



Awal Centre (7th Floor)
34, Kemal Ataturk Avenue
Banani C/A., Dhaka-1213.

**Sub: Second Quarter (Q2) Unaudited Financial Statements
of the Company as at 31 December 2021**

As per Rule of Bangladesh Securities and Exchange Commission, we are pleased to enclose herewith the Unaudited Second Quarter Financial Position, Statement of Comprehensive Income, Statement of Cashflows and Statement of Changes in Equity as at 31 December, 2021.

Kamrul
Company Secretary

Date: 29/01/2022



Desh Garments Limited
Statement of Financial Position as at 31 December, 2021
(Unaudited)

BDT'000

Particulars	Notes	Dec'21	Jan'20
ASSETS			
Non-Current Assets		115,706	118,780
Property Plant & Equipment	1.00	115,706	118,780
Current Assets		227,684	177,274
Inventories	2.00	121,947	145,566
Investment in Shares	3.00	9,567	8,695
Accounts Receivable	4.00	65,908	11,999
Other Receivable	5.00	1,619	1,619
Advances and Prepayment	7.00	1,129	1,520
Advance Income Tax	8.00	1,154	1,154
Cash and Bank Balances	9.00	26,359	6,722
Total Assets		343,390	296,055
EQUITY AND LIABILITIES			
Shareholders' Equity		150,536	148,466
Share Capital	11.00	75,349	75,349
Tax Holiday Reserve	11.01	7,273	7,273
General Reserve	11.02	1,478	1,478
Capital Reserve	11.03	41,357	41,357
Gain/(loss) on Marketable Securities (Unrealized)	11.04	871	-
Retained Earnings	11.05	24,208	23,010
Non-Current Liabilities		99,989	71,692
Long Term Loan	12.01	99,989	71,692
Current Liabilities		92,864	75,896
Short Term Loan	12.01	27,299	34,430
Liabilities for Goods	13.00	35,135	12,235
Accrued Expenses	14.00	8,230	9,550
Worker's Profit Participation & Welfare Fund	15.00	8,714	8,467
Dividend Payable 2021	16.00	2,894	1,466
Undistributed Dividend Payable to Sponsor Directors	17.00	8,560	8,560
Provision for Income Tax	23.00	1,991	1,154
Deferred Tax	6.00	41	34
Total Equity and Liabilities		343,390	296,055
Net Assets Value Per Share (NAVPS)	22.00	19.98	19.70

Rakibul Haque for *Rakibul Haque*
Chairman Managing Director Deputy Managing Director

[Signature]
Chief Financial Officer

[Signature]
Company Secretary



Desh Garments Limited
Notes to Financial Statements
For the Second Quarter ended December, 2021
(Unaudited)

	<u>Amount</u> BDT'000
	<u>Jul'21 to Dec'21</u>
1.00 Property Plant & Equipment: Tk. 115,706	
At Cost 01 July 2021	230,653
Addition during the year	439
Less : Adjustment	-
Total Assets Value	231,092
Depreciation:	
Opening balance	110,873
Charged during the period	4,513
Less : Adjustment	-
	115,386
Written Down Value As On 31.12.2021	115,706

Changes of depreciation rate and accounting for depreciation on revalued amount included in the accumulated depreciation for the

- 2.00 Inventories : Tk. 121,947**
The detailed break up of the amount is as follows :

Sl.	Particulars	Jul'21 to Dec'21
1	Fabrics	27,008
2	Accessories Assorted	2,435
3	Carton	1,533
4	Finished Goods	78,536
5	Work in Progress	12,435
b)		121,947

In advance sales order from buyer, order of raw materials and start production accordingly built up the closing stock at the year end

- 3.00 Investment in shares Tk. 9,567**

Sl.	Name of Companies	No of Share	Market Rate	Jul'21 to Dec'21
1	APEX TANRY	1,250	128	160
2	KAY & QUE	13,079	283	3,695
3	CDBL	571,181	10	5,712
	Total	639,712		9,567

- 4.00 Accounts Receivable: Tk. 65,908**
The amount of receivable is comprised of the following :

Carry SP ZOO	8,566
LF Credit	32,188
Shirt Makers B.V.	6,925
Leeco Inc	22
Kaskan Traders Ltd	2,137
NO-Excess B.V	16,070
	65,908

- 5.00 Other Receivable: Tk. 1,619**
Opening Balance of Cash Incentive 1,619
Less: Incentive Claim not approved by BB Auditors -
Total **1,619**
- 6.00 Deferred Tax : Tk. 41**
Carrying value of Assets Accounting Base 115,706
Carrying value of Assets Tax Base 114,336
Temporary Difference 1,370
- Tax Rate 12%
Deferred Tax Liability **41**



Desh Garments Limited
Notes to Financial Statements
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(Unaudited)

Amount

7.00 Advances and Prepayment (Considered good): Tk.1,129
These represent as follows :

Advance against Purchase	371
Advance against expenses	459
Security Deposits	300
	<u>1,129</u>

7.01

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

7.01 Security Deposits: Tk. 300

The amount of security deposits is comprised of the following :

Deposit with T&T Board	51
Deposit with GPO Franking Machine	2
Deposit with BGSL (For gas)	127
Deposit with PDB (For electricity)	120
	<u>300</u>

8.00 Advance Income Tax : Tk. 1,154

The break up of the amount is as under :

Opening Balance	1,154
Additional during the year:	-
Adjustment during the year	-
	<u>1,154</u>

9.00 Cash and Bank Balances : Tk. 26,359

The break up of the amount is as under :

Cash in hand	935
Cash at Bank	25,424
	<u>26,359</u>

9.01

9.02

9.01 Cash in Hand : Tk. 935

The amount comprises of the following :

At Head Office	756
At Factory	179
	<u>935</u>

9.02 Cash at Bank : Tk. 25,424

Banks

Agrani Bank, Dhaka
Eastern Bank Ltd., Dhaka
National Bank Ltd., Dhaka
National Bank Ltd., Chittagong
Mercantile Bank Ltd., Dhaka
Bank Asia Ltd., Dhanmondi Branch, Dhaka
United Commercial Bank Ltd., Gulshan Branch, Dhaka
Dutch Bangla Bank Ltd, Banani, Dhaka
Jamuna Bank, Sonargaon Road Branch, Dhaka
Jamuna Bank, Sonargaon Road Branch, Dhaka
Jamuna Bank, Sonargaon Road Branch, Dhaka
Reserve for Covid-19 Loan Adjustment
(Jamuna Bank)

Branch	Account No.	
Dilkusha	0128201	35
Dilkusha	10673	7
Dilkusha	1999001777857	1
Agrabad	1004000090072	2
Banani	110611109446143	292
Mohakhali	02833000866	4
Corporate	0951101000008901	18
Banani	103-110-28303	1,300
Sonargaon Road	0002-0210015775	198
Sonargaon Road	0002-0601000022	21,415
Sonargaon Road	0002-0017000058	798
Sonargaon Road	0002-0145000011	1,354
		<u>25,424</u>



Desh Garments Limited
Notes to Financial Statements
For the Second Quarter ended December, 2021
(Unaudited)

Amount

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

11.00 Shareholders' Equity: Tk. 150,536
It represents the share capital, tax holiday reserve, general reserve, capital reserve and retains earnings. 1,021,026

11.01 Issed, Subscribed and Paid up Capital: Tk.75,349
a) It represents the paid up capital of the company consisting of 7,534,856 ordinary shares of Tk. 10 each issued for cash and fully paid up.

b) Composition of Shareholders

Sl.	Particulars	First Quarter- 2021-22 (Jul-Sep)		Jul'21 to Dec'21 Taka
		Shares	Holding %	
1	Directors & Sponsors	4,374,628	58.06%	43,746
2	Other companies/institutions	372,924	4.95%	3,729
3	General Shareholders	2,787,304	36.99%	27,873
TOTAL		7,534,856	100.00%	75,349

11.02 Tax Holiday Reserve: Tk. 7,273
Balance is as per last account. 7,273
It represents accumulated Special Reserve U/S 45 of Income Tax Ordinance 1984 7,273

11.03 General Reserve : Tk. 1,478
Balance is as per last account. 1,478
1,478

11.04 Capital Reserve : Tk. 41,357
The break up of the amount is as follows:
Opening Balance 41,357
Depreciation on Revaluation -
Total 41,357

11.05 Retained Earnings : Tk. 24,208
The break up of the amount is as under:
Accumulated loss up to 30 June 1991 due to cyclone (65,559)
Accumulated profit for the period from 1992 to 31 Dec 2021 89,768
24,208

12.00 Loans and Overdraft: Tk.127,289
The break up of the amount is as under :
Bank Loans and Overdraft 12.01 104,583
Directors Loan (Unsecured) 12.01 22,706
127,289

12.01 Bank Loans and Overdraft: Tk. 127,289
A. Short-term Loan:
Packing Credit (JBL PC #) 8,424
SOD Loan General (JBL #) 15,361
FDBP (JBL #) 3,515
27,299

B. Long-term Loan:
Covid-19 Salary Loan 16,960
Long Term Loan (Jamuna Bank) 60,323
77,284

Directors Loan from Ms. Vidiya Amrit Khan 7,706
Add: During the year 15,000
22,706

Total 99,989
127,289



Desh Garments Limited
Notes to Financial Statements
For the Second Quarter ended December, 2021
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Amount

13.00 Liabilities for Goods : Tk. 35,135

This represents import bills payable to foreign/local suppliers against different letter of credits at the close of the business for the period.	
M/S Hameem Denim Ltd	1,545
M/S Hoorain HTF Limited	14,898
M/S. Howaye Textile CO.Ltd	15,426
M/S Jiangsu Jerid Textile	904
M/S KDS Accessories Ltd	605
M/S KG Denim	1,238
M/S Label One Bangladesh Ltd	518
	<u>35,135</u>

As stated earlier, due to execution of advance sales order placed by buyer, the liability for goods have increased significantly.

14.00 Accrued Expenses : Tk. 8,230

The break up of the amount is as follows :

	265
Audit fee	7,965
Salary, wages and others	-
Income Tax Payable	99
Vat payable	426
Electricity bill payable	39
Wasa bill payable	60
Gas bill payable	-
	<u>8,230</u>

15.00 Worker's Profit Participation & W.P.F Tk. 8,714

The break up of the amount is as follows :

	8,467
Balance as per last year	247
Add: Contribution during the year	-
Less: Payment during the year	<u>8,714</u>

16.00 Dividend Payable : Tk. 2,894

This consists of the following :

Unclaimed dividend payable to General Shareholders		1,110
1989-1990		119
1995-1996		119
1996-1997		118
2003-2004 & 2004-2005		2,894
2020-21		4,360
Sub-Total		<u>(1,466)</u>
Less: Adjustment during the period		2,894
Total		<u>2,894</u>

17.00 Undistributed dividend payable to the sponsor directors Tk. 8,560

	Mrs. Rokeya Quader	Mr. Omar Quader Khan	Ms. Vidiya Amrit Khan	
1989-1990	242,376	1,037,083	448,141	1,728
1996-1997	277,842	1,188,840	513,718	1,980
2012-2013	192,133	822,103	355,245	1,369
2013-2014	274,475	1,174,433	507,492	1,956
2016-2017	214,088	916,047	395,840	1,526
Sub-Total	<u>1,200,914</u>	<u>5,138,506</u>	<u>2,220,436</u>	<u>8,560</u>

17.00 Provision for Income Tax: Tk. 1,991

The break up of the amount is as under :

	1,154
Opening Balance	-
Adjustment during the year	837
Addition the year	-
Closing Balance	<u>1,991</u>



Desh Garments Limited
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For the Second Quarter ended December, 2021
(Unaudited)

	<u>Amount</u>
18.00 Turnover/Export Proceeds : Tk. 187,391	
Export Proceeds	187,391
Subcon Income	<u>187,391</u>
19.00 Cost of Goods Sold: Tk. 168,994	
The break up of the amount is as follows :	
Particulars	
Materials consumed	130,474
Factory overheads	35,777
Depreciation	<u>4,163</u>
	<u>170,414</u>
Add : Opening Stock of Finished Goods	77,117
	<u>247,530</u>
Less : Closing Stock of Finished Goods	<u>(78,536)</u>
	<u>168,994</u>
19.01 Raw Materials Consumed : Tk. 130,474	
The break up of the amount is as follows :	
Opening Stock	68,449
Add : Purchases	<u>105,436</u>
	<u>173,885</u>
Less: Closing Stock	<u>(43,411)</u>
	<u>130,474</u>
20.00 Basic Earnings Per Share (EPS):	
The computation of EPS is given below:	
Earnings attributable to the Ordinary Shareholders	4,093
Number of Ordinary Shares	<u>7,535</u>
During the year EPS Basic (Restated)	<u>0.54</u>
21.00 Net Operating Cash flow per share (NOCFPS)	
Net Cash flow from operating activities	(7,382)
Number of Shares	<u>7,535</u>
	<u>(0.98)</u>
22.00 Net Asset Value (NAV) Per Share	
Net Asset Value	150,536
Number of Shares	<u>7,535</u>
Net Asset Value Per Share	<u>19.98</u>
23.00 Cash received from customers	
Export Revenue	187,391
Add: Opening Balance of Accounts Receivable	<u>11,999</u>
Cash Available for Collection	<u>199,390</u>
Less: Closing Balance for Accounts Receivable	<u>(65,908)</u>
Cash from Customers	<u>133,481</u>
24.00 Cash payments to suppliers & others	
Increase/(Decrease) Advance & Prepayments	(391)
Increase/(Decrease) Others Liabilities	21,166
Increase/(Decrease) Accrued Expenses	(1,320)
Increase/(Decrease) WPP & WF	247
Increase/(Decrease) Dividend Payable	1,428
Payment for Purchase	(82,536)
Payment for Factory Overhead	(58,274)
Administrative & Selling Expenses	(14,527)
	<u>(134,206)</u>

