and Company Secretary in the Board of Director's meeting	Complied
3.0	Formation of Audit Committee & its Reporting	
3.1	i. Number of members of Audit Committee ii. Inclusion of Independent Director in the Audit Committee iii. Fill the casual vacancy in Audit Committee	Complied Complied Complied
3.2	i. Chairman of the Board Audit Committee ii. Qualification and experience of Audit Committee Chairman	Complied Complied
3.3	i. Reporting by Audit Committee on its activities to the Board ii. Report to the Board by the Audit Committee on conflict of interest etc.	Complied Non such matters to report on
3.4	Report by Audit Committee on the qualified point to the SEC	Non such matters to report on
3.5	Report to the Shareholders in the event of findings of certain occurrences under condition 3.3(ii) above.	There was no such event
4.0	Statutory Auditors not to engage in: i. Appraisal or valuation services ii. Financial Information systems design and implementation iii. Book keeping or other services related to financial statements iv. Brokers-dealer services v. Actuarial services vi. Internal Audit Services vii. Any other services that the Audit Committee determines.	Complied Complied Complied Complied Complied Complied Complied

Director's Attendance in the Board of Director's Meeting During the year 2007-2008.

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

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Share holding position of Directors as on 01-12-2009

Name of Director	Shareholding
Mrs. Shahana Khan Kakoli	50,49,000
Mr. Md. Sabur Khan	3,85,000
Mr. Md. Younus Khan	13,750
Mr. Emran Hossain	1000
Mr. M.S. Shekil Chowdhury	1000

Share holding position of top five executives as on 01-12-2009

Name	Designation	Shareholding
Mr. Mr. Sabbir Ahmed Polash	COO (Chief Operating Officer)	583
Md. Jahir Uddin	Asst. General Manager	Nil
Abdul Khaleque Patwary	Manager	Nil
Md. Mahabubur Rahman	Head, Importg	Nil
Mr. Jafar Ahmed Patwary	Head, Daffodil PC	Nil

Minutes of the Eleventh Annual General Meeting

The 11th Annual General Meeting for the year ended June 30, 2008 of Daffodil Computers Limited was held as per schedule i.e. on December 31, 2008 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 09.00 A.M.

The following persons were present in the meeting:

1. Mrs. Shahana Khan, Chairman
2. Mr. Md. Sabur Khan, Managing Director
3. Mr. Younus Khan, Director
4. Mr. Emran Hossain, Director
5. Mr. M.S. Shekil Chowdhury, Director
6. Mr. Md. Monir Hossain, Company Secretary
7. Mr. Sarwar Mahmood, FCA, Auditor
- &
8. The Shareholders (As per attendance)

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 coming to attend 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. Jahangir Alam BO-120240000672037 requested the Managing Director that there was no need to read 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 knowledge of the shareholders.

He mentioned that despite of our best efforts in software and Hardware still we did not achieve our target but same time you may aware that educational venture of the Group make a strong position with its commitment, quality, resources and various research activities. Seeing the confidence and reputation we moved to the educational area last few years. As you aware that DIPTI (Daffodil International Professional Training Institute) & DGITEL slowly doing well and making a strong position. DIS, Daffodil International School strives to create a harmonious balance between academic demands, sporting, cultural activities and community life. Founded in 2008, DIS is an institution of Daffodil Computers Ltd., Bangladesh. It has a long tradition of leadership in educational & ICT development in Bangladesh. The activities of the school is just started and we hope that June 2009 we can start its operation i.e. class & admission in full swing. 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 4 and 14+ (from play group to 'O & A' level). At DIS, Daffodil International School there exists a welcoming, family atmosphere of warmth, security, trust and friendliness where firmness is mixed with encouragement and challenge to stimulate the child with a great care of its CPD, Children's Potential Development. An emphasis is placed on Mathematics /English/Science/GK and IT so that students can grow up with a global tone. DIS, Daffodil International School will be one of the worlds leading in the development of outcomes based education. Preprimary, Primary, Secondary education maintains country of leading with pre-primary education

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Another important project of Daffodil is KIOSK where Daffodil did lot of R&D and investment as trends of IT proved that KIOSK will be a dominating factor of sales too in near future. Though the revenue will be generating slowly from this project, but still it would appear as a profitable wing once implemented successfully. This is under effective supervision for early completion.

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 30 June 2008

Mr.Riazul Islam, Advocate - BO No. 123000093837 requested the Managing Director to conform the causes of not getting Annual Report and if courier service make a mistake then it should be punishment. The Managing Director welcomed his proposal and assured the house to do the needful. He then said the EPS of the Company was such a depiction of the company's position that it must not carry sufficient goodwill in the market. He expressed that the overall company sales is deteriorating considering that of last year's sales. 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.

Mr.Riazul Islam,Advocate - BO No. 123000093837 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 2008. Mr.Anwar Habib Kazal Folio No. 502 seconded the proposal and thereafter all the shareholders present supported it. In course of its adoption Mr.Jahangir Alam - BO no. 120240000672037 expressed his dissatisfaction that the Annual Report was not received by him and he termed that it could be a fault of courier service provider. After that Mr. Engineer Riazuddin Ahmed BO No. 1202260000604208 came into the dais and phrased Almighty Allah for everything. He said that he also did not get his copy of Annual Report. 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 cautiously in future.

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 6% Stock Dividend (6 shares per 100 shares) and 4% cash totaling 10% for the year ended June 30, 2008

Mr. Zamshidur Rahman Folio No.1157 proposed to approve 6% Stock Dividend (6 shares per 100 shares) and 4% cash totalling 10% for 2007-08. Mr. Engineer Riazuddin Ahmed BO No. 1202260000604208 and thereafter all the shareholders present supported it.

Approval: The Managing Director announced that the meeting passed the 6% Stock Dividend (6 shares per 100

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Agenda no. 03: To elect Directors

The Managing Director informed the house that Directors Mr. Younus Khan and Mr.Sabur Khan were due to retire in this 11th AGM and they are eligible for re-election as per Article 90 and 92 respective of the Articles of Association of the company.

Part-1:

Mr.S.M. Altaf Hossain - Folio no. 468 proposed the name of Mr. Younus Khan for reappointment as a Director. Mr.Anwar Habib Kazal - Folio No. 502 seconded the proposal and thereafter all the shareholders present supported it.

Part-2:

Mr.Jahangir Alam - BO no. 120240000672037 and Mr.Nuruzzaman- Folio 517 proposed the name of Mr. Md. Sabur Khan 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. Sabur Khan reappointed 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 2008-2009 and to fix their remuneration

The Managing Director informed the meeting that M/S. Sarwar Salamat & Co., Chartered Accountants, audited our accounts for the last year and is eligible for reappointment and also M/S. Aziz Halim Khair Choudhury, Chartered Accountant is offer to appointment as auditor of the company for the year 2008-2009.The Board of Directors' recommended that M/S. Aziz Halim Khair Choudhury, Chartered Accountants may be appointed for the year ended June 2008 subject to the approval of shareholders in the 11th AGM and clearance from SEC and such remuneration as will be fixed here.

But Mr.Nurruzamman - Folio No. 517 proposed the existing Auditor M/S. M/S. Sarwar Salamat & Co be reappointed as the Auditor of the Company and that its remuneration be same as 120,000.00. Mr.Jahangir Alam - BO no. 120240000672037 also proposed for Sarwar Salamat & co. Mr. Engineer Riazuddin Ahmed BO No. 1202260000604208 and thereafter all the shareholders present supported it.

Approval

The Managing Director announced that the existing auditor M/S.Sarwar Salamat & Co. has been reappointed as auditor of the company for 2008-2009 and that its fee has been fixed at Tk.120, 000.00 and a record was made thereof.

Thereafter the last agenda was placed before the meeting.

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Approval

The Managing Director announced that the existing auditor M/S.Sarwar Salamat & Co. has been reappointed as auditor of the company for 2008-2009 and that its fee has been fixed at Tk.120, 000.00 and a record was made thereof.

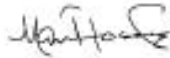
Thereafter the last agenda was placed before the meeting.

Agenda No. 05:

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

Mr.Riazul Islam, Advocate - BO No. 123000093837 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 share holders too. He requested the Managing Director to organise some events with the share holders, 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 Eleventh Annual General Meeting an end.



Md. Monir Hossain
Company Secretary



Md. Sabur Khan
Managing Director

Dated: Dhaka: December 31 2008

Annual Report 2008-09

Auditors' Report To The Shareholders Of Daffodil Computers Limited

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

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

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

BASIS OF AUDIT OPINION

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

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

OPINION:

In our opinion, the financial statements prepared in accordance with Bangladesh Accounting Standards, give a true and fair view of the state of affairs of the company as of June 30, 2009 and of the results of the operation and cash flows for the year then ended and comply with the Companies Act 1994, The Securities and exchange Rules 1987 and applicable laws and regulations

WE REPORT THAT:

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

Place : Dhaka
18th October 2009


Sarwar Salamat & Co.
Chartered Accountants

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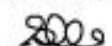
Annual Report 2008-09

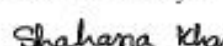
Daffodil Computers Limited Balance Sheet As at 30 June 2009

Particulars	Notes	30 June 2009 (Taka)	30 June 2008 (Taka)
APPLICATION OF FUNDS			
Non-Current Assets			
Fixed Assets (At cost)	4	123,943,773	123,787,301
Less: Accumulated Depreciation		43,910,817	38,166,553
		80,032,956	85,620,748
Customized Software Development	5	37,763,867	34,515,564
Work-in-Progress (Customized Software Development)	6	6,267,074	5,239,217
Investment in Subsidiary - Dolphin Computers Ltd.	7	14,400,000	14,400,000
Investment in Subsidiary - JS E-Recruitment Ltd.	8	19,299,678	18,049,678
Deferred Revenue Expenditure	9	1,948,438	2,435,548
Current Assets			
Inventories	10	52,372,855	50,232,575
Sundry Debtors	11	40,381,089	58,328,336
Advances, Deposits and Prepayments	12	56,179,512	69,376,427
Cash & Cash Equivalents	13	1,109,170	1,506,453
		150,042,626	179,443,791
Less: Current Liabilities			
Bank Loans, Overdraft and Credit	14	35,109,330	70,719,544
Trade Creditors	15	5,601,383	6,871,537
Liabilities for Expenses	16	5,879,997	5,763,031
Unclaimed Dividend		220,575	90,580
Provision for Income Tax	17	11,305,710	11,144,350
		58,116,995	94,589,042
Net Current Assets		91,925,631	84,854,749
Total Taka		251,637,644	245,115,504
SOURCES OF FUNDS			
Shareholders' Equity:			
Share Capital	18	204,050,000	192,500,000
Reserve & Surplus:			
Profit & Loss A/c	19	23,101,644	33,365,504
Dividends:			
Proposed Dividend		24,486,000	19,250,000
Shareholders' Equity		251,637,644	245,115,504
Total Taka		251,637,644	245,115,504

The accounting policies and other notes from 1 to 37 form an integral part of the Financial Statements. The Financial statements were authorized for issue by the Board of Directors on 15 - 10 - 2009 and signed on its behalf by :

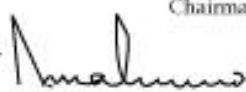

Md. Monir Hossain
Company Secretary


Md. Sabur Khan
Managing Director


Mrs. Shahana Khan
Chairman

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

Place : Dhaka
18th October 2009


Sarwar Salamat & Co.
Chartered Accountants

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Annual Report 2008-09

Daffodil Computers Limited Profit and Loss Account For the year ended 30 June 2009

Particulars	Notes	2007- 2009 (Taka)	30 June - 2008 (Taka)
Turnover	20	235,173,277	224,174,298
Cost of Goods Sold	21	(188,304,793)	(181,218,236)
Gross Profit		46,868,484	42,956,062
Operating Expenses:			
Administrative Expenses	22	(26,027,184)	(26,873,546)
Selling & Distribution Expenses	23	(1,826,361)	(2,044,846)
Financial Expenses	24	(6,909,649)	(5,935,257)
		(34,763,194)	(34,853,649)
Operating Profit		12,105,290	8,102,413
Operating Income from DIPTI		1,025,277	373,085
Indirect Income	25	1,252,933	704,706
Net Profit Before Tax		14,383,500	9,180,204
Provision for Income Tax	17	(161,360)	(121,151)
Net Profit After Tax		14,222,140	9,059,053
Profit/(Loss) brought forward		33,365,504	43,556,451
Profit available for Appropriation		47,587,644	52,615,504
Proposed Dividend		(24,486,000)	(19,250,000)
Profit/(Loss) carried forward		23,101,644	33,365,504
Earning per Share (EPS)	26	0.70	0.47

The accounting policies and other notes from 1 to 37 form an integral part of the Financial Statements. The Financial statements were authorized for issue by the Board of Directors on 15 - 10 - 2009 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
18th October 2009


Sarwar Salamat & Co.
Chartered Accountants

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Annual Report 2008-09

Daffodil Computers Limited Cash Flow Statement For the year ended 30 June 2009

Particulars	30 June 2009 (Taka)	30 June 2008 (Taka)
A. Cash flow from Operating Activities:		
Cash Received from Customers & Others	259,666,930	216,086,623
Cash Paid to Suppliers, Employees & Others	(201,645,666)	(140,284,626)
Cash generated from Operations:	58,021,264	75,801,997
Interest income from deposit	73	13,938
Financial Expenses	(6,909,649)	(5,935,257)
VAT paid	(492,782)	(1,113,964)
Income Tax Paid/Income Tax paid in advance	(165,766)	(734,399)
Net cash flow from operating activities	50,453,140	68,032,315
B. Cash flow from Investing Activities:		
Net Purchase of property, plant & equipment	(156,472)	(49,797,313)
Investment in Subsidiary-Dolphin Computers Ltd.	-	(14,400,000)
Investment in subsidiary - JSE Recruitment	(1,250,000)	-
Investment made (Customized software development)	(5,235,875)	(3,540,520)
Work-in-Progress (Customized software development)	(1,027,857)	(4,406,356)
Net cash used in investing activities	(7,670,204)	(72,144,189)
C. Cash flow from Financing Activities:		
Bank Loan, Overdrafts & Credit	(35,610,214)	2,370,935
Dividend Paid	(7,570,005)	(241,605)
Net Cash used in Financing Activities	(43,180,219)	2,129,330
Net Increase/(Decrease) in Cash & Cash Equivalents	(397,283)	(1,982,544)
Cash & Cash Equivalents at Opening	1,506,453	3,488,997
Cash & Cash Equivalents at Closing	1,109,170	1,506,453

The accounting policies and other notes from 1 to 37 form an integral part of the Financial Statements. The Financial statements were authorized for issue by the Board of Directors on 15 - 10 - 2009 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
18th October 2009


Sarwar Salamat & Co.
Chartered Accountants

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Annual Report 2008-09

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

Particulars	Spare Capital	Proposed Dividend	Retained Earnings	Total
As on 30 June 2008	192,500,000	19,250,000	33,365,504	245,115,504
Net Profit after tax during the year	-	-	14,222,140	14,222,140
Dividend Paid	-	(19,250,000)	-	(19,250,000)
Proposed Dividend - Bonus Share	-	24,486,000	(24,486,000)	-
Issue of Bonus Share	11,550,000	-	-	11,550,000
Balance as on 30 June 2009	204,050,000	24,486,000	23,101,644	251,637,644
Balance as on 30 June 2008	192,500,000	19,250,000	33,365,504	245,115,504

The accounting policies and other notes from 1 to 37 form an integral part of the Financial Statements. The Financial statements were authorized for issue by the Board of Directors on 15 - 10 - 2009 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.


Sarwar Salamat & Co.
Chartered Accountants

Place : Dhaka
18th October 2009

Daffodil Computers Limited Notes To The Financial Statements For The Year Ended 30 June 2009.

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 - 1215.

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 138 (One hundred thirty eight) persons.

2.00 BASIS OF PREPARATION:

2.01 Statement of Compliance

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

2.02 Basis of measurement

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

2.03 Functional and presentational currency and level of precision

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

2.04 Use of estimates and judgment

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

2.05 Reporting period

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

3.00 SIGNIFICANT ACCOUNTING POLICIES:

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

3.01 Application of Standards

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

3.02 Impact of Recently Issued Accounting Standards

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

3.03 Recognition of Property, Plant & Equipment and Depreciation:

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

Depreciation has been charged to administration expenses consistently.

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

3.04 Inventories

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

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

3.05 Cash and Cash Equivalents

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

3.06 Creditors and Accrued Expenses

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

3.07 Taxation

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

3.08 Revenue Recognition

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

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

3.09 Leases

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

3.10 Earning per shares (EPS)

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

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

3.11 Cash flow Statement

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

3.12 Additional information on Financial Statements

a) Responsibility for Preparation and Presentation of Financial Statements

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

b) Components of the Financial Statements

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

- (i) Balance Sheet as of 30 June 2009.
- (ii) Profit and Loss Account for the year ended 30 June 2009.
- (iii) Statement of Changes in Equity for the year ended 30 June 2009.
- (iv) Cash Flow Statement for the year ended 30 June 2009.
- (v) Accounting Policies and Explanatory notes.

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

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

d) Comparative information

Comparative information have been disclosed in respect of the year 2007-08 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 2007-08 have been rearranged whenever considered necessary to ensure comparability with the current year.

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4.00 FIXED ASSETS (AT COST LESS DEPRECIATION): 80,032,956

This is made up as follows :

Particulars	30 June 2009 (Taka)	30 June 2008 (Taka)
Opening Balance at Cost	123,787,301	73,989,988
Addition During the year	156,472	49,797,313
Closing Balance at Cost	123,943,773	123,787,301
Accumulated depreciation up to last year	(38,166,553)	(31,692,765)
	85,777,220	92,094,536
Depreciation charged for the year	(5,744,264)	(6,473,788)
Written down value	<u>80,032,956</u>	<u>85,620,748</u>

Details have been shown in schedule -A

5.00 CUSTOMIZED SOFTWARE DEVELOPMENT: 37,763,867

This represent as under:

Opening Balance	34,515,564	32,791,653
Add: Development cost during this year	5,235,875	3,540,520
	39,751,439	36,332,173
Less: Amortization @ 5%	1,987,572	1,816,609
Total:	<u>37,763,867</u>	<u>34,515,564</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): 6,267,074 5,239,217

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

7.00 INVESTMENT IN SUBSIDIARY CO.-Dolphin Computer Ltd.: 14,400,000 14,400,000

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

8.00 INVESTMENT IN SUBSIDIARY JS E-RECRUITMENT LTD.: 19,299,678

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

Opening Balance	18,049,678	1,850,000
Add : During this year	1,250,000	16,199,678
Total:	<u>19,299,678</u>	<u>18,049,678</u>

In the year 2005-06 DCL has entered into a joint venture agreement with Jobstreet Malaysia and formed a company in the name of 'JS E-Recruitment Ltd'. Where Daffodil Computers Ltd holds 40% and Jobstreet Malaysia holds 60% share. On 24-06-2009 Daffodil Computer Ltd. entered into an agreement to take the remaining shares from Jobstreet Corporation Berhad which is yet to be affected.

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9.00 DEFERRED REVENUE EXPENDITURE: 1,948,438

Particulars	30 June 2009 (Taka)	30 June 2008 (Taka)
Opening Balance	2,435,548	3,044,435
Add: Addition during the period	-	-
	2,435,548	3,044,435
Less: Amortization 20%	487,110	608,887
Total:	1,948,438	2,435,548

10.00 INVENTORIES: 52,372,855

This represents as under :

Computers-Finished/HP	6,464,899	5,679,176
Computer-Daffodil PC	11,200,052	10,153,155
Printers	1,372,083	1,607,429
Monitor	3,196,411	3,129,995
Hardware	5,598,372	6,099,723
Accessories	10,345,242	9,505,025
UPS	509,371	329,334
Stabilizer	179,083	204,216
Software	13,507,342	13,524,522
	52,372,855	50,232,575

11.00 SUNDRY DEBTORS: 40,381,089

This represents as under :

Trade Debtors (Note-11.01)	40,058,432	58,017,894
Other Debtors (Note-11.02)	322,657	310,442
Total:	40,381,089	58,328,336

This is unsecured but considered good.

11.01 TRADE DEBTORS: 40,058,432

This is arrived at as under :

Opening balance	58,017,894	47,894,683
Add: Addition during the year	108,525,375	102,729,793
	166,543,269	150,624,476
Less: Realized during the year	126,484,837	92,606,582
Less: AIT deducted by Clients in previous year	-	-
Closing Balance	40,058,432	58,017,894

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11.02 OTHER DEBTORS: 322,657

This is arrived at as under :

Particulars	30 June - 2009 (Taka)	30 June - 2008 (Taka)
Opening balance	310,442	168,161
Add: Addition during the year	20,000	165,787
	<u>330,442</u>	<u>333,948</u>
Less: Realized during the year	7,785	23,506
Closing balance	<u>322,657</u>	<u>310,442</u>

12.00 ADVANCES, DEPOSITS AND PREPAYMENTS : 56,179,512

Advances:

Income Tax (Note-12.01)	10,037,160	9,871,394
Local Purchase (Note-12.02)	2,015,000	5,274,050
Office Rent (Note-12.03)	2,145,052	2,675,252
Salaries (Note-12.04)	837,247	756,888
Advance against Development works (Note-12.05)	10,757,556	8,020,126
Advance against Projects Expenses (Note-12.06)	26,182,016	35,477,431
Advance against C & F Expenses	82,489	235,000

Deposits:

Security Deposit (Note-12.07)	869,012	1,308,775
Earnest Money (Note-12.08)	2,019,275	2,089,275

12.09 Bank Guarantee Margin (Note-12.09)

L/C Margin (Note-12.10)	374,000	2,480,531
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Total:

56,179,512	69,376,427
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This is unsecured but considered good.

12.01 ADVANCE INCOME TAX : 10,037,160

This consists of :

Opening balance	9,871,394	9,136,995
	118,766	184,399
Deducted by Customs Authority at the time of Import during the year	91,479	-
Deducted by Clients	27,287	184,399
AIT paid in cash	47,000	550,000
Closing Balance	<u>10,037,160</u>	<u>9,871,394</u>

12.02 ADVANCE AGAINST LOCAL PURCHASE: 2,015,000

Party wise break up is as under :

Name of Vendor		
S.Y.S Computers	-	2,025,800
Next Technology	202,500	2,230,250
Sys International	1,600,000	1,018,000
Softcom	212,500	-
Total:	<u>2,015,000</u>	<u>5,274,050</u>

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12.03 ADVANCE AGAINST OFFICE RENT: 2,145,052

Particulars	30 June - 2009 (Taka)	30 June - 2008 (Taka)
Head Office	535,052	644,252
Banani Branch	250,000	375,000
Br.Office Rent - Ctg Br.	1,260,000	1,380,000
Br Office Rent - Elephant Road Br..	100,000	-
Br.Office Rent - Khulna Br.	-	276,000
Total:	2,145,052	2,675,252
12.4 ADVANCE AGAINST SALARIES :	837,247	756,888

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

12.5 ADVANCE AGAINST DEVELOPMENT WORKS: 10,757,556

Daffodil Grameen Education Program	6,439,806	6,049,806
Daffodil International School (DIS)	3,075,850	-
KIOSK	1,241,900	1,220,320
Advance against Land & Bldg - Moghbazar Branch	-	750,000
Total:	10,757,556	8,020,126

12.6 ADVANCE AGAINST PROJECT EXPENSES: 26,182,016

BRTA-IS Project	19,831,258	19,831,258
UNDP	-	3,929,855
KAFCO	-	5,060,560
WASA	6,350,758	6,350,758
Other works	-	305,000
Total:	26,182,016	35,477,431

12.7 SECURITY DEPOSIT : 869,012

The movement is as under:

Opening balance	1,308,775	1,570,708
Add: Addition during the year	-	35,730
	1,308,775	1,606,438
Less: Matured and collected during the year	439,763	297,663
Closing balance	869,012	1,308,775

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.

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12.08 EARNEST MONEY: 2,019,275

The movement is as under:

Particulars	30 June - 2009 (Taka)	30 June - 2008 (Taka)
Opening balance	2,089,275	2,117,365
Add: Addition during the year	52,300	297,300
	<u>2,141,575</u>	<u>2,414,665</u>
Less: Withdrawal during the year	122,300	325,390
Closing balance	<u>2,019,275</u>	<u>2,089,275</u>

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

12.09 BANK GUARANTEE MARGIN: 860,705

It consists of:

BARI	33,960	33,960
Bangladesh Road Transport Authority	798,000	525,000
Bangladesh Bank	7,095	7,095
DG, Immigration & Passport	6,800	6,800
UNDP	14,850	14,850
WASA	-	600,000
Total:	<u>860,705</u>	<u>1,187,705</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.

12.10 L/C MARGIN: 374,000

This consists of:

L/C No DN-174608010115	-	482,920
L/C No. DN-174608010134	-	979,301
L/C No. DN-174608010172	-	348,085
L/C No. DN-174608010238	-	670,225
L/C No. DN-174609010175	374,000	-
	<u>374,000</u>	<u>2,480,531</u>

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

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

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

Name of Company	Nature of Transactions	Head of A/C.	2008-2009	2007-2008
Daffodil Software Ltd. (DSL)	Sales of Software through Other Debtors DSL		322,657	310,442
Total :			322,657	310,442

13.00 CASH AND CASH EQUIVALENTS: 1,109,170

This consists of as follows:

Cash at Bank (Note-13.01)	546,777	647,605
Cash in Hand (Note-13.02)	424,717	688,628
Cheques in hand (Note-13.03)	137,676	170,220
Total:	1,109,170	1,506,453

The break up is given below:

13.01 CASH AT BANK: 546,777

This consists of:

Name of Bank	Name of A/C.		
Al- Baraka Bank, IDB Bhaban Br., Dhaka	CD	703	703
The Premier Bank Ltd., Banani Br., Dhaka	CD	-	29,892
Arab Bangladesh Bank, Elephant Road Br., Dhaka.	CD	464	6,362
Uttara Bank, Nasirabad Br., Chittagong	CD	1,274	1,624
Uttara Bank, Green Road Br., Dhaka	CD	1,760	2,110
Mercantile Bank, Dhanmondi Br., Dhaka	CA	1,173	202,492
Mercantile Bank, Dhanmondi Br.	CD	127,500	120,200
HSBC, Anchor Tower Br., Dhaka	CD	11,476	10,976
Islami Bank BD Limited, IDB Bhaban Br.	CD	4,490	32,525
Standard Chartered Bank	CA	2,263	5,152
BRAC Bank Ltd.	CD	731	731
BRAC Bank Ltd.	CA	11,785	13,285
Southeast Bank Ltd.	CD	-	1,206
SIBL	CD	36,005	10,130
Dutchbangla Bank Ltd.	CA	328,499	29,937
Dutchbangla Bank Ltd.	CD	7,914	149,669
Bangladesh Krishi Bank	CA	1,294	1,294
National Bank	CD	9,446	12,651
Mercantile Bank Ltd.	STD	-	16,666
Total		546,777	647,605

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

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13.02 CASH IN HAND: 424,717

Particulars	30 June 2009 (Taka)	30 June 2008 (Taka)
H.O. - Main Cash	99,247	75,619
IDB Bhaban Br.	83,265	312,200
Banani Br.	39,410	41,203
Elephant Road Br.	-	44,126
Chittagong Br.	178,220	89,800
Bashundhara City Branch	24,575	20,440
Khulna Branch	-	105,240
Total:	424,717	688,628

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

13.03 CHEQUES IN HAND:

137,676

170,220

This represents Credit card & cheques received but not deposited within 30-06-2009.

14.00 BANK LOAN, OVERDRAFT AND CASH CREDIT: 35,109,330

Loan against Trust Receipt (LTR) (Note-14.01)	2,225,762	10,245,575
CC (Hypo) (Note-14.02)	12,060,998	35,733,185
Term Loan (Note-14.03)	20,822,570	24,740,784
Total:	35,109,330	70,719,544

14.01 LOAN AGAINST TRUST RECEIPT (LTR) :

2,225,762

10,245,575

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

14.02 CC (Hypo) :

12,060,998

35,733,185

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

14.03 TERM LOAN

20,822,570

24,740,784

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

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15.00 TRADE CREDITORS 5,601,383

This is arrived at as under :

Particulars	30 June - 2009 (Taka)	30 June - 2008 (Taka)
Opening balance	6,871,537	6,918,217
Add: Addition during the year	50,282,524	49,237,580
	57,154,061	56,155,797
Less: Paid/ Adjusted during the year	51,552,678	49,284,260
Closing balance	5,601,383	6,871,537

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

16.00 LIABILITIES FOR EXPENSES: 5,879,997

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

Salaries and Allowances	689,472	661,620
Contribution to Employees PF	4,485,621	4,132,120
Audit Fee	120,000	120,000
Telephone Bill	35,366	46,994
Electricity Bill	56,463	68,839
Paper Bills	2,300	2,483
Internet Bills	158,000	291,000
Insurance premium	111,199	110,225
Renewal Fee	221,576	209,750
Other Liabilities	-	120,000
Total	5,879,997	5,763,031

17.00 PROVISION FOR INCOME TAX: 11,305,710

This is arrived at as under :

Opening balance	11,144,350	11,023,199
Total income-as per profit & loss a/c before tax	14,383,500	9,180,204
Less: Income from software		
Sales of software	56,982,799	50,148,325
Less: Expenditure:		
Direct expenses	31,365,802	29,680,950
Administrative Exp.	7,211,884	7,517,081
Selling & Distribution Exp.	547,908	613,454
Financial Exp.	2,072,895	1,780,577
Add: Amortization expenses 5% on cost of Customized SW Development	1,987,572	1,816,609
	43,186,061	41,408,671
	13,796,738	8,739,654
Taxable Income	586,762	440,550
Provision for Income Tax @ 27.5%	161,360	121,151
Short Provision for Income Tax for the year 2004-05	-	-
Closing Balance	11,305,710	11,144,350

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

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18.00 SHARE CAPITAL: 300,000,000

Particulars	30 June - 2009 (Taka)	30 June - 2008 (Taka)
18.01 Authorized :		
30,000,000 Ordinary Shares of Tk. 10.00 each	300,000,000	300,000,000
18.02 Issued, Subscribed and paid up : 204,050,000		
17500000 shares of Tk.10.00 each fully paid up in cash.	175,000,000	175,000,000
1750000 bonus share of Tk.10each issued in 2006 -2007	17,500,000	17,500,000
1155000 bonus share of Tk.10 each issued in 2007 - 2008	11,550,000	
	<u>204,050,000</u>	<u>192,500,000</u>

Shareholding position was as follows :

Name of the Shareholders	No. of Shares	%	Amount
Promoters	10,660,000	52.24	106,600,000
ICB	-	-	-
Institution	-	-	-
General Public	9,745,000	47.76	97,450,000
Total	<u>20,405,000</u>	<u>100</u>	<u>204,050,000</u>

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	1,697	634,634	3	6,346,340
500 to 5,000 Shares	1,863	3,586,123	17.58	35,861,230
5,001 to 10,000 Shares	147	1,165,364	5.71	11,653,640
10,001 to 20,000 Shares	72	1,066,148	5.22	10,661,480
20,001 to 30,000 Shares	20	526,820	2.58	5,268,200
30,001 to 40,000 Shares	8	291,924	1.43	2,919,240
40,001 to 50,000 Shares	4	199,439	0.98	1,994,390
50,001 to 100,000 Shares	5	402,270	1.97	4,022,700
100,001 to 1,000,000 Share	8	3,055,348	14.97	30,553,480
Over 1,000,000 Shares	3	9,476,930	46.44	94,769,300
Total	<u>3,827</u>	<u>20,405,000</u>	<u>100.00</u>	<u>204,050,000</u>

19.00 PROFIT & LOSS A/C: 23,101,644

This is arrived at as under :

Opening balance	33,365,504	43,556,451
Add: Addition during the year	14,222,140	9,059,053
	<u>47,587,644</u>	<u>52,615,504</u>
Proposed Dividend	(24,486,000)	(19,250,000)
Closing balance	<u>23,101,644</u>	<u>33,365,504</u>

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20.00 TURNOVER 235,173,277

This is made up as follows :

Particulars	30 June - 2009 (Taka)	30 June - 2008 (Taka)
Sales of Computer and Computer Goods (Note-20.01)	178,190,478	174,025,973
Sales of Customized Software	56,982,799	50,148,325
Total Net Sales	235,173,277	224,174,298

Revenue recognition has been discussed in Note-3.08.

20.01 SALES OF COMPUTER & COMPUTER GOODS: 178,190,478

Name of Item

Computers

Printers

Monitor

Hardware

Accessories

UPS

Stabilizer

Software

Less: Return

Less: VAT

Total:

103,562,862	114,817,935
11,583,936	11,411,233
11,978,242	8,794,739
18,587,205	16,094,519
16,714,478	11,633,835
3,948,214	1,299,728
676,109	348,318
11,738,648	10,882,480
178,789,694	175,282,787
106,434	142,850
492,782	1,113,964
178,190,478	174,025,973

21.0 COST OF GOODS SOLD: TK. 188,304,793 188,304,793

It consists of :

Computer and Computer Goods (Note-21.01)

Customized Software & Web hosting etc. (Note-21.02)

Total:

156,938,991	151,537,286
31,365,802	29,680,950
188,304,793	181,218,236

21.01 COMPUTER & COMPUTER GOODS 156,938,991

Cost of Materials : (21.01.01)

Add: Direct Expenses:

Salaries and Allowances (Warehouse)

Carriage Inward

C & F expenses

Freight

PSI Charges & Other import levies & duties

Insurance premium

Development surcharge

Assembling Expenses

Network Expenses

Total:

153,572,197	146,049,440
252,800	450,000
166,596	88,912
220,979	754,325
919,941	699,135
853,943	1,383,202
293,350	171,090
441,560	1,568,928
181,380	255,000
36,245	117,254
3,366,794	5,487,846
156,938,991	151,537,286

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21.1.1 COST OF MATERIALS: 153,572,197

Particulars	30 June - 2009 (Taka)	30 June - 2008 (Taka)
Opening Stock	50,232,575	49,758,534
Add: Purchase - Foreign	21,357,067	33,064,473
Purchase - Local less return	134,355,410	113,459,008
	155,712,477	146,523,481
	205,945,052	196,282,015
Less: Closing Stock	52,372,855	50,232,575
	153,572,197	146,049,440

21.02 CUSTOMIZED SOFTWARE & WEB HOSTING: 31,365,802

Cost of Production	28,260,352	27,025,750
Add: Direct Expenses:		
Consultancy Fees	300,000	125,000
Resource hiring	2,805,450	2,530,200
	3,105,450	2,655,200
Total:	31,365,802	29,680,950

22.00 ADMINISTRATIVE EXPENSES 26,027,184

This consists of as follows :

Directors Remuneration	456,000	456,000
Salaries & Allowances	8,020,010	8,521,681
Bonus	663,817	759,273
Co's Contribution to Employees' Provident Fund	211,680	269,823
Office Rent	3,667,167	3,691,410
AGM Expenses	183,167	136,689
Audit fee	120,000	120,000
Bank charges	31,236	155,564
Business Tour & Travelling exp.	7,170	140,540
Car maintenance	511,120	181,411
Commission paid on credit cards	50,409	65,333
Computer Fair exp.	122,570	73,596
Consultation Fees	54,000	-
Conveyance	311,339	298,905
Discount allowed	16,872	955
Donation	61,395	57,850
Electricity	573,008	541,174
Enlistment Fees	3,200	1,000
Entertainment	160,202	77,730
Internet bills	180,800	127,350
Leave encashment	41,281	54,710
Miscellaneous	72,642	44,125
Office Maintenance	125,549	140,666

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Particulars	30 June - 2009 (Taka)	30 June - 2008 (Taka)
Papers & Periodicals	21,477	28,006
Printing & Stationery	597,122	362,922
Renewal expenses	355,331	318,105
Repairs & Maintenance	143,330	265,855
Schedule purchase	24,750	26,514
Staff welfare Expenses	200,986	113,589
Subscriptions	38,700	20,200
Telephone bills	424,058	589,728
Training expenses	48,100	40,200
Utilities	94,750	100,003
Human Resource Dev. Expense.	56,300	78,200
R & D Expenditure	82,650	50,455
Corporate Social Response (CSR)	76,050	64,700
Deferred Revenue Expenditure written off 20%	487,110	608,887
Depreciation	5,744,264	6,473,788
Total:	24,039,612	25,056,937
Allocation:		
22.01 Hardware & Network activities 70%	16,827,728	17,539,856
22.02 Customized Software & Web hosting activities 30%	7,211,884	7,517,081
	<u>24,039,612</u>	<u>25,056,937</u>
Add: Amortization expenses 5% on cost of Customized SW Development	1,987,572	1,816,609
Total:	26,027,184	26,873,546
23.00 SELLING & DISTRIBUTION EXPENSES 1,826,361		
This consists of as follows :		
Postage & Stamp	6,222	11,212
Advertisement	151,200	38,990
Business Promotion Expenses	627,195	1,360,577
Carriage outward	58,877	10,150
Replacement of sold goods	75,000	55,836
Sales incentives	907,867	568,081
Total:	1,826,361	2,044,846
Allocation:		
23.01 Hardware & Network activities 70%	1,278,453	1,431,392
23.02 Customized Software & Web hosting activities 30%	547,908	613,454
Total:	1,826,361	2,044,846
24.00 FINANCIAL EXPENSES 6,909,649		
(Bank Interest)	4,390,289	5,035,769
Rental charge for Leased Assets	2,519,360	899,488
Total:	6,909,649	5,935,257
Allocation:		
24.01 Hardware & Network activities 70%	4,836,754	4,154,680
24.02 Customized Software & Web hosting activities 30%	2,072,895	1,780,577
Total:	6,909,649	5,935,257

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25.00 INDIRECT INCOME: 1,252,933

Particulars	30 June - 2009 (Taka)	30 June - 2008 (Taka)
Interest on Deposit	73	13,938
Income from DCL general service section (Note-25.01)	950,510	366,464
Income from Dpc service section (Note-25.02)	302,350	324,304
Total :	1,252,933	704,706

25.01 INCOME FROM DCL GENERAL SERVICE SECTION: 950,510

Service bills received	4,244,687	2,010,257
Less: Cost of Spare parts	3,294,177	1,643,793
Total :	950,510	366,464

25.02 INCOME FROM DPC SERVICE SECTION: 302,350

Service bills received	783,660	538,965
Less: Cost of Spare parts	481,310	214,661
Total :	302,350	324,304

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

The computation of EPS is given below :

a) Net Profit after Tax	14,222,140	9,059,053
(b) Weighted aver. number of Ordinary Shares outstanding during the year	20,405,000	19,250,000
(c) Basic EPS	0.70	0.47

Calculation of weighted number of ordinary shares outstanding during the year from 01.07.2008 to 30.06.2009.

Date of Share Holdings	No. of Shares	Period	Days	Weighted Average Nos of Shares of Outstanding
30.06.2009	20,405,00	01.07.08 to 30.06.09	365	20,405,00
Total			365	20,405,00

27.00 Quantitative and Figurative Statement of Purchase, Sales and Inventories of Goods For the period ended 30 June 2009

As per requirements of Schedule -XI (Part-II) Section 3 (i)(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 indicating the quantities thereof :

Other than Hardware Items :

Elements	Computers Finished	Computer Daffodil PC	Printers	Monitor	Accessories	UPS	Stabilizer	Software	Total Taka
Opening quantity	258	481	119	712	Various	106	102	Various	
Add : Purchases- Qty.	1,498	2,498	804	2,227	Various	1,306	265	Various	
Goods available for sale- Qty	1,756	2,979	923	2,939	Various	1,412	367	Various	
Less: Goods sold Qty.	1,502	2,512	816	2,245	Various	1,233	282	Various	
Closing Balance Qty.	254	467	107	694	Various	179	85	Various	
Opening Balance	258	481	119	712	Various	106	102	Various	
Average Unit Cost- Taka	22012.31	21108.43	13507.81	4396.06	Various	3106.92	2002.12	Various	
Total cost of opening Stock Tk.	5679176	10153155	1607429	3129995	9505025	329334	204216	13524522	44132852
Add : Purchases- Qty	1,498	2,498	804	2,227	Various	1,306	265	Various	
Average Unit Cost- Taka	24,421.32	23,742.54	12,785.32	4,652.31	Various	2,725.24	2,025.75	Various	
Total cost of Purchase Tk.	36,583,137	59,308,865	10,279,397	10,360,694	15,065,245	3,559,163	536,824	8,795,612	144,488,937
Less: Goods sold	1,502	2,512	816	2,245	Various	1,233	282	Various	
Unit Sales price - Average	28,313.09	24,298.01	14,196.00	5,335.52	Various	3,202.12	2,397.55	Various	
Total Sales - Taka	42,526,261	61,036,601	11,583,936	11,978,242	16,714,478	3,948,214	676,109	11,738,648	160,202,489
Closing Quantity	254	467	107	694	Various	179	85	Various	
Average Unit Cost- Taka	25452.36	23982.98	12823.21	4605.78	Various	2845.65	2106.86	Various	
Total cost of CL Stock Tk.	6464899	11200052	1372083	3196411	10345242	509371	179083	13507342	46774483
Cost of materials	35,797,414	58,261,968	10,514,743	10,294,278	14,225,028	3,379,126	561,957	8,812,792	141,847,306

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27.01 Hardware Items

Elements	Processor	Mother Board	Harddisk	CD Rom Drive	Key Board	FDD	DVD(CDRW) Drive	RAM	AGP Card	Sound Card	CD Writer	Others	Total Taka
Opening quantity	104	73	93	70	388	180	87	210	124	38	29	Various	
Add : Purchases- Qty.	272	536	568	57	535	48	437	722	396	40	329	Various	
Goods available for sale- Qty	376	609	661	127	923	228	524	932	520	78	358	Various	
Less: Goods sold Qty.	265	542	554	73	548	203	428	718	401	52	327	Various	
Closing Balance Qty.	111	67	107	54	375	25	96	214	119	26	31	Various	
Opening Balance	104	73	93	70	388	180	87	210	124	38	29	Various	
Average Unit Cost-- Taka	6,893.03	4,430.03	3,282.24	1,288.74	222.28	634.03	1,572.48	1,122.78	2,389.05	1,115.21	2,698.28	Various	
Total cost of opening Stock Tk.	675,275	324,852	305,248	90,212	86,245	112,325	136,806	235,784	296,242	42,378	78,250	3,716,106	6,099,723
Add : Purchases-- Qty	272	536	568	57	535	48	437	722	396	40	329	Various	
Average Unit Cost-- Taka	4,880.71	3,665.70	3,166.31	980.32	169.27	552.92	1,237.70	866.86	2,164.78	891.13	2,201.02	Various	
Total cost of Purchase Tk.	1,218,753	1,932,655	1,798,464	55,878	90,559	26,540	540,875	625,873	857,253	35,645	724,136	3,316,909	11,223,540
Less: Goods sold	265	542	554	73	548	203	428	718	401	52	327	Various	
Unit Sales price -- Average	7,604.70	5,681.02	3,888.48	1,647.32	281.47	641.43	1,840.11	1,174.89	2,836.92	1,325.26	2,815.13	Various	
Total Sales -- Taka	2,013,246	3,079,113	2,154,218	120,254	154,246	130,210	787,567	843,571	1,137,605	68,914	920,548	7,175,713	18,587,205
Closing Quantity	111	67	107	54	375	25	96	214	119	26	31	Various	
Average Unit Cost-- Taka	6,392.71	4,632.04	3,321.24	1,276.35	227.72	621.23	1,625.35	1,094.24	2,635.26	1,195.03	2,765.06	Various	
Total cost of Cl. Stock Tk.	709,591	310,347	355,373	68,923	85,395	15,531	156,034	234,167	313,596	31,071	85,717	3,232,627	5,598,372
Cost of materials	1,184,437	1,947,160	1,748,339	77,167	91,409	123,334	521,647	627,490	839,899	46,952	716,669	3,600,388	11,724,891

SUMMARY OF COST OF MATERIALS AND SALES & CLOSING INVENTOR

	Other than Hardware	Hardware	Total
Opening Stock	44132832	6,099,723	50,232,575
Add: Purchase	14448937	11,223,540	15,712,477
Less: Closing Stock	188,621,789	17,323,283	205,945,052
Cost of Materials	46774483	5,998,372	52,372,855
Gross Sales	141847366	11,724,891	153,572,197
	160,202,489	18,587,205	178,789,694

28. Foreign Exchange Earned and Payment:

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

29. Payment/Perquisites to Director and Officers

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

30. Capital Expenditure Commitment

There was no Capital Expenditure Commitment as on 30 June 2009.

31. Contingent Liabilities

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

32. Claim Not Acknowledged

There was no claim against the company as on 30 June 2009.

33. Commission, Brokerage or Discount against Service

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

34. Credit Facility Not Availed

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

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

Proposed Dividend:

Subsequent to the balance sheet date, the Board of Directors recommendeddividend for 2008-2009. The dividend proposal is subject to shareholders' approval at the forthcoming Annual General Meeting.

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

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36. Miscellaneous

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

37. Special Reports as per Companies Act, 1994

- (a) 138 (One hundred thirty eight) employees engaged in the Company who received a total remuneration over Taka 36,000/- per year and 1 (one) employees drawing yearly remuneration below Taka 36,000/-
- (b) There was no non-resident Bangladeshi shareholder during the year under audit.


Md. Monir Hossain
Company Secretary


Md. Sabur Khan
Managing Director


Mrs. Shahana Khan
Chairman

Daffodil Computers Limited Schedule of Fixed Assets As on 30 June 2009

Particulars	COST			DEPRECIATION			W.D.V as on 30.06.09
	Opening as on 01.07.08	Addition During the yr.	Total Sales/ Adjustment as on 30.06.09	Rate	Opening as on 01.07.08	Charged During the yr.	
Leasehold Property	518,477	-	518,477	0%	-	-	518,477
Land	33,750,000	-	33,750,000	0%	-	-	33,750,000
Generator	445,000	-	445,000	15%	66,750	56,738	123,488
Furniture & Fixture	10,143,215	31,714	10,174,929	10%	4,692,073	548,286	5,240,359
Air cooling System	6,977,055	63,800	7,040,855	15%	3,567,307	521,032	4,088,339
Computer Set up in Office	7,113,365	-	7,113,365	15%	4,721,499	358,780	5,080,279
Office Equipment	2,167,195	53,958	2,221,153	15%	1,256,260	144,734	1,400,994
Vehicles	1,773,760	-	1,773,760	15%	1,350,740	63,453	1,414,193
Telephone & PABX	686,100	-	686,100	15%	484,953	30,172	515,125
Office Decoration	20,623,468	7,000	20,630,468	10%	10,183,883	1,044,659	11,228,542
Video Overhead Projector	380,000	-	380,000	15%	265,875	17,119	282,994
Water purifying Machine	62,000	-	62,000	15%	47,828	2,126	49,954
Stabilizer Making Plant	2,468,282	-	2,468,282	10%	1,040,571	142,771	1,183,342
Daffodil PC Assembling Plant	13,720,130	-	13,720,130	10%	4,718,353	900,178	5,618,531
Sales Centre Establishment	10,214,134	-	10,214,134	10%	3,026,171	718,796	3,744,967
Call Centre	5,083,920	-	5,083,920	10%	1,748,360	333,556	2,081,916
Library	1,020,000	-	1,020,000	15%	153,000	130,050	283,050
Campus Decoration	3,065,000	-	3,065,000	10%	306,500	275,850	582,350
Lab Equipment	3,576,200	-	3,576,200	15%	536,430	455,966	992,396
TOTAL TAKA (30.06.09)	123,787,301	156,472	123,943,773		38,166,553	5,744,264	43,910,817
TOTAL TAKA (30.06.08)	73,989,988	49,797,313	123,787,301		31,692,765	6,473,788	381,66553
							85,620,748

Daffodil Computers Limited

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

Proxy Form

I/We.....
of.....
being a Shareholders of Daffodil Comuters 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 12th Annual General Meeting & 2nd EGM of the Company to be held on 24 December 2009 at 9.30 & 9.10 AM and at any adjournment thereof to at any ballot to be taken in consequence there of.
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. Signatrrre 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 12th Annual General Meeting & 2nd EGM of the Company to be held on 24 December 2009 at 9.30 & 9.10 AM 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.