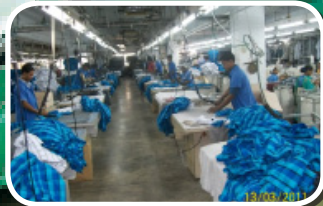
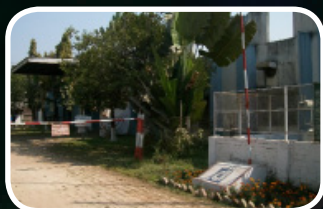


# Annual Report 2012-2013

বার্ষিক প্রতিবেদন ২০১২-২০১৩



**Desh Garments Limited**

# **ANNUAL REPORT**

**2012-2013**



**Desh Garments Limited**

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## LETTER OF TRANSMITTAL

To  
All Shareholders  
Bangladesh Securities and Exchange Commission  
Registrar of Joint Stock Companies & Firms  
Dhaka Stock Exchange Ltd.

**Sub : Annual Report for the year ended on 30th June, 2013.**

Dear Sir(s),

We are pleased to enclose a copy of the Annual Report together with the Audited Accounts including Statement of Financial Position as at June 30, 2013, Statement of Comprehensive Income, Statement of Cash Flows, Statement of Changes in Equity for the year ended on 30 June, 2013, along with notes thereon and all related consolidated Financial Statements for your kind information, records and necessary advice.

Yours faithfully,

Sd/-  
Habibur Rahman  
Company Secretary

Dated : 17th November, 2013

# Desh Garments Limited

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## Notice of the Thirtysixth Annual General Meeting

Notice is hereby given that the Thirtysixth Annual General Meeting of the Shareholders of Desh Garments Limited will be held on Wednesday the 18th December, 2013 at 12.30 p.m. in the Auditorium of Muktiyuddha Shmritee Milonayaton, Institution of Diploma Engineers Bangladesh, 160/A, Kakrail, V.I.P. Road, Dhaka-1000 to transact the following business :

01. To receive, consider and adopt the Audited Accounts of the Company for the year ended on 30th June, 2013 together with Report of the Directors and Auditors thereon.
02. To declare dividend.
03. Re-appointment of Managing Director for next 5(five) years.
04. To approve the appointment of Mr. Chitta Ranjan Mazumder, FCA, earlier appointed by the Board of Directors.
05. To elect Directors.
06. To appoint auditors for the year 2013-2014 and to fix their remuneration.

By order of the Board

Dated : Dhaka  
28 October 2013

Sd/-  
(Habibur Rahman)  
Company Secretary

### Notes:

The **Record Date** is 13 November, 2013.

Members of the company whose names appear in the register of members upto record date to be entitled to dividend for the year 2012-2013 to be approved by the Shareholders in the Annual General Meeting.

Any member of the company entitled to attend and vote at the above meeting may appoint a Proxy to attend and vote on his/her behalf. The Proxy Form duly affixing Revenue Stamp of Tk. 20.00 must be submitted at the Registered Office (Share Department) of the company not later than 48 hours before the time appointed for the meeting.

Admittance to the meeting venue will be on production of the attendance slip. Shareholders are requested not to be accompanied by child or guest.

The Shareholders are requested to notify change of address, if any.

Written queries, if any, expected to be replied at the Annual General Meeting on the Audited Accounts for the year ended 30th June 2013 should reach the Head Office (Share Department) of the company at least 7 (seven) days before the meeting for convenience and appropriate explanation.

## **CORPORATE GOVERNANCE**

The Company follows the guidelines No. SEC/CMRRCD/2006-158/134/Admin/44 dated 07/08/2012 issued by the Bangladesh Securities and Exchange Commission (BSEC). The company's internal control and reporting procedures are adequate and effective. Corporate Governance involves decision making process for any corporate body as a going concern for the benefit of all concerned, present and future. The involvement of the entrepreneur in all these areas invokes decision making governance on a continuous basis. These aspects of governance are shared by the Board of Directors, Executive Management, operational participants, workers and others in fulfillment of the common goals that converge in increasing the benefits of all stakeholders.

The organisms through which the corporate governance functions are carried out as under:

a) **Constitution:**

Board of Directors, the top management echelon, consisting of the founding entrepreneurs/ successors and Independent Directors, provides the policy and strategic support and direction for the entire range of the corporate activities. The Board of Directors now consist of five members including two Independent Directors. However, the present Board of Directors consists persons with varied education and experience which provides a balancing character in decision making process. The Board is reconstituted every year at each Annual General Meeting with one-third of the members retiring by rotation.

b) **Role & Responsibilities:**

The main role of the Board of Directors, which is the highest level of authority, is to provide general superintendence, oversee the operations and control the affairs of the company through appropriate delegation of authority and accountability processes via the lines of command. The Board of Directors, in fulfillment of its responsibility hold periodic meetings, at least once a quarter and provide appropriate decisions / directions to the executive management. The Board of Directors also remains responsible for ensuring overall hazard free and friendly working environment in the factory and offices.

c) **Relationship with shareholders & public:**

The shareholders as owners, are to be provided with material information on the company's operation, half-yearly and annually, the latter at the Annual General Meeting. They are also provided with routine services by the Company Secretary. The Board is, however, responsible to the public for publication of any Price Sensitive Information as per Bangladesh Securities And Exchange Commission regulation. A Company Secretary is in-charge for all these responsibilities.

# Desh Garments Limited

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d) **Audit Committee of Board:**

The Board of Directors has constituted an Audit Committee of the Board consisting of three Directors. The Audit Committee is headed by the Independent Director, Mr. Ranjit Chakraborty, MBA and a Senior Banker of the country and vastly experienced in company matter. Other members are Mrs. Rokeya Quader, Director and Miss Vidiya Amrit Khan, Director. The Audit Committee would carry out its responsibilities as per the provisions of law and submits its report to the Board of Directors from time to time. The Audit Committee also co-ordinates with the internal and external auditors as and when required. The Audit Committee also ensures compliance of requirements of Bangladesh Securities And Exchange Commission and other agencies.

e) **Executive Management:**

The executive management is led by the Managing Director (CEO) who is appointed by the Board of Directors for a term of five years (renewable) with the approval of shareholders in the Annual General Meeting. The Managing Director is supported by professional, well educated, trained and experienced team consisting of Executive Directors, General Managers and host of Senior Executives in the hierarchy of Management.

f) **Independent Director:**

We are pleased to inform you that Mr. Chitta Ranjan Mazumder, FCA, who is a knowledgeable person with integrity and capable to insure compliance with financial, regulatory and corporate laws and can make meaningful contributions to the conduct of the business of the company and also safeguard the interest of the shareholders, has been appointed as Independent Director of the company with effect from 18-08-2013. With this appointment the number of Directors of Desh Garments Limited is now 5 Directors, which is the requirement of Board's Size as per Bangladesh Securities & Exchange Commission Notification No. SEC/CMRRCD/2006-158/134/Admin/44 dated 7th August, 2012 stand fully complied with.

# Desh Garments Limited

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## **MANAGEMENT APPARATUS:**

### **A. Board of Directors:**

Mrs. Rokeya Quader	-	Chairman
Mr. Omar Quader Khan	-	Managing Director
Miss Vidiya Amrit Khan	-	Director
Mr. Ranjit Chakraborty	-	Independent Director
Mr. Chitta Ranjan Mazumder	-	Independent Director

### **Auditors:**

M/s. Shafiq Basak & Co.  
Chartered Accountants  
Shatabdi Centre (6th Floor)  
292, Inner Circular Road,  
Fakirapool, Dhaka-1000.

### **Banker:**

National Bank Limited

### **B. Audit Committee:**

Mr. Ranjit Chakraborty	-	Chairman
Mrs. Rokeya Quader	-	Member
Miss Vidiya Amrit Khan	-	Member

### **Legal Advisors:**

Barrister Rafique Ul Huq  
M/s. Huq & Company  
47/1, Purana Paltan, Dhaka.

### **C. Management Committee:**

Mr. Omar Quader Khan	-	Chairman
Miss Vidiya Amrit Khan	-	Member
Mr. Habibur Rahman	-	Member

### **Insurance:**

M/s. Desh General Insurance Co.Ltd.  
Jiban Bima Bhaban (5th Floor),  
10, Dilkusha C/A., Dhaka-1000.

### **D. Senior Corporate Officials:**

Mr. Habibur Rahman	-	Company Secretary
Mr. Nazmul Huda Mullick	-	Chief Financial Officer
Mr. A.Z.M. Ahsanullah	-	Head of Internal Audit

### **Listing:**

Dhaka Stock Exchange Ltd.

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## **REGISTERED OFFICE**

Desh Garments Limited  
Awal Centre (7th Floor)  
34, Kemal Ataturk Avenue, Road No.17  
Banani C/A., Dhaka-1213.  
Tel : 9822019, 9822314

## **FACTORY**

53/A, Kalurghat Industrial Area  
Chittagong.

# Desh Garments Limited

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## **CORPORATE HISTORY**

1. Date of Incorporation : 27/12/1977
2. Year of Commencement of Business : 1977
3. Date of IPO : 19/06/1989
4. Date of listing with DSE : 24/09/1989
5. Authorised Capital : TK.100,000,000
6. Paid up Capital : TK.33,700,000
7. Number of Shareholders : 2,281
8. Number of total Employees : 1,710
9. Main product : Woven Shirts
10. Main Export Market (countries) : USA, Canada, EU

## **CORPORATE OPERATIONAL RESULTS**

<b>PARTICULARS</b>	<b>2012-2013 (Taka)</b>	<b>2011-2012 (Taka)</b>	<b>2010-2011 (Taka)</b>	<b>2009-2010 (Taka)</b>	<b>2008-2009 (Taka)</b>
Total Turnover	258,210,120	241,522,863	258,981,091	255,246,569	143,338,743
Gross Profit	18,162,373	15,096,359	16,161,478	15,467,533	13,497,361
Net Profit (AT)	2,962,873	2,414,396	1,048,039	762,615	595,816
Earning per share (Tk.)	0.88	0.72	3.11	2.26	1.77
Dividend Rate (%)	7%	7%	7%	5%	4%
Total Assets	177,322,104	155,197,304	122,307,243	128,794,766	123,087,323
Total Liabilities	(136,247,133)	(114,726,206)	(83,261,021)	(89,807,063)	(84,155,435)
Net Asset Value	41,074,971	40,471,098	39,046,222	38,987,703	38,931,888
N.A.V. Per share	12.19	12.00	115.86	115.69	115.52

# Desh Garments Limited

## Directors' Report to Shareholders for the year ended on 30th June, 2013

Bismillahir Rahmanir Rahim

Dear Shareholders,  
Assalamu Alaikum,

I am pleased to welcome you to the 36th Annual General Meeting of the company being held at this pleasant afternoon, at the Auditorium of Muktiuddha Shmritee Milonayaton, Institution of Diploma Engineers Bangladesh, Kakrail, Dhaka. In terms of section 184 of the Companies Act, 1994 and Rule 12 (and the schedule thereunder) of the Bangladesh Securities and Exchange Rules 1987, I am pleased to present, on behalf of the Board of Directors, the Report of the Directors on the activities of the company together with the Auditors' Report thereon for the year ended on 30th June, 2013 for your kind consideration and approval.

### **OPERATIONS:**

At the outset, I am pleased to inform you that eminent Chartered Accountant of the country, Mr. Chitta Ranjan Mazumder, FCA, has been appointed as second Independent Director of the company. We are sure the company will be greatly benefitted from his knowledge & experience.

We have completed another year of operations successfully maintaining almost the equivalent level of previous year. In the last Directors' Report of 2011-12 we informed you of our purchase of machineries worth of Tk.2.22 crore to augment our production capacity. Although our machines were in place in time, but unfortunately, we were faced with shortage of orders during second half of the year mainly due to external factors beyond our control. The frequent Hartal situation and accidents in some factories causing death of workers made the Buyers hesitant to place large orders. In this situation preventing of downtrend was considered as success, which we could successfully accomplish raising our export earning to Tk.25.82 crore, 7% increase over previous year.

During this year, we have taken several steps towards improvement of management efficiency. Mr. Mohammad Nurul Islam, a veteran managerial person in the garment industry having proven track record of successfully managing as General Manager, large garments factories like Zyta Apparels Ltd. (Annual production capacity of 2.3 million pcs. doing orders of buyers like GAP & H&M etc.), Deminach Ltd. (Annual capacity 4.32 lac pcs. in 18 lines) joined us as Head of Chittagong Operations in July 2013.

In the marketing side, our Director Ms. Vidiya Amrit Khan is directly supervising the total work of order procurement and overseeing the production and delivery on whole time basis.

In the financial sector, we are continuously taking suggestions and advises from our two Independent Directors, as and when required, specially during preparation of Budget & Financial Plans and also during periodical evaluation of performances. With the above improvement in the management structure, we have already achieved average production per month from 93,855 pcs./month during 2012-13 to 1,05,880 pcs./month during July-September 2013, registering an increase of 13%. The upward trend is expected to be maintained in future.

Besides improving the management structure as above, we have also planned to make complete 10 Lines fully operative from March 2014. It may be mentioned here that although we had required machineries for additional two lines, we did not make it operative due to uncertain order situation and continued with eight lines. However, now we have decided to make full ten lines operative from March 2014. Financial projections during 2014, made on basis of planned operation as above, is projected to attain satisfactory improvement which we expect to further improve in subsequent years.

### **FINANCIAL RESULTS :**

Due to control of costs and expenses despite reduced FOB, we have been able to achieve export target and earned a net profit. A summarized comparative results for the years 2011-2012 and 2012-2013 are given below:

	<b><u>2012-13 (Taka)</u></b>	<b><u>2011-12(Taka)</u></b>
Turnover (Exports)	258,210,120	241,522,863
Gross Profit	18,162,373	15,096,359
Operating Profit	1,857,378	1,057,560
Profit from operations	1,857,378	1,057,560
Add: Dividend received from CDBL	1,713,543	1,599,305
Net Profit after tax	2,962,873	2,414,396
Earning Per Share (EPS)	0.88	0.72
Net Assets Value (NAV)	12.19	12.00
Face Value of share (Tk.)	10.00	10.00
Operating Cash Flow Per Share	2.30	7.57

# Desh Garments Limited

## **Board Meeting and Attendance:**

During the year under review (2012-13) 9 Board Meetings were held. The attendance record of the Directors is as follows:

<b>Name of Directors</b>	<b>Position</b>	<b>Meetings held</b>	<b>Attended</b>
Mrs. Rokeya Quader	Chairman	9	9
Mr. Omar Quader Khan	Managing Director	9	9
Miss Vidiya Amrit Khan	Director	9	8
Mr. Ranjit Chakraborty	Independent Director	9	7
Mr. Chitta Ranjan Mazumder, FCA	Independent Director	9	Appointed w.e.f. 18.08.2013

The Directors who could not attend the meetings were granted leave of absence.

## **Shareholding**

The Pattern of shareholding as on 30.06.2013 are as follows:

<b>Sl. No.</b>	<b>Name-wise details</b>	<b>No. of Shareholding</b>	<b>Percentage</b>	<b>Remarks</b>
	Parent/Subsidiary/Associate Company			
i)	Directors, Company Secretary, Chief Financial Officer, Head of Internal Audit and their spouses and minor children:			
	<b>Directors:</b>			
	Mrs. Rokeya Quader	274,120	8.13	
	Mr. Omar Quader Khan Chief Executive Officer (CEO)	1,172,900	34.80	
	Miss Vidiya Amrit Khan	506,830	15.03	
	Mr. Ranjit Chakraborty Independent Director			
	Company Secretary (CS)	300	-	
	Chief Financial Officer (CFO)	-	-	
	Head of Internal Audit (HIA)	-	-	
ii)	Executives (Top five salaried persons other than CEO, CS, CFO, HIA)			
1.	Mrs. Jolly Hassan	-	-	
2.	Mr. Alauddin Ahamed	-	-	
3.	Mr. Imam Hossain	-	-	
4.	Mr. Modasser Ahmed	-	-	
5.	Mr. Bikas Datta	-	-	

## **Shareholders holding 10% or more voting right**

1.	Mr. Omar Quader Khan	1,172,900	34.80	
2.	Miss Vidiya Amrit Khan	506,830	15.03	

The Directors also report that:

The financial statement of the company present true and fair view of the company's state of affairs, result of its operations, cash flows and changes in equity.

# Desh Garments Limited

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Proper books of accounts as required by law have been maintained. Appropriate accounting policies have been followed in formulating the financial statements and accounting estimates were reasonable and prudent. The financial statements were prepared in accordance with International Accounting Standard (IAS) as applicable in Bangladesh. The internal control system is sound in design and effectively implemented and monitored. There are no significant doubts upon the company's ability to continue as a going concern.

## **Dividend:**

The net profit after tax earned during the financial year under report is Tk. 2,962,873/= which is meagre to set off the accumulated losses of previous years. The Directors, however, recommended Tk. 0.70 dividend per share of Tk.10/= each, total of which comes to Tk. 2,359,000/= from the profit of the current financial year payable to all shareholders of the company.

## **Managing Director's Remuneration:**

The Managing Director and other Directors have not drawn any remuneration during the year under report.

## **Retirement of Director by Rotation:**

Mrs. Rokeya Quader is due to retire by rotation as per Article 122 of the Articles of Association of the Company and being eligible she seeks re-election as per Article 124.

## **Appointment of Auditors:**

M/s. Shafiq Basak & Co., Chartered Accountants, retire at this Annual General Meeting. The retiring auditors have expressed their willingness to continue. Auditors are required to be appointed at this Annual General Meeting and fix their remuneration.

## **Management Appreciation:**

We take this opportunity to thank all our shareholders, well wishers, banks and business associates for their sincere co-operation and understanding.

We also thank the workers, staff and officers of the company for their sincere work.

The status of compliance required to be presented by the company in pursuance to Notification No.SEC/CMRRCD/2006-158/134/Admin/44 of August 07, 2012 issued by the Bangladesh Securities And Exchange Commission is given in Annex.-02 and Audit Committee Report for the year 2012-13 is also enclosed vide Annex.-03.

Thanking you,

Sd/-

Rokeya Quader  
Chairman

Dated : 28/10/2013



**Rahman Mostafa Alam & Co.**  
Chartered Accountants



**Certificate on compliance of conditions of corporate governance guidelines to  
the shareholders of**

**Desh Garments Limited**

We have examined the compliance of conditions of corporate governance guidelines of the Bangladesh Securities and Exchange Commission (BSEC) by Desh Garments Limited for the year ended on June 30, 2013 as stipulated in clause 7(i) of the BSEC notification no. SEC/CMRRECD/2006-158/134/Admin/44 dated August 07, 2012.

The compliance of conditions of corporate governance guidelines as stated in the aforesaid notification and reporting of the status of compliance is the responsibility of the management of Desh Garments Limited. Our examination for the purpose of issuing this certificate was limited to the checking of procedure and implementation thereof, adopted by Desh Garments Limited for ensuring the compliance of conditions of corporate governance and correct reporting of compliance status on the attached statement on the basis of evidence gathered and representation received.

To the best of our information and according to the explanations given to us, we certify that, as reported on the attached status of compliance statement, Desh Garments Limited has complied with conditions of corporate governance stipulated in the above mentioned BSEC notification dated August 07, 2012.

Dated: Dhaka  
October 28, 2013

  
**Rahman Mostafa Alam & Co.**  
Chartered Accountants

# Desh Garments Limited

ANNEXURE-02

Status of compliance with the conditions imposed by the Securities and Exchange Commission's notification No.SEC/CMRRCD/2006-158/134/Admin/44 : dated August 07, 2012.

Condition No.	Title	Compliance Status		Remarks (if any)
		Complied	Not Complied	
1.1	Board's Size : The number of the Board members shall not be less than 5 (five) and more than 20 (Twenty)	√		
<b>1.2</b>	<b>Independent Director:</b>			
1.2 (i)	One fifth (1/5) of the total number of directors.	√		
1.2 (ii) a)	Does not hold any share or holds less than 1% shares of the total paid-up shares	√		
1.2 (ii) b)	Not connected with any sponsor/director/ shareholder who holds 1% or more shares of the total paid-up shares on the basis of family relationship.	√		
1.2 (ii) c)	Does not have any other relationship, whether pecuniary or otherwise, with the company or its subsidiary/associated companies	√		
1.2 (ii) d)	Not a member, director or officer of any stock exchange	√		
1.2 (ii) e)	Not a shareholder, director or officer of any member of stock exchange or an intermediary of the capital market	√		
1.2 (ii) f)	Not a partner or an executive or was not a partner or an executive during the preceding 3 (three) years of any statutory audit firm.	√		
1.2 (ii) g)	Not be an independent director in more than 3 (three) listed companies;	√		
1.2 (ii) h)	Not been convicted by a court of competent jurisdiction as a defaulter in payment of any loan to a bank or a NBF	√		
1.2 (ii) i)	Not been convicted for a criminal offence involving moral turpitude	√		
1.2 (iii)	Nominated by the Board of Directors and approved by the shareholders in the AGM	√		
1.2 (iv)	Not remain vacant for more than 90 (ninety) days.	√		
1.2 (v)	Board shall lay down a code of conduct of all Board members and annual compliance of the code to be recorded	√		
1.2 (vi)	Tenure of office of an Independent Director shall be for a period of 3 (three) years, which may be extended for 1 (one) term only.	√		
<b>1.3</b>	<b>Qualification of Independent Director (ID):</b>			
1.3 (i)	Knowledge of Independent Directors	√		
1.3 (ii)	Background of Independent Directors	√		
1.3 (iii)	Special cases for qualifications			No such incident
<b>1.4</b>	<b>Individual Chairman of the Board and CEO</b>	√		
<b>1.5</b>	<b>The Directors' Report to Shareholders:</b>			
1.5 (i)	Industry outlook and possible future developments in the industry	√		

# Desh Garments Limited

1.5 (ii)	Segment-wise or product-wise performance	√		
1.5 (iii)	Risks and concerns	√		
1.5 (iv)	Discussion on Cost of Goods sold, Gross Profit Margin and Net Profit Margin	√		
1.5 (v)	Discussion on continuity of any Extra-Ordinary gain or loss	√		
1.5 (vi)	Basis for related party transactions	√		
1.5 (vii)	Utilization of proceeds from public issues, rights issues and / or through any others	√		
1.5 (viii)	Explanation if the financial results deteriorate after the company goes for IPO, RPO, Rights Offer and Direct Listing.			No such incident happened
1.5 (ix)	Explanation about significant variance occurs between Quarterly Financial Performance and Annual Financial Statements			No such incident happened
1.5 (x)	Remuneration to Directors including Independent Directors	√		
1.5 (xi)	Fairness of Financial Statement	√		
1.5 (xii)	Maintenance of proper books of accounts	√		
1.5 (xiii)	Adoption of appropriate accounting policies and estimates	√		
1.5 (xiv)	Followed IAS, BAS, IFRS and BFRS in preparation of financial statements	√		
1.5 (xv)	Soundness of internal control system	√		
1.5 (xvi)	Ability to continue as a going concern	√		
1.5 (xvii)	Significant deviations from the last year's	√		
1.5 (xviii)	Key operating and financial data of at least preceding 5 (five) years	√		
1.5 (xix)	Reasons for not declared dividend			Not applicable
1.5 (xx)	Number of board meetings held during the year and attendance	√		
<b>1.5 (xxi)</b>	<b>Pattern of Shareholding:</b>			
1.5(xx) a)	Parent/Subsidiary/Associated Companies and other related parties	√		
1.5(xx) b)	Directors, CEO, CS, CFO, HIA and their spouses and minor children	√		
1.5(xx) c)	Executives	√		
1.5(xx) d)	10% or more voting interest	√		
<b>1.5(xxii)</b>	<b>Appointment/re-appointment of director:</b>			
1.5(xxii) a)	Resume of the director	√		
1.5(xxii) b)	Expertise in specific functional areas	√		
1.5(xxii) c)	Holding of directorship and membership of committees of the board other than this company.	√		
<b>2.1</b>	<b>Appointment of CFO, HIA and CS:</b>			
2.2	Attendance of CFO and the CS at the meeting of the Board of Directors	√		
<b>3.</b>	<b>Audit Committee :</b>			
3 (i)	Constitutions of Audit Committee	√		
3 (ii)	Assistance of the Audit Committee to Board of Directors	√		
3 (iii)	Responsibility of the Audit Committee	√		
<b>3.1</b>	<b>Constitution of the Audit Committee:</b>			
3.1 (i)	As least 3 (three) members	√		
3.1 (ii)	Appointment of members of the Audit Committee	√		
3.1 (iii)	Qualification of Audit Committee members	√		
3.1 (iv)	Term of Service of Audit Committee members	√		
3.1 (v)	Secretary of the Audit Committee	√		

# Desh Garments Limited

3.1 (vi)	Quorum of the Audit Committee	√		
<b>3.2</b>	<b>Chairman of the Audit Committee:</b>			
3.2 (i)	Board of Directors shall select the Chairman.	√		
3.2 (ii)	Chairman of the audit committee shall remain present in the AGM.			Will be complied
<b>3.3</b>	<b>Role of Audit Committee:</b>			
3.3 (i)	Oversee the financial reporting process	√		
3.3 (ii)	Monitor choice of accounting policies and Principles	√		
3.3 (iii)	Monitor Internal Control Risk management process	√		
3.3 (iv)	Oversee hiring and performance of external auditors	√		
3.3 (v)	Review the annual financial statements before submission to the board for approval	√		
3.3 (vi)	Review the quarterly and half yearly financial statements before submission to the board for approval	√		
3.3 (vii)	Review the adequacy of internal audit function	√		
3.3 (viii)	Review statement of significant related party transactions	√		
3.3 (ix)	Review Management Letters/ Letter of Internal Control weakness issued by statutory auditors	√		
3.3 (x)	Disclosure about the uses/ applications of funds raised by IPO/RPO/Right issue	√		
<b>3.4</b>	<b>Reporting of the Audit Committee:</b>			
3.4.1	Reporting to the Board of Directors:			
3.4.1 (i)	Activities of Audit Committee	√		
3.4.1(ii) a)	Conflicts of interests			No such incident
3.4.1(ii) b)	Material defect in the internal control system			No such incident
3.4.1(ii) c)	Infringement of laws, rules and regulations			No such incident
3.4.1(ii) d)	Any other matter			No such incident
<b>3.4.2</b>	<b>Reporting to the Authorities</b>	√		
<b>3.5</b>	<b>Reporting to the Shareholders and General Investors</b>	√		
<b>4.</b>	<b>Engagement of External/Statutory Auditors:</b>			
4 (i)	Appraisal or valuation services or fairness opinions	√		
4 (ii)	Financial information systems design and implementation	√		
4 (iii)	Book-keeping	√		
4 (iv)	Broker-dealer services	√		
4 (v)	Actuarial services	√		
4 (vi)	Internal Audit Services	√		
4 (vii)	Services that the Audit Committee Determines	√		
4 (viii)	Audit firms shall not hold any share of the company they audit	√		
<b>5.</b>	<b>Subsidiary Company:</b>			
5 (i)	Composition of the Board of Directors			Not applicable
5 (ii)	At least 1 (one) Independent Director to the subsidiary company			Not applicable
5 (iii)	Submission of Minutes to the holding company			Not applicable
5 (iv)	Review of Minutes by the holding company			Not applicable
5 (v)	Review of Financial Statement by the holding company			Not applicable
<b>6.</b>	<b>Duties of Chief Executive Officer and Chief Financial Officer:</b>			
6 (i) a)	Reviewed the materiality untrue of the financial statement	√		
6 (i) b)	Reviewed about compliance of the accounting standard	√		
6 (ii)	Reviewed about fraudulent, illegal or violation of the company's code of conduct	√		
<b>7.</b>	<b>Reporting and Compliance of Corporate Governance:</b>			
7 (i)	Obtain certificate about compliance of conditions of Corporate Governance Guidelines	√		
7 (ii)	Annexure attached in the Directors' Report	√		

## **AUDIT COMMITTEE REPORT**

For the year 2012-13

The Audit Committee consists of the following members:

Mr. Ranjit Chakraborty	Chairman
Mrs. Rokeya Quader	Member
Miss Vidiya Amrit Khan	Member

### **The scope of Audit Committee was defined as under:**

- a. Review and recommend to the Board to approve the financial statements prepared for statutory purpose;
- b. Report to the Board of Directors on internal audit findings from time to time considering the significance of the issues;
- c. Carry on a supervision role to safeguard the system of governance and independence of statutory auditors; and
- d. Review and consider the internal report and statutory auditors' observations on internal control.

Activities carried out during the year:

Four meetings of the Audit Committee were held during the year 2012-2013, first one in November 2012, second one in January 2013, third one in April 2013 and last one in October 2013. In the first three meetings, un-audited quarterly Statement of Comprehensive Income and Statement of Financial Position were discussed and examined in details. In the last meeting held on 28 October 2013, the audited Accounts for the year 2012-2013 was discussed and examined in details.

Through holding of meetings as above, the Committee reviewed and discussed the internal control and audit systems, justifications and correctness of the expenditures incurred and income earned. The Committee found adequate arrangement to present a true and fair view of the activities and the financial status of the Company and didn't find any material deviation, discrepancies or any adverse finding/observation in the areas of reporting.

Sd/-

Ranjit Chakraborty  
Chairman  
Audit Committee

Dated : October 28, 2013

# Desh Garments Limited

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## **AUDITOR'S REPORT TO THE SHAREHOLDERS**

We have audited the annexed Statement of Financial Position of DESH GARMENTS LIMITED, as of June 30, 2013 and its Statement of Comprehensive Income, Statement of Cash Flows and Statement of Changes in Equity for the year ended as on that date together with the accompanying Notes thereto.

### **Respective Responsibilities of the Management and the Auditors:**

The preparation of this Financial Statement is the responsibility of the company's management. Our responsibility is to express an independent opinion on this Financial Statement based on our audit.

### **Scope:**

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

### **Opinion:**

In our opinion, the Financial Statement, prepared in accordance with Bangladesh Accounting Standard (BAS) give a true and fair view of the state of the company's affairs as of June 30, 2013 and of the results of its operations and its cash flows for the year then ended and comply with the Companies Act, 1994.

### **We also report that:**

- (i) We have obtained all the information, explanations and documents which to the best of our knowledge and belief were necessary for the purpose of our audit and made due verification thereof.
- (ii) The Company management has followed relevant provision of law and rules in managing the affairs of the Company and that proper books of account, records and other statutory books have been properly maintained.
- (iii) The Statement of Financial Position and Statement of Comprehensive Income, Statement of Changes in Equity are in agreement with the said books of account maintained by the Company and examined by us while the Cash Flow Statement conforms with the presentation laid out in the Bangladesh Financial Reporting Standard (BFRS); and
- (iv) The expenditure incurred and payments made were for the purpose of the Company's business for the year.

Dated : Dhaka  
The October 28, 2013.

Sd/-  
**(SHAFIQ BASAK & CO.)**  
Chartered Accountants

# Desh Garments Limited

## STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2013 (UNIT NOS. 1 & 2)

(UNIT NOS. 1 & 2)		Fig. in Tk.	Fig. in Tk.
NET ASSETS	NOTES	30 JUNE '13	30 JUNE '12
SOURCES OF FUND :			
Shareholders' equity		41,074,971	40,471,098
Share capital	39	33,700,000	33,700,000
Tax Holiday Reserve	40	7,272,808	7,272,808
General Reserve	41	1,477,579	1,477,579
Capital Reserve	42	51,620,221	51,620,221
Retain Earnings		(52,995,637)	(53,599,510)
	Total Taka:	41,074,971	40,471,098
APPLICATION OF FUNDS :			
Non-Current Assets		99,034,518	102,419,464
Tangible Fixed Assets, Net of accumulated depreciation	20	98,926,843	102,284,870
Preliminary Expenses	21	107,675	134,594
Current Assets		78,287,586	52,777,840
Inventories	22	15,979,546	5,009,193
Sundry Debtors	23	-	3,912,794
Investment in Shares	24	5,711,810	5,711,810
Loans, Advances and Deposits	25	10,666,890	6,160,987
Income Tax Deduction at Source	26	10,222,069	7,814,731
Cash and Bank Balances	27	35,707,271	24,168,325
Current Liabilities and Provisions		(136,247,133)	(114,726,206)
Loans and Overdraft	28	(37,135,525)	(31,304,533)
Liabilities for Goods	29	(67,245,856)	(52,780,649)
Accrued Expenses	30	(19,095,200)	(20,236,973)
Creditors	31	(3,367,023)	(2,889,604)
Unclaimed Dividend	32	(237,960)	(237,960)
Dividend Payable	33	(4,935,885)	(4,935,885)
Employees' Provident Fund	34	(208,367)	(208,367)
Provision for Income Tax	35	(1,662,317)	(1,142,715)
Proposed Dividend	36	(2,359,000)	(989,520)
Net Current Assets		(57,959,547)	(61,948,366)
	Total Taka:	41,074,971	40,471,098

The accounting policies and other notes form an integral part of the Financial Statements.

The Financial Statements were authorised for issue by the Board of Directors on 28.10.2013 and signed on its behalf by :

Sd/-  
**ROKEYA QUADER**  
Chairman

Sd/-  
**OMAR QUADER KHAN**  
Managing Director

Sd/-  
**HABIBUR RAHMAN**  
Company Secretary

AUDITORS' REPORT TO THE SHAREHOLDERS :

This is the Statement of Financial Position referred to in our report of even date :

Shatabdi Centre (6th Floor)  
292, Inner Circular Road,  
Fakirapool, Motijheel, Dhaka-1000

Dated : 28 October, 2013

Sd/-  
**(SHAFIQ BASAK & CO.)**  
Chartered Accountants

# Desh Garments Limited

## STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2013 (UNIT NOS. 1 & 2)

Particulars :	NOTES	Fig. in Tk.	
		30 JUNE '13	30 JUNE '12
TURNOVER	43	258,210,120	241,522,863
COST OF GOODS SOLD	44	240,047,747	226,426,504
<b>GROSS PROFIT</b>		<b>18,162,373</b>	<b>15,096,359</b>
<b>OPERATING EXPENSES :</b>			
Administrative, Selling & Financial Expenses	47	16,304,995	14,038,799
<b>OPERATING PROFIT</b>		<b>1,857,378</b>	<b>1,057,560</b>
Contribution to W. P. & Welfare Fund		88,447	50,360
		1,768,932	1,007,200
Add: Cash Dividend		1,713,543	456,945
Stock Dividend		-	1,142,360
<b>NET PROFIT BEFORE TAX</b>		<b>3,482,475</b>	<b>2,606,505</b>
Less: Income Tax Provision		519,602	192,109
<b>NET PROFIT AFTER TAX</b>		<b>2,962,873</b>	<b>2,414,396</b>
<b>Paid/Proposed Dividend</b>			
Dividend @ 7% to all shareholders		2,359,000	989,520
		<b>603,873</b>	<b>1,424,876</b>
Profit upto last year		11,959,861	10,534,985
		<b>12,563,734</b>	<b>11,959,861</b>
Exceptional loss due to 29 April 1991 devastating cyclone		(65,559,371)	(65,559,371)
<b>Profit/(Loss) Carried Forward</b>		<b>(52,995,637)</b>	<b>(53,599,510)</b>
Earnings Per Share (EPS) – Basic	48	0.88	0.72

The accounting policies and other notes form an integral part of the Financial Statements.

The Financial Statements were authorised for issue by the Board of Directors on 28.10.2013 and signed on its behalf by:

Sd/-  
Rokeya Quader  
Chairman

Sd/-  
Omar Quader Khan  
Managing Director

Sd/-  
Habibur Rahman  
Company Secretary

### AUDITORS' REPORT TO THE SHAREHOLDERS :

This is the Statement of Comprehensive Income referred to in our report of even date :

Shatabdi Centre (6th Floor)  
292, Inner Circular Road,  
Fakirapool, Motijheel, Dhaka-1000

Dated : 28 October, 2013

Sd/-  
**(SHAFIQ BASAK & CO.)**  
Chartered Accountants

# Desh Garments Limited

## STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2013

Particulars	Fig. in Tk.	
	30 JUNE '13	30 JUNE '12
<b>Cash Flows from Operating Activities</b>		
Collections from Turnover & Others	263,836,457	244,308,443
Payment for Cost & Expenses	(253,686,765)	(217,091,957)
Tax paid	(2,407,338)	(1,690,842)
	<b>7,742,354</b>	<b>25,525,644</b>
<b>Cash Flows from Investing Activities</b>		
Tangible Fixed Asset Acquired	(1,044,880)	(22,155,919)
<b>Cash Flows from Financing Activities</b>		
Received of Bank Loan and Others	6,380,992	10,556,606
Other Loan Repaid/ Received	(550,000)	550,000
Dividend paid	(989,520)	(989,520)
	<b>4,841,472</b>	<b>10,117,086</b>
Increase/(Decrease) in Cash and Cash Equivalents	11,538,946	13,486,811
Cash and Cash Equivalents at Opening	24,168,325	10,681,514
<b>Cash and Cash Equivalents at Closing</b>	<b>TK. 35,707,271</b>	<b>24,168,325</b>

The accounting policies and other notes form an integral part of the Financial Statements.  
The Financial Statements were authorised for issue by the Board of Directors on 28-10-2013 and signed on its behalf by:

Sd/-  
Rokeya Quader  
Chairman

Sd/-  
Omar Quader Khan  
Managing Director

Sd/-  
Habibur Rahman  
Company Secretary

### AUDITORS' REPORT TO THE SHAREHOLDERS :

This is the Statement of Cash Flows referred to in our report of even date :

Shatabdi Centre (6th Floor)  
292, Inner Circular Road,  
Fakirapool, Motijheel, Dhaka-1000  
Dated : 28 October, 2013

Sd/-  
**(SHAFIQ BASAK & CO.)**  
Chartered Accountants

# Desh Garments Limited

## STATEMENT OF CHANGES IN EQUITY

### FOR THE YEAR ENDED 30 JUNE 2013

Particulars	Share Capital	Tax Holiday Reserve	General Reserve	Capital Reserve	Retained Earnings	Total Amount (TK.)
At 01 July 2012	33,700,000	7,272,808	1,477,579	51,620,221	(53,599,510)	40,471,098
Net Profit for 2012-13	-	-	-	-	2,962,873	2,962,873
Proposed Dividend 2012-13	-	-	-	-	(2,359,000)	(2,359,000)
<b>At 30 June 2013</b>	<b>33,700,000</b>	<b>7,272,808</b>	<b>1,477,579</b>	<b>51,620,221</b>	<b>(52,995,637)</b>	<b>41,074,971</b>

The Notes **1** to **50** form an integral part of these financial statements.

The Financial Statements were authorized for issue by the Board of Directors on 28.10.2013 and signed on its behalf by :

### FOR THE YEAR ENDED 30 JUNE 2012

Particulars	Share Capital	Tax Holiday Reserve	General Reserve	Capital Reserve	Retained Earnings	Total Amount (TK.)
At 01 July 2011	33,700,000	7,272,808	1,477,579	51,620,221	(55,024,386)	39,046,222
Net Profit for 2011-12	-	-	-	-	2,414,396	2,414,396
Proposed Dividend 2011-12	-	-	-	-	(989,520)	(989,520)
<b>At 30 June 2012</b>	<b>33,700,000</b>	<b>7,272,808</b>	<b>1,477,579</b>	<b>51,620,221</b>	<b>(53,599,510)</b>	<b>40,471,098</b>

Sd/-  
Rokeya Quader  
Chairman

Sd/-  
Omar Quader Khan  
Managing Director

Sd/-  
Habibur Rahman  
Company Secretary

#### AUDITORS' REPORT TO THE SHAREHOLDERS :

This is the Statement of Changes in Equity referred to in our report of even date :

Shatabdi Centre (6th Floor)  
292, Inner Circular Road,  
Fakirapool, Motijheel, Dhaka-1000

Dated : 28 October, 2013

Sd/-

**(SHAFIQ BASAK & CO.)**

Chartered Accountants

# Desh Garments Limited

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## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013 FORMING AN INTEGRAL PART OF THE FINANCIAL STATEMENTS

**A. Compliance with the requirements of notification of the Securities and Exchange Commission dated 04.06.2008 under reference # SEC/CMMRPC/2008-181/53/Adm/03/28.**

1. Notes to the financial statements marked from C-1 to C-18 outline the policies are unambiguous with respect to the reporting frame work on which the accounting policies are based.
2. The accounting policies on all material areas have been stated clearly in the notes marked from C-1 to C-18.
3. The accounting standards that underpin the policies adopted by the company can be found in the following places of the notes to the financial statements:

SL. No.	Applicable Accounting Standards	Note reference
01.	IAS/BAS – 1	04.00
02.	IAS/BAS – 2	06.00
03.	IAS/BAS – 7	07.00 & 08.00
04.	IAS/BAS – 12	10.01
05.	IAS/BAS – 16	05.00
06.	IAS/BAS – 18	11.00
07.	IAS/BAS – 21	12.00
08.	IAS/BAS – 33	13.00 & 48.00
09.	IAS/BAS – 36	14.00

4. The financial statements are in compliance with the Bangladesh Financial Reporting Standards (BFRS) which are adapted from the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB).

AND

5. The Standards and reporting framework used in the financial statements do not differ from IFRS (BFRS) issued by IASB.

# Desh Garments Limited

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## **B. Legal status and nature of the company – Disclosure under IAS 1 as adopted by The Institute of Chartered Accountants of Bangladesh as BAS 1 “Presentation of Financial Statements”**

### **Domicile, Legal Form and Country of Incorporation**

Desh Garments Limited (hereinafter referred to as “The Company”) was incorporated in Bangladesh as a public company limited by shares on 27.12.1977. The Company owns two 100% export oriented industrial Units. Unit No. 01 has an installed capacity of 216,000 dozs in single shift. During the year under review the production in Unit No. 01 could not be restored after extensive damage of machinery and equipment in April, 1991 by the devastating cyclone, hence no export was made from Unit No. 01 production. Unit No. 02 has a production capacity of 128,000 dozs is double shift against which it has, during the year, utilized 68.07% Shortfall in utilisation of production capacity was due to non-availability of sufficient export orders.

### **Address of Registered Office and Principal Place of Business**

The principal place of business is the registered office at 34, Kemal Ataturk Avenue, Banani C/A, Dhaka-1213, Bangladesh and the factories are located at Kalurghat, Chittagong.

### **Principal Activities And Nature of Operations**

The company owns and operates industrial plants for manufacturing of ready made garments and sales thereof.

### **Number of Employees**

On the payroll of the Company, there were 46 officers 49 Staff and 1,615 permanent / badly / contractual workers.

		<u>Taka</u>
i)	1,710 Staff/Officers/Employees drew yearly salary & allowances of Tk. 36,000 or more.	68,860,827
ii)	- Staff/ Officers/Technicians and many other casual workers drew yearly salary/wages & allowances less than Tk. 36,000	-
	<u>1,710</u>	<u>68,860,827</u>

# Desh Garments Limited

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## **C. Significant Accounting Policies-Disclosures.**

### **1.00 Compliance with International Accounting Standards (IASs):**

The Financial Statements have been prepared in compliance with requirements of IASs as adopted by the Institute of Chartered Accountants of Bangladesh (ICAB) and applicable in Bangladesh.

### **2.00 Compliance with Local Laws:**

The Financial Statements have been prepared in compliance with requirements of the Companies Act, 1994, the Securities and Exchange Rules, 1987 and other relevant local laws and rules.

### **3.00 Measurement Bases used in preparing the Financial Statements:**

The elements of financial statements have been measured on “Historical Cost” basis, which is one of the most commonly adopted base as provided in *“the frame-work for the preparation and presentation of financial statements” issued by the International Accounting Standards Committee (IASC).*

### **4.00 Components of the Financial Statements:**

According to the International Accounting Standard (IAS) 1 as adopted by ICAB as BAS 1 “Presentation of Financial Statements”, the complete set of Financial Statements includes the following components:

- (i) Statement of Financial Position as at 30 June 2013.
- (ii) Statement of Comprehensive Income for the year ended 30 June 2013.
- (iii) Statements of Changes in Equity for the year ended 30 June 2013.
- (iv) Statement of Cash Flows for the year ended 30 June 2013.
- (v) Accounting policies and explanatory notes.

### **5.00 Specific accounting policies selected and applied for significant transactions and events:**

*Recognition of Property, Plant and Equipment and Depreciation.*

Property, Plant and Equipment are stated at their cost less accumulated depreciation in accordance with IAS 16 as adopted by ICAB as BAS 16 “Property, Plant and Equipment”. Cost represents cost of acquisition or construction and capitalization of pre-production expenditure including interest during construction periods. No depreciation is charged on land and land development. Depreciation has been charged on additions from the date of when the related assets are ready for use. Depreciation on all other fixed assets is computed using the diminishing balance method in amounts sufficient to write off depreciable assets over their estimated useful economic lives. Expenditure of maintenance and repairs are expensed; major replacements, renewals and betterments are capitalized.

# Desh Garments Limited

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The depreciation rates applicable to the principal categories are :

Factory Building and other Construction .....	20 %
Plant and Machinery .....	15 %
Office Equipment.....	15 %
Furniture and Fixtures .....	10 %
Transport and Vehicles .....	20 %
Other Assets .....	5% to 20%

## **6.00 Inventories:**

Inventories comprise raw materials; work in process and finished goods. They are stated at the lower of cost and net realizable value on consistent basis in accordance with IAS 2 as adopted by ICAB as BAS 2 "Inventories". Net realizable value is based on estimated selling price less any further costs expected to be incurred for completion and disposal.

## **7.00 Cash and Cash Equivalents:**

According to IAS 7 as adopted by ICAB as BAS 7 "Statement of Cash Flows", cash comprises cash in hand and demand deposit and, cash equivalents are short term, highly liquid investments that are readily convertible to known amount of cash and which are subject to an insignificant risk of changes in value. IAS 1 "Presentation of Financial Statements" also provides that cash and cash equivalents are those which have no restriction in use considering the provision of IAS 7 and IAS 1. Cash in hand and bank balances have been considered as cash and cash equivalents.

## **8.00 Statement of Cash Flows:**

Statement of Cash Flows is prepared principally in accordance with IAS 7 as adopted by ICAB as BAS 7 "Statement of Cash Flows" and the cash flow from the operating activities have been presented under direct method as prescribed by the Securities and Exchange Rules, 1987 and 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".

## **9.00 Accounting Convention and Basis:**

These accounts are prepared under historical cost convention, except for re-valuation of fixed assets taken into account in 1995-96, on an accrual basis assuming that the Company will continue as a going concern for the foreseeable future.

## **10.00 Taxation:**

Taxation is provided in accordance with fiscal regulations applicable. The company is publicly traded company as per the Income Tax Ordinance, 1984. The company qualifies for being treated as a "Publicly Traded Company". The company is 100% export oriented garments industry for which the rate of tax at 10% has been applied for profit on Garments business and 20% for Dividend Income while making provision for income tax.

# Desh Garments Limited

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## **10.01 Discloser under BAS -12:**

Deferred Tax Liability is not recovered to be computed in case of this Garments Industry because the amount of tax deducted / collected at source from export bills is treated as the final tax liability under the Income Tax Ordinance from the financial year 2005-06, irrespective of the operational results. During the financial year 2012-13 the total amount of tax deducted /collected at source is Tk. 24,07,338.

## **11.00 Revenue Recognition:**

The revenue during the year represents revenue arising from C.M. received and sales of readymade garment items which are recognized when deliveries are made, against the sales order received from the respective customer and after satisfying all the conditions for revenue recognition as provided in IAS 18 “Revenue Recognition”

## **12.00 Foreign Currency Translation:**

Transactions denominated in foreign currencies are translated into Bangladesh Taka and recorded at rates of exchange ruling on the date of transaction in accordance with IAS 21 as adopted by ICAB as BAS 21 “The Effects of Changes in Foreign Currency Rates”.

## **13.00 Earning Per Share (EPS):**

The company calculates Earnings Per Share (EPS) in accordance with IAS 33 as adopted by ICAB as BAS 33 “Earnings Per Share” which has been shown on the face of Statement of Comprehensive Income and the computation of EPS is stated in Note-48.

### **Basic Earnings**

This represents earnings for the year attributable to ordinary shareholders. As there was no preference dividend, minority interest or extra ordinary items, the net profit for the year has been considered as fully attributable to the ordinary shareholders.

### **Basic Earnings Per Share**

This has been calculated by dividing the basic earnings by the weighted average of number of ordinary shares outstanding during the year.

### **Diluted Earnings Per Share**

No diluted EPS is required to be calculated for the year, as there was no scope for dilution during the year under review.

## **14.00 Assets of the Company:**

As all assets of the company shown in the financial statement that are within the scope of BAS-36 are in physical existence and valued at no more than their recoverable amount following International Accounting Standards adopted in Bangladesh, disclosures with regard to “Impairment of Assets” as per BAS-36 have not been considered necessary.

## **15.00 Tax Holiday:**

Tax holiday period of “Unit No. 01” and “Unit No. 02” have expired. Consolidated Statement of Comprehensive Income and Statement of Financial Position have been prepared in conformity with the Securities & Exchange Rule, 1987.

# Desh Garments Limited

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## **16.00 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 assumption that affects the report, amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and revenue and expenses during the period reported. Actual results could differ from those estimates. Estimates are used for accounting of certain terms such as long term contracts, provision for doubtful accounts, depreciation and amortization, employees' benefit plans, taxes reserves and contingencies.

## **17.00 Sundry Debtors:**

There are no Debtors at the end of the year.

## **18.00 Additional Information:**

### **18.01 Responsibility for preparation and presentation of Financial Statements:**

The Board of Directors is responsible for the preparation and presentation of Financial Statements under Section 183 of the Companies Act, 1994 and as per the provision of "the framework for the preparation and presentation of financial statements" issued by the International Accounting Standards Committee (IASC).

### **18.02 Reporting Period:**

Financial Statements of the company cover one financial year from 01 July 2012 to 30 June 2013.

### **18.03 Comparative Information:**

Comparative information have been disclosed in respect of the financial year 2011-2012 for all numerical information in the financial statements and also the narrative and descriptive information when it is relevant for understanding of the current year's financial statements.

Figures of the financial year 2011-2012 have been rearranged whenever considered necessary to ensure comparability with the current year.

### **18.04 Turnover:**

Turnover comprises export sales of the company.

### **18.05 Commission:**

No commission has been paid to sales agents during the year under audit.

### **18.06 Brokerage or Discount:**

The company did not pay any brokerage or discount other than the conventional trade discount against sales.

# Desh Garments Limited

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## **18.07 Due by the Directors:**

Nothing was due by Directors (including Managing Director), Managers, and other officers of the Company or by associated undertakings and any of them severally or jointly with any other persons rather, interest free loan of Tk. 1,32,46,778 has been taken from Managing Director to meet up day to day expenses of the company.

## **18.08 Miscellaneous Expenses:**

Miscellaneous Expenses does not exceeding 1% of total revenue.

## **18.09 Audit Fee:**

As per decision taken in the 35th Annual General Meeting of the company held on 27-12-2012 the auditors' remuneration of Tk. 80,000 has been provided in the accounts which is the sum to be paid to auditors as their fixed remuneration for 2012-2013. During the year nothing has been paid to the auditors for any other services rendered.

## **18.10 Board Meeting & Members:**

There were 4 members in the Board of Directors of the Company and 9 Board Meetings were held in the year under review.

## **18.11 Acknowledgement of Claims:**

There was no claim against the company not acknowledged as debt as on 30 June 2013.

## **18.12 Credit Facility not availed of:**

There was no general credit facilities other than those are stated in "Note-28.00" were available to the company under any contract to be availed of at the Statement of Financial Position date.

## **18.13 Transactions with Related Parties / Associated Undertakings:**

There were no transactions with related parties during the year ended 30 June 2013.

## **18.14 Going Concern:**

There is no significant doubt upon the company's ability to continue as going concern.

## **18.15 Trade Creditors and other Current Liabilities:**

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

## **18.16 Reporting Currency and level of precision:**

The figures in the financial statements represent Bangladesh currency (Taka), which have been rounded off to the nearest Taka.

## **19.00 RATIO AND LIQUIDITY:**

### **19.01 Gross Profit:**

The gross profit earned during the year is 7.03 % as against the gross profit earning of 6.25% with C. M. Receipts during the preceding year.

# Desh Garments Limited

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## 19.02 Liquidity :

	<u>30 June 2013</u>	<u>30 June 2012</u>
Liquid Assets	62,308,040	47,768,647
Current Liabilities and Provisions	(136,478,133)	(114,726,206)
Net Liquid Assets	(74,170,093)	(66,957,559)
Other Current Assets	15,979,546	5,009,193
Net Current Assets	(58,190,547)	(61,948,366)

## 19.03 Current Ratio :

	<u>30 June 2013</u>	<u>30 June 2012</u>
Current Assets	78,287,586	52,777,840
Current Liabilities and Provisions	(136,478,133)	(114,726,206)
Ratio	0.57 : 1.00	0.46 : 1.00
Standard Ratio	<b>2.00 : 1.00</b>	<b>2.00 : 1.00</b>

## 19.04 Operating Ratio :

	<u>30 June 2013</u>	<u>30 June 2012</u>
Turnover	258,210,120	241,522,863
Cost of Goods Sold	240,047,747	226,426,504
Add : Administrative, Selling & Financial Exp.	16,304,995	14,038,799
	256,352,742	240,465,303
Ratio	99.28:100.00	99.56:100.00

## 19.05 Others :

	<u>30 June 2013</u>	<u>30 June 2012</u>
Net Assets Value (NAV)	12.19	12.00
Operating Cash Flow per Share	2.3	7.57

# Desh Garments Limited

## 20.00 TANGIBLE FIXED ASSETS : TK. 98,926,843

The figures have been arrived at as under:

	<u>30 June 2013</u>	<u>30 June 2012</u>
At Cost 01 July 2012		
Unit No. 01	80,846,002	80,846,002
Unit No. 02	65,963,311	43,807,392
	146,809,313	124,653,394
Addition during the year		
Unit No. 01	-	-
Unit No. 02	1,044,880	22,155,919
	1,044,880	22,155,919
Total	147,854,193	146,809,313
Less : Accumulated depreciation		
Unit No. 01	7,347,899	7,352,318
Unit No. 02	41,579,451	37,172,125
	48,927,350	44,524,443
Written down value	<u><b>98,926,843</b></u>	<u><b>102,284,870</b></u>

Details have been shown in Annexure 'A-1 & A-2'

## 21.00 PRELIMINARY EXPENSES : TK. 107,675

	<u>30 June 2013</u>	<u>30 June 2012</u>
Preliminary Expenses ( as per last account)	134,594	134,594
Less: Written off 20% on cost	26,919	-
	<u><b>107,675</b></u>	<u><b>134,594</b></u>

## 22.00 INVENTORIES : TK. 15,979,546

The detailed break up of the amount is as follows:

### a) FABRICS

Sl.	Name	Unit	Quantity	Value in Taka
1	M/s. Kohl's Tony Hawk	Yards	93,037	11,164,440
2	N.Y Sourcing	Yards	8,978	1,077,360
	<b>Total</b>		<b>102,015</b>	<b>12,241,800</b>

b)	ACCESSORIES	Assorted	1,234,091
c)	FINISHED GOODS		2,503,655
	<b>Total (a + b + c)</b>		<u><b>15,979,546</b></u>

# Desh Garments Limited

## 23.00 SUNDRY DEBTORS:

	<u>30 June 2013</u>	<u>30 June 2012</u>
Balance as on 30th June 2013	-	3,912,794
	-	3,912,794

## 24.00 INVESTMENT IN SHARE: TK. 5,711,810

	<u>30 June 2013</u>	<u>30 June 2012</u>
Opening Balance	5,711,810	4,416,700
Add: Investment during the Year	-	152,750
Stock Dividend	-	1,142,360
	<u>5,711,810</u>	<u>5,711,810</u>

## 25.00 LOANS, ADVANCES AND DEPOSIT (CONSIDERED GOOD): TK. 10,666,890

These represent as follows :

	<u>30 June 2013</u>	<u>30 June 2012</u>
Advance against purchase	10,367,133	5,861,230
Security Deposits	299,757	299,757
	<u>10,666,890</u>	<u>6,160,987</u>

These do not include any advance paid either to subsidiary companies or to associated companies /sister concern.

## 25.01 Security Deposits: Tk. 299,757

The amount of security deposits is comprised of the following:

	<u>30 June 2013</u>	<u>30 June 2012</u>
Deposit with T & T Board	51,152	51,152
Deposit with GPO Franking Machine	1,755	1,755
Deposit with BGSL (For gas)	126,850	126,850
Deposit with PDB (For electricity)	120,000	120,000
	<u>299,757</u>	<u>299,757</u>

# Desh Garments Limited

## 26.00 INCOME TAX DEDUCTED AT SOURCE : TK. 10,222,069

The break up of the amount is as under :

	<u>30 June 2013</u>	<u>30 June 2012</u>
Balance as per last account	7,814,731	6,123,889
Add : During the year	2,407,338	1,690,842
	<u>10,222,069</u>	<u>7,814,731</u>

This balance represents income tax deducted at source by bank as per section - 53(BB) of the Income Tax Ordinance 1984. Income Tax liability might to be adjusted against that advance but no adjustment has not yet been made.

## 27.00 CASH AND BANK BALANCES : TK. 35,707,271

The break up of the amount is as under :

		<u>30 June 2013</u>	<u>30 June 2012</u>
Cash in hand	27.01	916,251	758,401
Cash at Banks	27.02	34,791,020	23,409,924
		<u>35,707,271</u>	<u>24,168,325</u>

### 27.01 Cash in Hand : Tk. 916,251

The amount comprises of the following :

		<u>30 June 2013</u>	<u>30 June 2012</u>
At Head Office		830,714	682,650
At Factory		85,537	75,751
		<u>916,251</u>	<u>758,401</u>

### 27.02 Cash at Banks : Tk. 34,791,020

The break up of the amount is as under :

		<u>30 June 2013</u>	<u>30 June 2012</u>
Agrani Bank, Dhaka		49,135	49,135
Eastern Bank Ltd., Dhaka		8,180	8,180
National Bank Ltd., Dhaka		3,770	2,404
National Bank Ltd., Chittagong		540	674
Sonali Bank, Dhaka		1,799	1,799
Sonali Bank, Kalurghat, Chittagong		8,652	8,652
Sonali Bank, Kalurghat, Chittagong		1,000	1,000
National Bank Ltd., MOB A/C		34,179,693	22,834,498
Standard Chartered Bank, Chittagong		33,838	55,295
Mercantile Bank Ltd., Dhaka		504,413	448,287
		<u>34,791,020</u>	<u>23,409,924</u>

# Desh Garments Limited

## 28.00 LOANS AND OVERDRAFT : TK. 37,135,525

		<u>30 June 2013</u>	<u>30 June 2012</u>
Bank Loans and Overdraft:	28.01	23,888,747	17,507,755
Directors Loan ( Unsecured)	28.02	13,246,778	13,796,778
		<u><b>37,135,525</b></u>	<u><b>31,304,533</b></u>

## 28.01 BANK LOANS AND OVERDRAFT : TK. 23,888,747

The Figure consists of as follows:

	<u>30 June 2013</u>	<u>30 June 2012</u>
P/C (Packing credit) (NBL)	8,773,954	7,857,694
Loan General (NBL)	6,949,362	9,650,061
Loan General (NBL)	8,165,431	-
	<u><b>23,888,747</b></u>	<u><b>17,507,755</b></u>

Packing Credit from National Bank Limited (NBL) is secured by hypothecation of stocks and export bill.

There were no general nature or credit facilities available to the company under any contract which was not availed of at the date of Statement of Financial Position.

## 28.02 DIRECTORS LOAN ( UNSECURED) : TK. 13,246,778

<u>30 June 2013</u>	<u>30 June 2012</u>
13,246,778	13,796,778
<u><b>13,246,778</b></u>	<u><b>13,796,778</b></u>

This loan has been taken from Managing Director of the company, which is non-interest bearing, for meet up day to day expenses.

## 29.00 LIABILITIES FOR GOODS : TK. 67,245,856

This represents import bills payable to foreign / local suppliers against different letter of credits at the close of the business on 30 June, 2013. The details are as follows :

Sl. No.	Name of Party	Amount in Taka
1	M/S Samwon Trading	67,245,856
	<b>Total Amount :</b>	<b>67,245,856</b>

# Desh Garments Limited

## 30.00 ACCRUED EXPENSES : TK. 19,095,200

This is made up as follows:

	<u>30 June 2013</u>	<u>30 June 2012</u>
Audit fee	80,000	80,000
Salary, wages and others	18,546,864	19,688,637
Income Tax payable	468,336	468,336
Tk.	<u>19,095,200</u>	<u>20,236,973</u>

## 31.00 CREDITORS : TK. 3,367,023

This is made up as follows:

	<u>30 June 2013</u>	<u>30 June 2012</u>
Workers profit participation & W. F. F	2,628,107	2,539,660
Sundry Creditors	738,916	349,944
Tk.	<u>3,367,023</u>	<u>2,889,604</u>

## 31.01 Worker's Profit Participation & Welfare Fund : Tk. 2,628,107

The break up of the amount is as follows :

	<u>30 June 2013</u>	<u>30 June 2012</u>
Balance as per last year	2,539,660	2,489,300
Contribution during the year	88,447	50,360
Tk.	<u>2,628,107</u>	<u>2,539,660</u>

## 32.00 UNCLAIMED DIVIDEND : TK. 237,960

The break up of the amount is as follows :

	<u>30 June 2013</u>	<u>30 June 2012</u>
For June 30, 1996	118,660	118,660
For June 30, 1997	119,300	119,300
Tk.	<u>237,960</u>	<u>237,960</u>

## 33.00 DIVIDEND PAYABLE : TK. 4,935,885

This consists of the following :

	<u>30 June 2013</u>	<u>30 June 2012</u>
a) Dividend declared long before and payable to directors as per last account	2,837,980	2,837,980
Dividend declared in 1997	1,980,400	1,980,400
Dividend payable for 2004 & 2005	117,505	117,505
Tk.	<u>4,935,885</u>	<u>4,935,885</u>

# Desh Garments Limited

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- ★ Directors decided not to withdraw the dividend due to them till improvement of financial position of the company, so that normal business activities remain un-disturbed with required cash flow.

## **34.00 EMPLOYEES' PROVIDENT FUND : TK. 208,367**

This has been brought forward from previous account.

## **35.00 PROVISION FOR INCOME TAX : TK. 1,662,317**

The break up of the amount is as under :

	<u>30 June 2013</u>	<u>30 June 2012</u>
2000-2001	85,502	85,502
2003-2004	127,002	127,002
2004-2005	84,427	84,427
2005-2006	204,346	204,346
2006-2007	86,585	86,585
2007-2008	95,358	95,358
2008-2009	66,202	66,202
2009-2010	84,735	84,735
2010-2011	116,449	116,449
2011-2012	192,109	192,109
2012-2013	519,602	---
	<u><b>1,662,317</b></u>	<u><b>1,142,715</b></u>

## **36.00 PROPOSED DIVIDEND : TK. 2,359,000**

The Board of Directors recommended @ 7% Dividend to all Shareholders for the financial year 2012-13.

## **37.00 AUTHORISED CAPITAL : TK. 100,000,000**

The company has an Authorized Capital of Tk. 100,000,000 divided into 10,000,000 ordinary shares of Tk. 10 each.

## **38.00 SHAREHOLDERS' EQUITY : TK. 40,843,971**

It represents the share capital, tax holiday reserve, general reserve, capital reserve and retains earnings.

# Desh Garments Limited

## 39.00 ISSUED, SUBSCRIBED AND PAID-UP CAPITAL : TK. 33,700,000

a) It represents the paid up capital of the company consisting of 3,370,000 ordinary shares of Tk. 10 each issued for cash and fully paid up.

### b) Composition of Shareholders

	Particulars	2013			2012		
		No. of Shares	Value of shares	%	No. of Shares	Value of shares	%
1.	Directors & Sponsors	1,956,400	19,564,000	58.05	1,956,400	19,564,000	58.05
2.	Other companies /institutions	228,600	2,286,000	6.79	284,500	2,845,000	8.44
3.	General shareholders	1,185,000	11,850,000	35.16	1,129,100	11,291,000	33.51
	<b>Total</b>	<b>3,370,000</b>	<b>33,700,000</b>	<b>100.00</b>	<b>3,370,000</b>	<b>33,700,000</b>	<b>100.00</b>

## 39.01 The percentage of shareholding by different categories of shareholders are as follows:

NO. OF HOLDERS	HOLDINGS	TOTAL HOLDING %
2,019	Less than 500 shares	7.91
211	501 - 5,000 "	11.56
19	5,001 - 10,000 "	4.17
23	10,001 - 20,000 "	10.14
3	20,001 - 30,000 "	2.49
1	30,001 - 40,000 "	1.05
1	40,001 - 50,000 "	1.26
-	50,001 - 1,00,000 "	-
4	Over 1,00,000 "	61.42
<b>2,281</b>		<b>100.00</b>

## 40.00 TAX HOLIDAY RESERVE : TK. 7,272,808

It represents accumulated Special Reserve U/S 45 of Income Tax Ordinance 1984 as follows:

	<u>30 June, 2013</u>	<u>30 June, 2012</u>
Unit No. 01	2,248,331	2,248,331
Unit No. 02	5,024,477	5,024,477
Tk.	<u><u>7,272,808</u></u>	<u><u>7,272,808</u></u>

# Desh Garments Limited

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## 41.00 GENERAL RESERVE : TK. 1,477,579

This is as per last account.

## 42.00 CAPITAL RESERVE : TK. 51,620,221

This is the carry forward balance emanating through revaluation of fixed assets taken into account in 1996-97.

## 43.00 TURNOVER/EXPORT PROCEEDS : TK. 258,210,120

Turnover comprises of export sales for the year ended 30 June 2013.

## 44.00 COST OF GOODS SOLD : TK. 240,047,747

The break up of the amount is as follows :

<u>Particulars</u>	<u>Note</u>	<u>30 June, 2013</u>	<u>30 June, 2012</u>
Materials consumed	45	163,039,776	163,721,285
Factory overheads	46	75,540,539	58,541,491
Depreciation		3,067,432	3,528,468
		<u>241,647,747</u>	<u>225,791,244</u>
Add : Opening Stock of Finished Goods		903,655	1,538,915
		<u>242,551,402</u>	<u>227,330,159</u>
Less : Closing Stock of Finished Goods		2,503,655	903,655
<b>Total Tk.</b>		<b><u>240,047,747</u></b>	<b><u>226,426,504</u></b>

## 45.00 RAW MATERIALS CONSUMED : TK. 163,039,776

The break up of the amount is as follows :

<u>Particulars</u>	<u>30 June, 2013</u>	<u>30 June, 2012</u>
Opening Stock	4,105,538	3,803,441
Add : Purchases	172,410,129	164,023,382
	<b><u>176,515,667</u></b>	<b><u>167,826,823</u></b>
Less: Closing Stock	13,475,891	4,105,538
<b>Total Tk.</b>	<b><u>163,039,776</u></b>	<b><u>163,721,285</u></b>

# Desh Garments Limited

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## 46.00 FACTORY OVERHEADS : TK. 75,540,539

The break-up of the amount is as follows:

SI No	Particulars	30 June 2013	30 June 2012
1	Salary & Allowances	8,191,776	6,546,184
2	Wages	53,882,066	39,632,869
3	Carriage Inward	28,730	108,640
4	Labor Charge	144,936	42,636
5	Conveyance	135,760	71,035
6	Entertainment	1,296	1,544
7	C & F Expenses	3,544,810	3,847,319
8	Repairs and Maintenance	1,279,050	1,404,422
9	Electricity, Gas & Generator Fuel	5,858,259	5,358,366
10	Photocopy, Printing & Stationery	448,292	326,043
11	Telephone Bill, Mobile & Internet	72,368	46,986
12	Miscellaneous Expenses	46,547	38,465
13	Postage, Stamp & Courier	171,868	91,071
14	Medical & Workers Welfare	1,446,113	774,370
15	WASA Bill	112,898	72,901
16	Newspapers & Journals	3,180	3,210
17	Rest House Expenses	81,315	81,119
18	Fees & Forms	48,275	43,311
19	New Year Expenses	43,000	51,000
	<b>Total Tk.</b>	<b><u>75,540,539</u></b>	<b><u>58,541,491</u></b>

# Desh Garments Limited

## 47.00 ADMINISTRATIVE, SELLING AND FINANCIAL EXPENSES : TK. 16,304,995

The break-up of the amount is as follows:

SI No	Particulars	30 June 2013	30 June 2012
1	Salary of Management & Non-management	6,786,985	6,137,377
2	Electricity & WASA	315,402	250,354
3	Printing, Stationery & Photocopy	68,992	54,257
4	Repairs & Maintenance Vehicles and Others	503,362	203,959
5	Postage, Stamps and Courier	96,527	88,557
6	Audit Fees	80,000	80,000
7	Travelling & Conveyance	265,250	205,715
8	Advertisement	8,783	3,306
9	AGM Expenses	581,636	574,310
10	Carriage Expenses	1,230,900	1,123,972
11	Bank Interest and Charges and Commission	3,207,991	2,384,995
12	Legal Consultancy & Professional Fee	5,000	4,000
13	Entertainment	1,809	8,704
14	Fuel for Vehicles	91,718	81,922
15	Forwarding Expenses	555,458	431,020
16	Fees & Forms	93,835	63,618
17	Insurance Premium	469,856	20,414
18	Donation & Subscription	4,267	6,404
19	Miscellaneous Expenses	5,805	7,600
20	BGMEA Fee	12,000	12,000
21	Telephone, Telex, Fax, Mobile & Internet	132,992	121,454
22	Rest House Rent	196,000	168,000
23	Land Development Tax	200,000	400,000
24	Depreciation	1,363,508	1,606,861
25	Preliminary Expenses written off	26,919	-
	<b>Total Tk.</b>	<b><u>16,304,995</u></b>	<b><u>14,038,799</u></b>

# Desh Garments Limited

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## 48.00 BASIC EARNINGS PER SHARE (EPS) :

The computation of EPS is given below :

	<u>30 June 2013</u>	<u>30 June 2012</u>
a) Earnings attributable to the Ordinary Shareholders	2,962,873	2,414,396
b) Weighted average of number of Ordinary Shares Outstanding during the year	<u>3,370,000</u>	<u>3,370,000</u>
EPS Basic	<u>0.88</u>	<u>0.72</u>

## 49.00 THERE WAS NO CONTINGENT LIABILITY AS ON 30-06-2013.

## 50.00 THERE WAS NO CLAIM AGAINST THE COMPANY WHICH IS TO BE ACKNOWLEDGED AS DEBT AS ON 30-06-2013.

Sd/-  
**Rokeya Quader**  
Chairman

Sd/-  
**Omar Quader Khan**  
Managing Director

Sd/-  
**Habibur Rahman**  
Company Secretary

Dhaka-1000.  
Dated : 28 October, 2013

# Desh Garments Limited

# Unit - 01

Particulars	Cost				Depreciation			Written down value as on 30 June 2013	
	Balance as at 01 July 2012	Addition during the year	Total as on 30 June 2013	Value for Depreciation Charge	Rate	Balance as on 01 July 2012	Charged during the Year		Total as on 30 June 2013
Land and Land Development	30,484,000	-	30,484,000	-	-	-	-	-	30,484,000
Factory Building	40,226,400	-	40,226,400	16,389	20%	561,750	3,278	565,028	39,661,372
Plant & Machinery	3,022,500	-	3,022,500	28,966	15%	2,988,393	3,345	2,992,738	29,762
Electrical Installation	2,997,436	-	2,997,436	30,797	15%	378,548	4,620	383,168	2,614,268
Office Equipment	1,077,499	-	1,077,499	16,551	15%	1,058,027	2,483	1,060,510	16,989
Furniture & Fixture	1,001,858	-	1,001,858	45,083	10%	951,766	4,508	956,274	45,584
Motor vehicle	622,176	-	622,176	2,350	20%	619,238	470	619,708	2,468
Road, Bridge and Fencing	1,273,700	-	1,273,700	18,322	20%	628,004	3,664	631,668	642,032
Electrical Appliances	125,487	-	125,487	1,410	15%	123,828	212	124,040	1,447
Crockeries and Cutleries	14,946	-	14,946	173	20%	14,730	35	14,765	181
Total Taka	80,846,002	-	80,846,002	160,041		7,324,285	23,614	7,347,899	73,498,104

Depreciation has been charged to :

## Taka

## Production

16,530

## Administration

7,084

TK.

23,614

Sd/-  
**(SHAFIQ BASAK & CO.)**  
Chartered Accountants

# Desh Garments Limited

## Schedule of Fixed Assets as on 30 June 2013.

Unit - 02

Annexure - "A-2"

Particulars	Cost			Depreciation				Written down value as on 30 June 2013
	Balance as on 01 July 2012	Addition during the year	Total as on 30 June 2013	Rate	Balance as on 01 July 2012	Charged During the Year	Total as on 30 June 2013	
Factory Building	987,127	-	987,127	20%	962,540	4,917	967,457	19,670
Plant & Machinery	47,985,938	962,200	48,948,138	15%	28,662,603	2,970,665	31,633,268	17,314,870
Electrical Installation	694,316	-	694,316	15%	594,489	14,974	609,463	84,853
Office Equipment	669,660	-	669,660	15%	487,695	27,295	514,990	154,670
Furniture & Fixture	2,122,991	15,000	2,137,991	10%	806,638	132,385	939,023	1,198,968
Motor Vehicle	2,590,000	-	2,590,000	20%	1,790,028	159,994	1,950,022	639,978
Crockeries and Cutleries	1,666	-	1,666	20%	1,624	8	1,632	34
Boiler and Water Softener	443,297	-	443,297	15%	411,493	4,771	416,264	27,033
Generator	7,412,522	-	7,412,522	15%	1,215,771	929,513	2,145,284	5,267,238
Tools and Equipment	34,561	-	34,561	10%	25,979	858	26,837	7,724
Fire Extinguisher	181,803	67,680	249,483	15%	87,315	19,249	106,564	142,919
Computer & Computer Software	1,779,430	-	1,779,430	20%	1,343,823	87,121	1,430,944	348,486
Power Substation	1,060,000	-	1,060,000	20%	782,127	55,575	837,702	222,298
Total Taka :	65,963,311	1,044,880	67,008,191		37,172,125	4,407,326	41,579,451	25,428,740

Depreciation has been charged to :  
 Production 3,050,902  
 Administration 1,356,424

Taka  
 4,407,326  
 (SHAFIQ BASAK & CO.)  
 Chartered Accountants

# Desh Garments Limited

The Directors  
Desh Garments Limited

## PROXY FORM

I/We, .....  
of .....  
being a member of Desh Garments Limited hereby appoint  
Mr./Mrs. ....  
of .....  
as my/our proxy to attend and vote for me/us on my/our behalf at the 36th Annual General Meeting of the Company to be held on the 18th December, 2013 at 12.30 p.m. or at any adjournment thereof. As witness my/our hand this ..... day of December, 2013 signed by the said in presence of Mr./Mrs. ....  
of .....

\_\_\_\_\_  
(Signature of the Proxy)  
Dated .....

\_\_\_\_\_  
(Signature of the Shareholder)  
Folio/B.O. No.  
Dated .....

Revenue Stamp of Tk. 20.00
----------------------------------

(Signature of witness & date)

- Note :
1. A member entitled to attend and vote at the 36th Annual General Meeting may appoint a proxy to attend and vote in his/her stead.
  2. The proxy form, duly stamped, must be deposited at the Registered Office of the Company not later than 48 hours before the time appointed for the meeting.

\_\_\_\_\_  
Signature verified

## Desh Garments Limited ATTENDANCE SLIP

(Please complete this slip and hand over at the entrance of the Hall)

I hereby record my attendance at the 36th Annual General Meeting held on the 18th December, 2013 at 12.30 a.m. in Dhaka.

Name of the Member/Proxy .....

Folio/B.O. No. ....

\_\_\_\_\_  
Signature  
(Shareholder/Proxy)

# Desh Garments Limited

পরিচালকবৃন্দ  
দেশ গার্মেন্টস লিমিটেড

## প্রক্সি ফরম

আমি/আমরা, ..... ঠিকানা .....  
..... দেশ গার্মেন্টস লিমিটেড-এর শেয়ারহোল্ডার হিসাবে এতদ্বারা  
জনাব/জনাবা ..... ঠিকানা .....  
.....কে  
আগামী ১৮ই ডিসেম্বর, ২০১৩ইং তারিখে দুপুর ১২.৩০ মিনিটে অনুষ্ঠিতব্য কোম্পানীর ৩৬তম বার্ষিক সাধারণ সভায় এবং পরবর্তী মূলতবী  
সভায় আমার/আমাদের পক্ষে ভোট প্রদানের জন্য নিযুক্ত করিলাম। ২০১৩ইং সনের .....ডিসেম্বর তারিখে আমার/আমাদের সম্মুখে  
সাক্ষী হিসেবে জনাব/জনাবা ..... ঠিকানা .....  
.....এর উপস্থিতিতে স্বাক্ষর করিলেন।

প্রতিনিধির স্বাক্ষর  
তাং

শেয়ারহোল্ডার স্বাক্ষর  
ফলিও/বিও নং--  
তাং

২০.০০ টাকার  
রেভিনিউ স্ট্যাম্প

(সাক্ষীর স্বাক্ষর ও তারিখ)

- বিঃ দ্রঃ ১। একজন সদস্য যিনি ৩৬তম বার্ষিক সাধারণ সভায় উপস্থিত হইবার এবং ভোট দিবার যোগ্য, তিনি তাঁহার পক্ষে উপস্থিত  
থাকিবার জন্য এবং ভোট দেওয়ার জন্য একজন প্রক্সি নিযুক্ত করিতে পারিবেন।  
২। প্রক্সি ফর্ম যথাযথ রেভিনিউ স্ট্যাম্পসহ কোম্পানীর রেজিস্ট্রার অফিসে সাধারণ সভার নির্ধারিত সময়ের অন্তত পক্ষে ৪৮ ঘন্টা  
পূর্বে জমা দিতে হইবে।

স্বাক্ষর পরীক্ষিত

## দেশ গার্মেন্টস লিমিটেড উপস্থিতির রশিদ

(এ রশিদটি পূরণ করে সভা কক্ষে জমা দিতে হবে)

১৮ই ডিসেম্বর, ২০১৩ তারিখে দুপুর ১২.৩০ মিনিটে ঢাকায় অনুষ্ঠিত কোম্পানীর ৩৬তম বার্ষিক সাধারণ সভায় আমার উপস্থিতি এতদ্বারা  
তালিকাভুক্ত করা হইল।

সদস্যের নাম/প্রতিনিধির নাম.....

ফলিও/বিও নং.....

স্বাক্ষর  
(শেয়ার হোল্ডার/প্রতিনিধি)



## **Desh Garments Limited**

REGISTERED OFFICE:

AWAL CENTRE (7TH FLOOR), PLOT # 34, KEMAL ATATURK AVENUE, ROAD # 17  
BANANI C/A, DHAKA-1213, BANGLADESH. PHONE: 9822019, 9822314

**w w w . d e s h g r o u p . c o m**