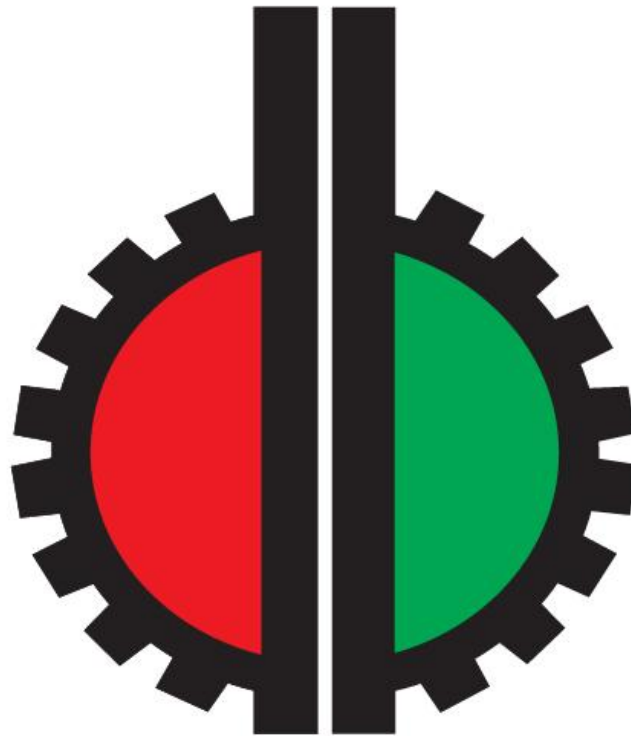


# **ANNUAL REPORT**

2021-2022



**Deshbandhu Polymer Limited**



# Deshbandhu Polymer Limited



**PAGE**

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## Profile of Board of Directors



**Golam Mostafa**  
Chairman

Mr. Golam Mostafa is one of the Sponsor Directors and Chairman of Deshbandhu Polymer Limited. He is one of the most promising and brilliant entrepreneurs that the Bangladesh Corporate World has ever witnessed. Mr. Mostafa, with his vibrant presence in the business arena over a period of three decades, has gathered immense knowledge of business and the knowhow of corporate business. During the period he has made an immense contribution to Bangladesh economy. He has not only established himself as one of the fastest moving and growing businessmen of his time, but also became a member of some of the most prestigious institutions, such as Dhaka Chamber of Commerce & Industry (DCCI), Bangladesh Fertilizer Association (BFA), American Chamber of Commerce in Bangladesh (AMCCB), Dhaka Club, Uttara Dharla Samity and Student Welfare Association, Shopping Complex Owners Association and Bangladesh Sugar Refinery Association. He is also a Director of Deshbandhu Sugar Mills Limited, Deshbandhu Cement Mills Limited, Sahera Auto Rice Mills Limited, Deshbandhu Fiber Limited, Deshbandhu Food & Beverage Limited, Deshbandhu Textile Mills Limited, Deshbandhu Packaging Limited, Deshbandhu Holdings Limited etc. Mr. Golam Mostafa was recognized as a Commercially Important Person (CIP) of Bangladesh in 2008.

As one of the early entrants and pioneers in the real estate business, he owns the Rapa Plaza in partnership, which is just an inkling to this visionary's farsightedness, as he walked into this partnership when Dhaka city was still to know of the 'now booming' shopping mall trend. Mr. Mostafa's superior entrepreneurship has always helped him to keep his pace and thoughts a step ahead from all others. Thus he was the first entrepreneur to set up the first ever Sugar Refinery in Bangladesh, which has now been solely dedicated in manufacturing and marketing of refined sugar.

Awarded with the National Awards for outstanding business activities in the field of Real estate and Sugar Industry, Mr. Golam Mostafa is surely one of the most sought after entrepreneur and industrialist of the current times.

## Profile of Board of Directors



**Golam Rahman**  
Managing Director

Mr. Golam Rahman is one of the Sponsor Directors as well as the Managing Director of Deshbandhu Polymer Limited. He is with an array of achievements and recognitions already listed in his name, is one of the most promising and eminent entrepreneurs of current times. Mr. Golam Rahman grew up in an ideal and noble Muslim household. He finished his schooling and college to eventually become a Commerce Graduate.

From the very beginning of his promising career as an entrepreneur, he had made his presence felt ever since he has entered the business scene right after graduation. Being an integral part of sought after institutions like Bangladesh Chamber of Commerce and Industries (BCCI), Bangladesh Fertilizer Association (BFA), and Uttara Dharla Students Welfare Association Dhaka. He is also a Director of Deshbandhu Sugar Mills Limited, Deshbandhu Cement Mills Limited, Sahera Auto Rice Mills Limited, Deshbandhu Fiber Limited, Deshbandhu Food & Beverage Limited, Deshbandhu Textile Mills Limited, Deshbandhu Packaging Limited, Deshbandhu Holdings Limited etc. Mr. Golam Rahman was recognized as a Commercially Important Person (CIP) of Bangladesh in 2013.

His journey has not been free of bumps and hurdles but the man had his vision and determination all set on his goal and never had he lost his focus for a moment.



**Brig. Gen. Sarwar Jahan Talukder (Retd.) Director**  
Representative of Deshbandhu Distilleries Limited

Brig. Gen. Sarwar Jahan Talukder (Retd.), NDC, PSC; son of late Abdul Khaleque Talukder and Mrs. Suriya Talukder is a versatile Business acumen having his MBA from Royal Roads University of Canada. Proficient & amiable personality experienced with as a Chairman of Trading Corporation of Bangladesh (TCB), Director General of Defense purchase and Director of supply and transport directorate (DST), Bangladesh Army, logistic staff of UN employment and having experience with Government and private limited companies at top management executive. Currently he is the nominee Director of Deshbandhu Polymer Limited (nominated by Deshbandhu Distilleries Limited).



## Profile of Board of Directors



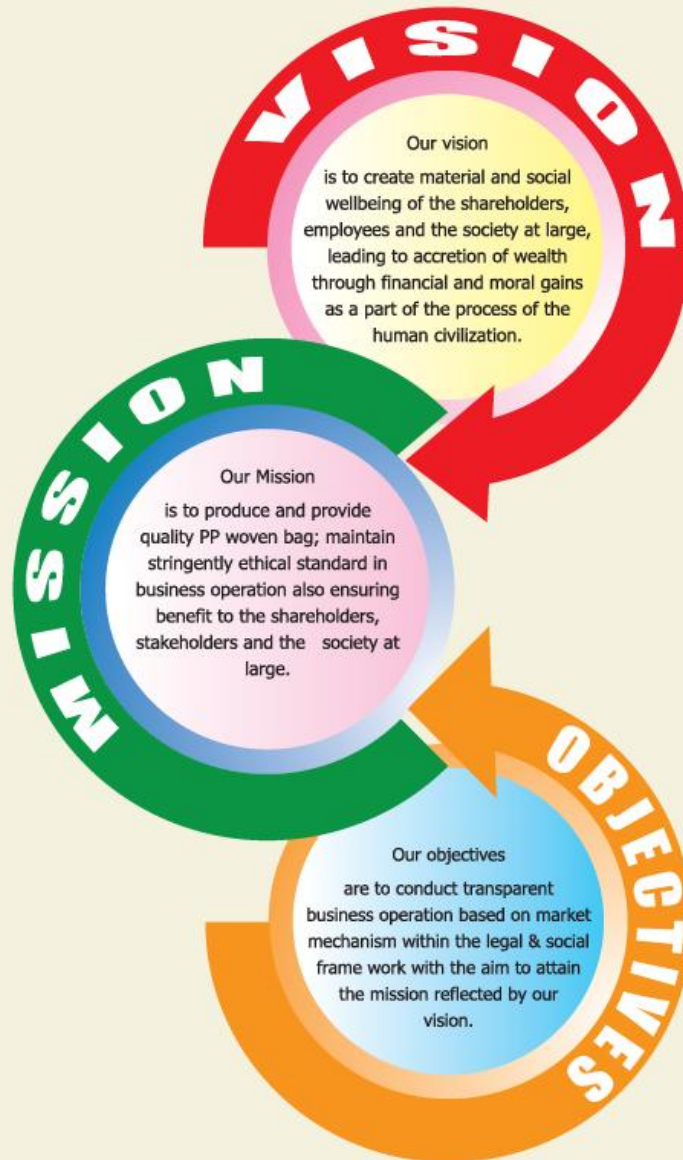
**Engr. Md. Shakawat Hossain**  
Director, Representative of  
Deshbandhu Sugar Mills Limited.

Engr. Shakhawat Hossain; son of Md. Abdul Baten Proadhan, freedom fighter and Monoara Begum. He did his BSC in EEE from ADUST, Dhaka. He received verities training from India, China & Korea about WPP machineries & its productivity. In his Bright career of decades, he had taken Private Job at WPP sector. He has total 22 years working experiences in WPP sector, currently He is the nominee Director of Deshbandhu Polymer Limited (Nominated by Deshbandhu Sugar Mills Limited)



**Md. Mofiz Uddin Chowdhury**  
Independent Director

Mr. Md. Mofiz Uddin Chowdhury; son of Sultan Ahmed and Mahmuda Khatun. He did his MA in International Relations from University of Dhaka. He received various training from USA, Singapore, Australia, New Zealand and Malaysia. In his colorful career of decades, he held many important positions including the Executive Director of Bangladesh Bank and Managing Director of FAS Finance & Investment Limited and Executive Director of HNS Group. He has total 38 years working experiences and his job responsibilities were Accounts and Budgeting Department, policy framing, supervision and inspection of Bank and non Banking financial institutions, Human Resources and Foreign exchange policy Department.







## Letter of Transmittal

To,  
All Valued Shareholders  
Bangladesh Securities and Exchange Commission  
Dhaka Stock Exchange Limited  
Chittagong Stock Exchange Limited  
Registrar of Joint Stock Companies & Firms

Sub: **Annual Report for the year ended on June 30, 2022**

Dear Sir (s),

We are pleased to enclose a copy of the Annual Report, 2021-2022 together with the Audited Financial Statements for the year ended on 30th June, 2022 along with the Auditors' Report and Directors' Report for your kind information and record.

Thanking you,  
Sincerely yours,

**Sd/-**  
**Md. Liakat Ali Khan**  
Company Secretary



## NOTICE OF THE 16TH ANNUAL GENERAL MEETING

Notice is hereby given that the **16TH ANNUAL GENERAL MEETING** of Deshbandhu Polymer Limited will be held on Wednesday, December 14, 2022 at 10.00. A.M by using digital Platform (in compliance of the BSEC's Order) through the link: <https://deshbandhu.bdvirtualagm.com> to transact the following business:

### AGENDA

1. To receive, consider and adopt the Audited Financial Statements of the Company for the year ended 30 June 2022 together with the Auditors' Report and the Directors Report thereon.
2. To approve the dividend as recommended by the Board of Directors.
3. To re-elect the Directors of the Company.
4. To appoint Auditors for the year 2022-2023 and fix the remuneration.
5. To appoint Corporate Governance auditor for the year 2022-2023 and fix the remuneration.
6. Miscellaneous.

Dated, Dhaka  
21 November, 2022

by order of the Board  
Sd/-  
**Md. Liakat Ali Khan**  
Company Secretary

### Notes :

- I. The record date was on 15th November 2022. Shareholders, whose name were appeared in the share register of the company or in the depository register on that date will eligible to attend the Annual General Meeting and receive the dividend.
- II. A member entitled to attend and vote at the Annual General Meeting may appoint a Proxy in his stead. The proxy form, duly stamped must be sent through email to [dplshare@dbg.com.bd](mailto:dplshare@dbg.com.bd) not later then 48 hours before the time fixed for the Meeting.
- III. In compliance of the BSEC Notification No. BSEC/CMRRCD/2006-158/208/Admin/81 dated 20 June 2018, Annual Report 2021-2022 will be duly sent in soft form to the shareholder's e-mail address available in their Beneficial Owner (BO) accounts maintained with the depository. In case of none receipt of Annual Report, 2021-2022 through e-mail, shareholders may collect the same from the Corporate office or Share Office of the Company within 10 December 2022 by submitting written application. Annual Report along with Proxy Form also available in Company's website : [www.deshbandhupolymer.com](http://www.deshbandhupolymer.com)
- IV. The Shareholders will be able to submit their questions/ comments electronically before 48 hours of commencement of the AGM through the link <https://deshbandhu.bdvirtualagm.com>
- V. Advance Income Tax (AIT) @15 % ( instead of 10%) will be deducted from eligible cash dividend, if any one fails to update his/her BO account with the 12 digit e-Tin by 5th January, 2023.
- VI. The concern Merchant Banks and all depository participants(DP) are requested to provide us a statement with the details ( shareholders Names, BO ID Number, Client-wise shareholding position, gross dividend, receivables amounts, applicable Tax rate and net dividend receivable) of their margin loan shareholders. They are also requested to provide us with their Bank Name, Account Number and routing numbers etc. by 30 December 2022 at Companies Corporate head office at Mostafa Center, House – 59, Road- 27, Block-K, Banani, Dhaka-1213.



## CORPORATE INFORMATION

### BOARD OF DIRECTORS

<b>Mr. Golam Mostafa</b>	Chairman
<b>Mr. Golam Rahman</b>	Managing Director
<b>Brig. Gen. Mr. Sarwar Jahan Talukder (Retd.), NDC, PSC</b>	Director, Representative of Deshbandhu Distilleries Limited
<b>Engr. Mr. Shakhawat Hossain</b>	Director, Representative of Deshbandhu Sugar Mills Limited
<b>Mr. Md. Mofiz Uddin Chowdhury</b>	Independent Director

### AUDIT COMMITTEE

<b>Mr. Md. Mofiz Uddin Chowdhury</b>	Chairman of the Audit Committee
<b>Mr. Golam Rahman</b>	Member of the Audit Committee
<b>Brig. Gen. Mr. Sarwar Jahan Talukder (Retd.), NDC, PSC</b>	Member of the Audit Committee

### Company Secretary & Chief Financial Officer

<b>Mr. Md. Liakat Ali Khan</b>	Company Secretary
<b>Mr. Md. Aciat Hoque</b>	Chief Financial Officer

### NOMINATION AND REMUNERATION COMMITTEE (NRC):

<b>Mr. Md. Mofiz Uddin Chowdhury</b>	Chairman of the Audit Committee
<b>Mr. Golam Mostafa</b>	Member of the Audit Committee
<b>Mr. Golam Rahman</b>	Member of the Audit Committee

#### STATUTORY AUDITORS :

M/S, FAMES & R  
CHARTERED ACCOUNTANTS  
House-3/1 & 3/2(Flat A-2)  
Bijoynagar, Dhaka-1000

#### BANKER :

**DHAKA BANK LIMITED**  
Local office  
115-120, Motijheel C/A, Dhaka-1000



## COMPANY PROFILE

<b>Authorized Capital</b>	300,00,00,000.00 BDT
<b>Paid-up Capital</b>	613,651,500 BDT
<b>Date of Incorporation</b>	03-12-2006
<b>Date of Conversion into Public Limited</b>	05-08-2009
<b>Starting Date of Commercial Production</b>	17-12-2007
<b>Consent for IPO from BSEC</b>	September 19, 2010
<b>Listing with DSE &amp; CSE</b>	January 17, 2011
<b>Last AGM Date</b>	December 15, 2021
<b>Business Line</b>	Manufacturer of the best quality PP Woven Bag in Bangladesh suitable for packing Food Grain, Wheat Flour, Chemicals, Cattle Feed, Fish Feed, Sugar, Fertilizer & many more things.

### CORPORATE OFFICE :

Mostafa Center  
House # 59, Road # 27,  
Block # k, Banani, Dhaka-1213  
Tel.: +88 02 41081491  
Fax: +88 02 41081471  
Email: [dplshare@dbg.com.bd](mailto:dplshare@dbg.com.bd)  
Web.: [www.deshbandhupolymer.com](http://www.deshbandhupolymer.com)

### SHARE OFFICE :

House No.-18(1st floor), Road No -22  
Block-K, Banani, Dhaka-1213  
Bangladesh

### REGISTERED OFFICE & FACTORY:

Kawadi, Charsindur  
Palash, Narsingdi  
Bangladesh





## Directors' Report to the Shareholders

Bismillahir Rahmanir Rahim

### **Distinguished Shareholders,**

Assalamu Alaikum Wa Rahmatullah

On behalf of the Board of Directors of the Deshbandhu Polymer Limited, I am delighted to welcome you to the 16th Annual General Meeting of your company and have the pleasure of presenting the Annual Report along with Audited Financial statements for the year ended 30 June, 2022. We present this Annual Report in compliance with the guidelines issued by Bangladesh Securities and Exchange Commission.

### **Report on Management Discussion and Analysis**

#### **Global Economy & the Current Economic Scenario**

Based on the macro-economic stability, Bangladesh's economy has advanced significantly over the last five decades. The economic resilience of the country during the pandemic years has also been globally acclaimed. The World Bank opined that "Despite the uncertainty created by COVID-19, the outlook for Bangladesh's economy is positive."

However, the collective economic stability of Bangladesh has come under tremendous pressure recently due to the ongoing global economic and political instability. The recent global crisis following the Russia-Ukraine war impeded the country's course of economic recovery caused by the pandemic. The war raised the prices of food products, fuel, and raw materials to an exorbitant level in the international market. Bangladesh's economy also feels the impact of soaring prices as the country imports significant amounts of food grains, cooking oil, petroleum, and industrial raw materials.

#### **Financial performance of the Company**

Revenue of the Company reported in 2021-2022 was Tk. 1046.56 million as against Tk. 773.80 million for the same period of the previous year due to receiving various Government tenders enormously and successfully completing them during the financial year under review, the sales revenue of the Company has increased by BDT 272.75 million compared to the same period of last year.

Profitability was driven by a relentless focus on controlling direct material costs and increasing the efficiency of the supply chain, resulting in an increase in gross profit by BDT 37.23 million. The operating expenses had decreased by BDT 2.82 million which is 11.69% less compared to the years 2020-21. Operating profit increased during the period to the same period of previous years mainly due to a decrease in marketing and selling expenses. Net profit and earnings per share have increased compared to the last year. This has been mainly due to an increase in sales volume and a reduction in sales and marketing expenses. That is why the profit before tax increased by BDT 17.32 million. Meanwhile, the deferred tax has been charged at 20% instead of 22.50%, thus the Net profit Margin has increased by BDT 17.01 million compared to last year. It stood at Tk. 29,134,459.00 in FY-2021-22, while it was Tk.12,123,486.00 in FY-2020-21.

#### **Accounting Policies and estimation for preparation of financial statements**

Accounting Policies and estimation for preparation of financial statements are disclosed in "notes no. 2 and note no. 3 of the Audited Financial Statements.

#### **Changes of Accounting Policies and Estimations**

The accounting policies and estimation has been applied consistently. There is no such change in accounting policies estimation which has materials impact on financial statements.

Comparative analysis of financial performance and financial position as well as cash flows for current financial year with immediate preceding five years.



Tk. in million

Particulars	2021-2022	2020-2021	2019-2020	2018-2019	2017-2018
Revenue	1046	773	824	799	945
Gross Profit	128	91	94	116	127
Net profit before Tax	26	9.52	11.80	32.58	43.77
Net profit after tax	29	11.90	6.22	28.74	34.41
Earnings per Share	0.47	0.20	0.10	0.47	0.56
NAV per Share	18.21	18.07	10.48	10.72	10.75
NOCF per Share	0.99	0.53	0.94	(0.95)	(0.87)

**Rahman**  
Managing Director

#### **Industry outlook and possible future developments in the industry:**

The Industry of PP woven bag in Bangladesh is the most important sector. It is becoming one of the largest employers in the Polymer Sector in our country. We are becoming sustainable due to the management's efforts and strategic action. We hope that an encouraging future is waiting for the PP oven bag industry.

#### **Production-wise Performance:**

We produced PP woven bags 40,322,440 paces against total capacity of 46,200,000 paces which is 87% of production capacity. We earned gross profit of Tk. 128,530,329.00 and net profit of Tk. 26,841,215.00

#### **Risk Factors & Management's Perception about the Risks**

International Financial Reporting Standard (IFRS) 7 - Financial instruments: Disclosures- Requires disclosure of information relating to: both recognized and unrecognized financial instruments, their significance and performance, accounting policies, terms and conditions, net fair values and risk information- the Company's policies for controlling risks and exposures.

#### **Credit Risk:**

Credit risk is the risk of a financial loss to the company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the company's receivables from institutional and export customers etc.

#### **Management Perception**

In monitoring credit risk, debtors are grouped according to their risk profile, i.e. their legal status, financial condition, ageing profile etc. Accounts receivable are related to sale of PP woven bags, the only product of the company. The maximum exposure to credit risk is represented by the carrying amount of each financial assets in the statement of financial position.

#### **Interest Rate Risk**

Interest rate risk is the risk that company faces due to unfavorable movements in interest rates. Changes in the government's monetary policy along with increased demand for loans/investments tend to increase the interest rates. Such rises in interest rates mostly affect companies having floating rate loans or companies investing in debt securities.

#### **Management Perception**

Management of the company emphasizes on equity based financing to reduce dependency on borrowed fund. Therefore, fluctuation of interest rate on borrowing would have lower impact upon the financial performance of the company. Moreover, management of the Company continuously reduced the long term debt balance. As on 30 June 2014 the balance of the long term loan was nil.





### **Exchange Rate Risk**

Exchange rate risk occurs due to changes in exchange rates. As the Company imports raw materials and plant and Machinery from abroad and also earns a small amount of revenue in foreign currency, unfavorable volatility or currency fluctuations may affect the profitability of the Company. If exchange rate is increased against local currency, opportunity will be created for generating more profit.

#### **Management Perception**

The management is always alert in minimizing the negative impact of currency fluctuation cost by identifying new sources of raw materials and constantly negotiating with suppliers for reducing price. Furthermore by intensifying of export, the company enjoys the benefits of any further devaluation of BDT against foreign currency.

### **Industry Risks**

The Company is operating in a highly competitive market. Some of the competitors in this sector are larger than Deshbandhu polymer limited and have broader range of products that may enable them to expand their market share. The business, financial condition and prospects of the Company could be adversely affected if it is unable to compete with its competitors.

### **Market and Technology Related Risks**

Technology always plays a vital role for each and every type of business. Better technology can increase productivity and reduce costs of production. Firms are exposed to technology risks when there are better technologies available in the market than the one used by the company which may cause technological obsolescence and negative operational efficiency.

#### **Management Perception**

Deshbandhu polymer limited has setup its project with modern brand new imported machineries. Furthermore, routine and proper maintenance of equipment's carried out by the company ensures longer service life for the existing equipment and facilities.

### **Potential or Existing Government Regulations**

The Company operates under the Company's Act 1994 and other related regulations, Income Tax Ordinance 1984, Income Tax Rules 1984, Customs Act, 1969, The Value Added Tax and Supplementary Duty Act, 2012 and The Value Added Tax and Supplementary Duty Rules, 2016. Any abrupt changes of the policies made by the regulatory authorities may adversely affect the business of the Company. The policies made by the regulatory authorities may adversely affect the business of the Company.

#### **Management Perception**

Unless any adverse policies are made, which may materially affect the industry as a whole; the business of the company will not be affected. PP woven bags full-fill a very basic need for the packaging of sugar, cement, fertilizer, poultry feed, fisheries feed etc. As this is a very basic requirement for industrial use of the country, it is unlikely that the government will initiate any fiscal measure having adverse effect on the growth of the industry. The government is going to make it mandatory to use bags, these may effect the further growth of the company.

### **Potential Change in Global or National Policy**

The company operates its business based on imported raw materials. Financial and operating performance of the company may be adversely affected due to unfavorable change in global and national policy.

#### **Management Perception**

All the market players in this industry operate based on mainly imported raw materials and in compliance with national as well as global policies/practices. Any changes in policies will affect all the competitors almost equally. DPL's market standing, brand image and groups behind the company will put it in a comparatively better position to handle any adverse policy.

### **Non-operating History**

Any interruption in the operations of the company affects the company's image as a going concern. Failure to ensure uninterrupted operation reduces profitability and in the long run weakens the fundamentals of the company.

#### **Management Perception**

There is no history of disruption in the operation of the company.



### Operational Risk

Shortage of power supply, labor unrest, unavailability or price increase of raw material, natural calamities like flood, cyclone, earth quack etc. may disrupt the production of the Company and can adversely impact the profitability of the Company.

### Management Perception

Power requirement for the project is 0.8 MW which is meeting up from its sister concern namely Deshbandhu Sugar Mills Limited who generate power through its own steam generator. Besides this the company has also a gas base generator with a capacity of 1MW. The project of the Company is situated at a high land having less record of flood. The factory building has strong RCC foundation, RCC floor, pre-fabricated steel structure to withstand wind, storm, rain etc. along with good drainage facility. The risks from these factors are also covered through Insurance. The company is also facilitated to keep a rational reserve for any future price escalation of the raw materials.

### Cost of goods sold, Gross profit Margin and Net Profit Margin:

1. The cost of goods sold is Tk.1,046,562,186.00 in 2021-2022 and Tk. 773,807,394.00 was in 20-21.
2. The gross profit ratio is 12.28% in 2021-2022 and was 11.80% in 2020-2021.
3. The net profit margin in 2.78% 2021-2022 and 1.57% in 2020-2021.

### CONTINUITY OF ANY EXTRA-ORDINARY GAIN OR LOSS:

During the year 2021-2022 there was no such income.

### Related party transactions:

During the year, the company carried out a number of transactions with related parties in the normal course of business and on arms length basis. The name of these related parties, nature of transactions and their total value have been set in accordance with the provisions of IAS-24

Name	Nature of relationship	Nature of transactions	2020-2021 Taka	2019-2020 Taka
Deshbandhu Sugar Mills Ltd.	Share Holder	Short Term Funding	Ni	Nill
		Account Receivables	Dr.13,229,193	Dr.15,384,023
Deshbandhu Cement Mills Ltd.	Common Directors	Short Term Funding	Nill	Nill
		Account Receivables	Dr. 2,258,693	Dr.13,223,439
Commodities Trading Company	Common Directors	Short Term Funding	Nill	Nill
		Account Receivables	Dr. 1,708,482	Dr.4,069,137
Deshbandhu Packaging Ltd.	Common Directors	Short Term Funding	Nill	Dr.62,021,274
		Account Receivables	5835684	Dr.c5,835,684
Deshbandu Consumer & Agro Products Ltd.	Common Directors	Short Term Funding	Nill	Nill
		Account Receivables	786,029	Dr. 780,980
M R Trading	Common Directors	Short Term Funding	Nill	Dr.98,858,210
		Account Receivables	Dr.1,393,700	Dr.1,393,700
Sahera Auto Rice Mills Ltd.	Common Directors	Short Term Funding	Nill	Dr. 4,952,369
		Account Receivables	Dr. 1,812,928	Dr. 581,568
Deshbandhu Food & Beverage Ltd.	Common Directors	Short Term Funding	Nill	Dr. 5,546,325
		Account Receivables	Dr. 589,680	Dr. 589,680





#### **Utilization of proceeds from public issues, right issues and/or any others instruments:-**

IPO of Deshbandhu Polymer Limited was made in the year 2010 and the fund raised thereby has already been utilized as reported to the regulatory authority.

#### **Significant Deviation:**

The total revenue of the Company reported in 2021-2022 was Tk. 1046.56 million as against Tk. 773.80 million for the same period of the previous year due to receiving various Government tenders enormously and successfully completing them during the financial year under review, the sales revenue of the Company has increased by BDT 272.75 million compared to the same period of last year.

Profitability was driven by a relentless focus on controlling direct material costs and increasing the efficiency of the supply chain, resulting in an increase in gross profit by BDT 37.23 million. The operating expenses had decreased by BDT 2.82 million which is 11.69% less compared to the years 2020-21. Operating profit increased during the period to the same period of previous years mainly due to a decrease in marketing and selling expenses. Net profit and earnings per share have increased compared to the last year. This has been mainly due to an increase in sales volume and a reduction in sales and marketing expenses. That is why the profit before tax increased by BDT 17.32 million. Meanwhile, the deferred tax has been charged at 20% instead of 22.50%, thus the Net profit Margin has increased by BDT 17.01 million compared to last year. It stood at Tk. 29,134,459.00 in FY-2021-22, while it was Tk.12,123,486.00 in FY-2020-21; therefore a significant increase in EPS is noticed during 2021-2022 compared to the last year.

Net Asset Value (NAV) per share has been increased from Tk. 18.07 to Tk. 18.21 due to a Non-Current Liability decreased by BDT 44.25 in FY-2021-22.

Due to the recovery of Intercompany receivables, an increase in payment to suppliers and others, and purchasing of more raw materials compared to the previous year, there had been an increase in the Cash Flow from operating activities by BDT 27.91. Thus, the Operating Cash Flow per share stood at Tk. 0.99 in FY-2021-22 whereas it was Tk. 0.53 for the same period of the previous year.

#### **Remuneration to Directors including Independent Director:**

No remuneration is received by the Board of Directors & Independent Director.

#### **Corporate and Financial Reporting Framework:**

The Law requires that the financial statements of our company follow international financial reporting standards (IFRS) and Bangladesh financial standers (BFRS). This has been done with by to presenting the financial position and performance of the company fairly. In compliance with the requirements of the BSEC's notification No. BSEC/CMRRCD/2006-158/207/Admin/80, dated June 3, 2018 2 the Directors are pleased to make the following declarations in their report:

1. The financial statements prepared by the management of the issuer company present fairly its state of affairs, the result of its operations, cash flows and changes in equity.
2. Proper books of account of the company have been maintained.
3. Appropriate accounting policies have been consistently applied in preparation of the financial statements and that the accounting estimates are based on reasonable and prudent judgment.
4. International Accounting Standards (IAS) / Bangladesh Accounting Standards (BAS) /International Financial Reporting Standards (IFRS)/Bangladesh Financial Reporting Standards (BFRS), as applicable in Bangladesh, have been followed in preparation of the financial statements and any departure there-from has been adequately disclosed.
5. The system of internal control is sound in design and has been effectively implemented and monitored.
6. There are no significant doubts upon the Company's ability to continue as a going concern. If the issuer company is not considered to be a going concern, the fact along with reasons thereof should be disclosed.
7. Significant deviations from the last year's operating results of the issuer company shall be highlighted and the reasons thereof should be explained.



8. Key operating and financial data of at least preceding 5 (five) years shall be Summarized (Annexed- D).
9. If the issuer company has not declared dividend (cash or stock) for the year, the reasons thereof shall be given.
10. Board's statement to the effect that no bonus share or stock dividend has been or shall be declared as interim dividend
11. The number of Board meetings held during the year and attendance by each director shall be disclosed in the Directors' Report. (Annexure- H).
12. The pattern of shareholding shall be reported to disclose the aggregate number of shares (along with name wise details) (Annexure – E).
13. In case of the appointment/re- appointment of a director the company shall disclose the following information to the shareholders.
14. A Management's Discussion and Analysis signed by CEO or MD presenting detailed analysis of the company's position and operations along with a brief discussion of changes in the financial statements, among others, focusing on.
15. Declaration or certification by the CEO and the CFO to the Board as required under condition No. 3(3) shall be disclosed as per Annexure-A; and
16. The report as well as certificate regarding compliance of conditions of this Code as required under condition No. 9 shall be disclosed as per Annexure-B and Annexure-C.

#### **Going Concern:**

The company has adequate resources to continue operational existence for the further. For this reason, the company continues to adopt the going concern basis in preparing the financial statements and there is no doubt, whatsoever, upon the company's ability to continue as going concern.

#### **Dividend:**

The Board of Directors has recommended 5% cash dividend for General Shareholders other than Sponsors/Directors of the company for the year ended 30 June, 2022. The shareholders whose name will appear in the share register of the company or in the depository register on the record date will be eligible to attend the Annual General Meeting and to receive the dividend. The Sponsors/Directors hold 2,05,83,388 shares out of total 6,13,65,150 shares of the Company and the cash dividend to be payable to the General Shareholders is Tk. 2,03,90,881.00.

#### **Future Plan:**

Considering more and more competition in the domestic market, the management has taken various steps to divert production towards increase sales. In future production capacity expansion is envisaged with a view to increase production volume thereby increasing sales and profit to the benefit of all share holders.

#### **Retire and Re-Appointment of Director:**

As per Article 127 of the Articles of Association of the Company Brig. Gen. Mr. Sarwar Jahan Talukder (Retd.), NDC, PSC, Director, Representative of Deshbandhu Distilleries Limited and Engr. Mr. Shakhawat Hossain, Director, Representative of Deshbandhu Sugar Mills Limited will retire by rotation in 16th Annual General Meeting and being eligible, offer themselves for re-appointment. They are recommended for re-appointment.

#### **Auditor:**

The existing Auditors M/S Fames & R. Chartered Accountants expressed their willingness to carry out audit for the year ending 30 June, 2023. Their offer may be accepted at the forthcoming 16th Annual General Meeting of the Company at a fee of Tk.125,000.00 (One Lac Twenty Five Thousand Only).

#### **Shareholding Pattern:**

The shareholding combination as per Clause-1.5(xxi) of Bangladesh Securities and Exchange Commission Notification No. BSEC/CMRRCD/2006/158/207/Admin/80, dated June 3, 2018 has been shown separately at (Annexure: -E)





## ANNEXURE - D

### 05 (Five) Year's Financial Highlights

[As per condition No. 1(5) (xix)]

Particulars	2022	2021	2020	2019	2018
Revenue	1,046,562,186	773,807,394	824,577,244	799,252,742	945,699,450
Cost of Doods Sold	(918,031,857)	(682,505,268)	(729,930,375)	(682,695,931)	(818,873,316)
<b>Gross Profit</b>	<b>128,530,329</b>	<b>91,302,125</b>	<b>94,646,869</b>	<b>116,556,811</b>	<b>126,826,134</b>
<b>Operating Expenses</b>					
Administrative Expenses	(16,337,849)	(14,904,729)	(15,231,263)	(17,721,315)	(20,622,257)
Selling and Distribution Expenses	(5,004,255)	(9,261,265)	(8,945,103)	(10,219,725)	(13,510,565)
<b>Total Operating Expenses</b>	<b>(21,342,104)</b>	<b>(24,165,994)</b>	<b>(24,176,366)</b>	<b>-</b>	<b>-</b>
<b>Operating Profit</b>	<b>107,188,225</b>	<b>67,136,131</b>	<b>70,470,503</b>	<b>88,615,771</b>	<b>92,693,312</b>
Financing cost	(84,748,996)	(79,042,355)	(80,562,912)	(70,642,730)	(58,227,847)
Financing income	5,744,046	21,908,703	22,489,884	16,236,492	11,497,138
	(79,004,950)	(57,133,652)	12,397,476	34,209,533	45,962,603
<b>Profit/(Loss) before WPPF and income tax</b>	<b>28,183,276</b>	<b>10,002,479</b>	<b>12,397,476</b>	<b>-</b>	<b>-</b>
Provision for Contribution to WPPF	(1,342,061)	(476,309)	(590,356)	(1,629,025)	(2,188,695)
<b>Profit/(Loss) before Tax</b>	<b>2,684,1215</b>	<b>9,526,170</b>	<b>11,807,120</b>	<b>32,580,507</b>	<b>43,773,907</b>
<b>Income Tax (Expenses)/Income</b>					
Current tax	(6,313,837)	4,774,297	(5,082,403)	(8,145,127)	(10,943,477)
Deferred tax	8,565,582	7,152,410	(502,643)	4,307,665	1,588,423
	2,251,745	2,378,114	(5,585,046)	-	-
<b>Profit after tax for the year</b>	<b>29,092,961</b>	<b>11,904,284</b>	<b>622,2074</b>	<b>28,743,046</b>	<b>34,418,853</b>
<b>Other Comprehensive Income/(Loss)</b>	<b>41,498</b>	<b>219,202</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Comprehensive income for the year</b>	<b>29,134,459</b>	<b>12,123,486</b>	<b>622,2074</b>	<b>28,743,046</b>	<b>34,418,853</b>
<b>Earning Per Share of Tk. 10 each</b>	<b>0.47</b>	<b>0.20</b>	<b>0.10</b>	<b>0.47</b>	<b>0.56</b>
<b>NAV Per Share</b>	<b>18.21</b>	<b>18.07</b>	<b>10.48</b>	<b>10.72</b>	<b>10.75</b>
<b>NOCF Per Share</b>	<b>0.99</b>	<b>0.53</b>	<b>0.94</b>	<b>(0.95)</b>	<b>(0.87)</b>



**ANNEXURE - E**  
**PATTERN OF SHAREHOLDING AS ON 30 JUNE, 2022**

[As per condition No. 1(5) (xxiii)]

Sl. No.	Shareholder's Group		No. of Share held
1.	Mr. Golam Mostafa	Chairman	1,227,303
2.	Mr. Golam Rahman	Managing Director	2,173,858
3.	Brig. Gen. (Retd.) Sarwar Jahan Talukder Nominated By Deshbandhu Distilleries Ltd.	Director	1,227,303
4.	Engr. Md. Shakawat Hossain Nominated By Deshbandhu Sugar Mills Limited	Director	14,726,866
5.	Tabassum Mostafa Nominated By Deshbandhu Shipping Limited	Shareholder	1,227,303
6.	Mr. Md. Mainul Islam Lal	Shareholder	151
7.	Mr. Md. Akheruzaman	Shareholder	151
8.	Mr. Provash Chokrobarti	Shareholder	151
9.	Mr. Md. Abdul Khaleque	Shareholder	151
10.	Late Golam Rasul Putul	Shareholder	151
12.	Md. Mofiz Uddin Chowdhury	Independent Director	Nil
13.	Chief Financial Officer and his spouse and minor children	-	Nil
14.	Company Secretary and his spouse and minor children	-	Nil
15.	Head of Internal Audit and his spouse and minor children	-	Nil
16.	Executive (Top five salaried person other than CEO, CFO, CS.)	-	Nil
		<b>TOTAL</b>	<b>20,583,388</b>

**Shareholders holding ten percent (10%) or voting interest in the company (Name wise details).**

Sl. No.	Shareholding position	No. of Share	Remarks
01.	Deshbandhu Sugar Mills Limited	14,726,866	Mentioned in the Sl.No.4





### ANNEXURE - F

#### Classification of Shareholders by Holding 61,365,150 Shares as on 30 June, 2022

Sl. No.	Range of Shareholding	No. of holders	Holding	Percentage %
1.	Less than 500 shares	2,416	413,895	0.675%
2.	500 to 5,000 shares	5,119	7,695,178	10.540%
3.	5,001 to 10,000 shares	574	4,434,360	7.226%
4.	10,001 to 20,000 shares	377	5,601,980	9.129%
5.	20,001 to 30,000 shares	131	3,276,787	5.340%
6.	30,001 to 40,000 shares	77	2,742,310	4.469%
7.	40,001 to 50,000 shares	41	1,875,900	3.057%
8.	50,001 to 1,00,000 share	85	6,051,442	9.861%
9.	1,00,001 to 10,00,000 share	47	8,690,665	14.162%
10.	10,00,001 to 100,00,00,000 shares	6	20,582,633	33.541%
<b>Total</b>		<b>8,873</b>	<b>61,365,150</b>	<b>100%</b>

Category wise shareholding as on 30th June, 2022 is summarized as follows :

Category	Total Shareholders	Total Shareholding	Percentage%
Sponsor Directors and Shareholders	10	20,583,237	33.542 %
General Public (Including Financial Institute)	8,863	40,781,913	66.458 %
<b>Total</b>	<b>8,873</b>	<b>61,365,150</b>	<b>100 %</b>



## ANNEXURE - G

### Brief Resume of Appointde/Reappointed Directors

[As per condition No. 1(5) (xxiv)]

**Brig. Gen. Sarwar Jahan Talukder (Retd.) Director,  
Represented by Deshbandhu Distilleries Limited**

Brig. Gen. Sarwar Jahan Talukder (Retd.), NDC, PSC; son of late Abdul Khaleque Talukder and Mrs. Suriya Talukder is a versatile Business acumen having his MBA from Royal Roads University of Canada. Proficient & amiable personality experienced with as a Chairman of Trading Corporation of Bangladesh (TCB), Director General of Defense purchase and Director of supply and transport directorate (DST), Bangladesh Army, logistic staff of UN employment and having experience with Government and private limited companies at top management executive. Currently he is the nominee Director of Deshbandhu Polymer Limited (nominated by Deshbandhu Distilleries Limited).

**Eng. Md. Shakawat Hossain Director,  
Represented by Deshbandhu Sugar Mills Limited.**

Engr. Mr. Shakhawat Hossain; son of Md. Abdul Baten Prodhan, freedom fighter and Monoara Begum. He did his BSC in EEE from ADUST, Dhaka. He received verities training from India, China & Korea about WPP machineries & its productivity. In his Bright career of decades, he had taken Private Job at WPP sector. He has total 22 years working experiences in WPP sector, currently He is the nominee Director of Deshbandhu Polymer Limited (Nominated by Deshbandhu Sugar Mills Limited)

**Conclusion:**

The Board of Directors takes this opportunity of expressing its sincere appreciation and gratitude to the valued customers, bankers and other stakeholders for their continued support and cooperation. The Board also expresses its profound gratitude to Bangladesh Securities & Exchange Commission (BSEC), Dhaka Stock Exchange Limited (DSE), Chittagong Stock Exchange Limited (CSE), Registrar of Joint Stock Companies and Firms (RJSC), Central Depository Bangladesh Limited (CDBL) and all other concerned bodies for their help, assistance, valuable guidance and advice being extended to the company from time to time.

On behalf of the Board of Directors, I am also expressing my appreciation to the management and all staff of the Company for their outstanding efforts, loyalty, sincere services and dedication.

The Directors are pleased to record with appreciation and gratitude the co-operation and support provided by shareholders, customers, banks, workers and employees of the company without whose active support; the result would not have been possible.

Looking forward for a bright future for all of us.

Thanking you,

On behalf of the Board of Directors,

**Golam Mostafa**  
Chairman



## ANNEXURE - H

### Board Meeting and Attendance as on June 30, 2022

[As per condition No. 1(6)]

During the year under report, **15(Fifteen)** Board Meetings were held. The attendance records of the Directors were as follows:

SL	Name of Directors	Position	Meeting Held	Attendance	Remarks
1.	<b>Mr. Golam Mostafa</b>	Chairman	15	9	
2.	<b>Mr. Golam Rahman</b>	Managing Director	15	14	
3.	<b>Brig. Gen. Sarwar Jahan Talukder (Retd.)</b> Director, Representative of Deshbandhu Distilleries Ltd.	Director	15	10	
4.	<b>Engr. Mr. Md. Shakawat Hossain</b> Director, Representative of Deshbandhu Sugar Mills	Director	15	15	
5.	<b>Mr. Md. Mofiz Uddin Chowdhury</b>	Independent Director	15	5	

#### CODE OF CONDUCT & ETHICAL STANDARDS:

Our code of conduct and ethical standards addresses ethical conduct in our work environment, business practices, and relationship with external stakeholders. Deshbandhu Polymer sets out the guiding principles known as "Code of Conducts and Ethical Standards" as well as ensures the highest ethical standards in all of the Company's business dealings. Our code of conduct guides us in our daily business interactions, reflecting our standard of proper behavior and our corporate values.

The code clearly conveys to each of us the manner in which we achieve our business. The code of conduct is abided by all of the people of Deshbandhu Polymer Limited including Directors, Officers and all employees of the Company and its associates for the best interest of the Company. Vendors and suppliers are also subject to these requirements as adherence to the code is a condition for conducting business with Deshbandhu Polymer Limited. The code of conduct is often updated and reissued by the Board of Directors to cope up with the changing needs of stakeholders. We at Deshbandhu Polymer Limited are very keen to conduct our business according to our predetermined "Code of Conducts" for improving honesty and transparency in doing business so that it can achieve the trust of its stakeholders.

#### Compliance with laws, rules, and regulations

Deshbandhu Polymer Limited and all its employees are bound by the law. All employees must follow at all times the applicable laws, rules, and regulations as prevail in Bangladesh. Employees having doubts or questions about the applicability of the code of conduct is always welcome to contact the top management.

#### Conflict of interest

A "conflict of interest" exists when an employee's personal interest interferes with the best interest of the Company. The Directors and Management personnel are expected to avoid and disclose any activity or association that creates or is supposed to create a conflict between the personal interests and the Company's business interests. If any





relationship or association creates anything which is deemed to be material then it should be disclosed and permission should be taken thereby from the audit committee as well as the Board of Directors. In performing their duties, all employees of Deshbandhu Polymer Limited are expected to use their judgment to act, at all times and in all possible ways, in the best interest of the Company. Employees should attempt to avoid conflict of interest and employees who believe a conflict of interest may exist should promptly notify top management. The top management will consider the facts and take instant corrective action if needed.

#### **Prohibition of Insider Trading**

Directors or employees of Deshbandhu Polymer Limited and any of its sister concerns are prohibited from using any "material," "nonpublic" and "price-sensitive" information acquired personally and/or through others within the company, or through contact with clients or anyone it deals with in working within the company, its clients, suppliers or business partners, as to buy or sell any securities options etc.

- i. It is a clear violation of the company's policy, ethical obligations and the law to engage in insider trading by any of the Directors or employees of the company.
- ii. The company also prohibits "tipping," which occurs when one person provides material, nonpublic information to another person, and that person trades on the basis of the information to his or her benefit.

#### **Business relationships**

Directors and management are not allowed to make any business relationship that may hamper the Company's image in the country. They must not make any commitment that the Company cannot honor because the business of the Company is expected to be conducted legally and ethically.

#### **Corporate disclosure**

Directors and senior management personnel are liable to full, fair, accurate, timely, understandable and relevant disclosure in reports and documents it files with or submits to the regulatory bodies and publishes through the medium of public communications. They are not allowed to misrepresent either intentionally or cause others to misrepresent, facts about the Company to others within or outside the Company including its audit committee, statutory auditors and Govt. regulators and investors.

#### **Privacy and Confidentiality**

Directors and management personnel must ensure confidentiality of such information which may influence the capital market directly or indirectly. In essence, they are not allowed to disclose any forward-looking statements or information regarding the proceeding of board meetings/committee meetings / internal meetings or any tentative decisions about to be taken in those meetings. The following information along with other information as directed by the chairman of the board may be termed as confidential:

- Information on trade and any trade secrets
- Confidential and privileged information regarding customers and employees
- Information relating to mergers and acquisitions
- Dividend, stock splits and divestitures, etc.
- Plans relating to business issues and decisions which is not available in the public domain at that point in time.
- Confidential information or forward-looking information only can be disclosed with prior permission from appropriate authorities or as legally mandated.

#### **Fair dealing**

Any personnel of the Company must not discriminate against any employee, customer, supplier or any business partner based on caste, religion, gender or disability of any kind. Also, they must not give any unfair benefit to any employee, customer, supplier or competitors through manipulation, concealment, abuse of privileged information, misrepresentation of material facts or any other unfair dealing practice.



### **Health, safety & environment**

The company must comply with all the relevant environmental, safety and health laws and regulations. They must run the operations in an environment-friendly manner and provide a safe, friendly and healthy working environment for all of its employees.

### **Applicability, amendment, modification & waivers**

The comprehensive code applies equally to all employees, directors and management personnel. Directors shall communicate any suspected violations of the code promptly to the audit committee. Suspected violations will be investigated by the audit committee and appropriate action will be taken if the violation is so confirmed. In consultation with the audit committee, the board of directors may amend, modify or vary this code, subject to relevant provisions of laws, rules, regulations and guidelines in force. The board will not grant exemption to this code. But in case of extra-ordinary situations the board may waive or grant a waiver for any one or more from this code but reasons, explanations of the exception must be approved, written and filed thereby. As this code does not specifically address every potential form of unacceptable conduct, directors should exercise good judgment to comply with the principles set out in this code. Therefore, directors should avoid any circumstances that will violate the spirit of this code of conduct.







### **Governance of Board of Directors of Subsidiary Company:**

There is no Subsidiary Company of Deshbandhu Polymer Limited.

### **Managing Director (MD) or Chief Executive Officer (CEO), Chief Financial Officer (CFO), Head of Internal Audit and Compliance (HIAC) and Company Secretary (CS).**

The Board of Directors has designated Mr. Golam Rahman, Managing Director, Mr. Md. Aciat Hoque, Chief Financial Officer, moreover Md. Abu Yousuf Rasel, CA. CC is Head of Internal Audit and Md. Liakat Ali khan is continuing as Company Secretary of the company.

### **Role of the Chief Financial Officer, Company Secretary and Head of internal Audit & Compliance:**

#### **Role of Chief Financial Officer (CFO):**

The Chief Financial Officer (CFO) is responsible for accounts and treasury functions of the company. In addition he attends the Board Meetings and present quarterly and Annual Financial reports in accordance with the BSEC rules as well as provision of International Financial Reporting Standards(IFRS)/ international Accounting Standards(IAS) as adopted in Bangladesh.

He is to certify to the Board regarding financial statements and financial transaction of the company according to the corporate governance guidelines as issued Bangladesh Securities and Exchange Commission (BSEC).

#### **Role of the Head of Internal Audit and Compliance:**

The head of Internal Control and Compliance is responsible for reporting to the Board/Audit Committee regarding any deviation from accounting and internal control system of the company. He is also responsible for ensuring regulatory compliance of the company.

#### **Role of Company Secretary**

The Corporate Governance Guidelines issued by the BSEC also require a listed company to appoint a company secretary, as distinct from other senior officials of the company. In pursuance of the same, the Board of Directors appointed a company Secretary and defined his roles & responsibilities. In Deshbandhu Polymer Limited, among other functions, the key roles & responsibilities of the company secretary are:

- Advice and assists the members of the Board with respect to their accountabilities and responsibilities as Directors and compliance with their obligations under the companies Act, stock exchange requirements and issue on BSEC's corporate Governance companies Act, BSEC's ordinance, Rules, Directives/orders/Circulars etc.
- Ensures proper compliance with all relevant statutory and regulatory requirements.
- Communicates with the regulatory bodies/stakeholders of the company.

#### **Requirement to attend Board of Directors' Meetings:**

The MD or CEO, CS, CFO and HIAC of the company shall attend the meetings of the Board of Directors meetings:

As per Corporate Governance Code of BSEC, Duties of Managing Director (MD) or Chief Executive Officer (CEO) and Chief Financial Officer (CFO) are:

- (a) The MD or CEO and CFO shall certify to the Board that they have reviewed financial statements for the year and that to the best of their knowledge and belief:
  - (i) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading; and
  - (ii) These statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards and applicable laws;



(b) The MD or CEO and CFO shall also certify that there are, to the best of knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or in violation of the code of conduct for the company's Board or its members;

(c) The certification of the MD or CEO and CFO shall be disclosed in the Annual Report.

#### **Separate Role of the Chairman and Managing Director:**

The Chairman and the Managing Director of Deshbandhu Polymer Limited are different persons selected from the Board of Directors. There is a clear division of responsibilities between the Chairman and the managing Director. The respective responsibilities borne by the Chairman and the Managing Director which is given hereunder:

#### **Chairman's Core responsibilities:**

The Chairman leads the company in determination of its strategy and achievement of its objectives.

The Chairman is responsible for organizing the business of the company, ensuring its efficiency. The chairman facilitates the effective contribution and ensure that constructive relations existing amongst the directors.

#### **Managing Director's Core responsibilities:**

The managing Director is responsible for running the business and for formulations and implementing the business strategy and policy. He also has direct charge and overall control of the company on day-to-day basis and is accountable to the board for the financial and operational performance of the company. He is to certify to the board regarding financial statements and financial transactions of the company in accordance to the corporate governance guidelines as issued by BSEC.

#### **Board of Director's Committee:**

For ensuring good governance in the Company, the Board have following sub-committees:-

(i) Audit Committee.

(ii) Nomination and Remuneration Committee (NRC):

### **Report of the Audit Committee**

The Board of Directors has formed the Audit Committee required under the code of corporate governance of BSEC, with some specific assignments and by setting its terms of reference. The committee is comprised of our members, appointed by the Board of Directors of the Company. The Committee includes one independent Director.

#### **AUDIT COMMITTEE:**

The role of the Audit Committee is to monitor the integrity of the financial statements of the company, review of the same and when appropriate make its recommendations to the Board on matters including business risks, internal controls, compliance and audit. The Committee has to be satisfied by means of required information, proper and satisfactory internal control systems, identify and mitigate business risks and that the company's business is conducted in paper and financially sound manner.

The Audit Committee of Deshbandhu Polymer Limited has been constituted with the following persons as its members:

During the period under review the independent Director of this Company- Mr. Md. Mofiz Uddin Chowdhury performed as the Chairman of the Audit Committee.

Sl. No.	Name of the Members of the Audit Committee	Position of the Audit Committee
01.	Mr. Md. Mofiz Uddin Chowdhury	Chairman
02.	Mr. Golam Rahman	Member
03.	Brig. Gen. Mr. Sarwar Jahan Talukder (Retd.)	Member





### Meeting and Attendance by the Members:

During the financial year ended on 30 June, 2022 the Audit Committee had sat in 04 nos. of meetings and the proceedings of the meetings of the Audit Committee were reported regularly to the Board of Directors. The number of the Audit Committee meetings held and attendance of each member during the year 2021-2022 are mentioned below:

Name of the Members	Position of the Audit Committee	No. of Meetings held during the year ended 30 June, 2022	Meetings attended	Remarks
Mr. Md. Mofiz Uddin Chowdhury	Chairman	4	4	—
Mr. Golam Rahman	Member	4	4	—
Brig. Gen. Sarwar Jahan Talukder (Retd)	Member	4	4	—

### Qualification of Members of the Audit Committee:

The Members of the Audit Committee of Deshbandhu Polymer Limited possess adequate knowledge on business management and all of them are financially literate as per the regulatory requirements and are also able to analyze and interpret, corporate Laws, financial issues and the financial statements. The Audit Committee has to coordinate with the Internal and external Auditors of this company as and when are required. The committee has been empowered to examine the matters related to financial and internal control management and other affairs of the company. The Audit Committee ensures that adequate internal check and balance system are in their places.

### Roles and Responsibilities of the Audit Committee:

The Audit Committee of this Company has been playing an effective role in providing a bridge between the Board, Members and other Stakeholders. The roles and responsibilities of the Audit Committee are clearly mentioned in the Terms of Reference of the Audit Committee. The Audit Committee in fulfillment of the responsibility holds periodic meetings, at least once in quarter and provided appropriate decision to the management. The Committee meetings usually considered operational performance, financial results, capital expenditures, products lines, procurement, raw materials, plant and machinery etc. The Audit Committee during the period under review had found that the overall internal control and management process of the company was satisfactory.

During the financial year ended 30 June, 2022 the Audit Committee of the company accomplished the following:

#### Oversee the financial reporting process

- Monitored and reviewed the quarterly, half yearly and periodic financial statements, other financial results of the company and basis of its review and recommendation the Board of Directors considered those and given its approval.
- Reviewed and recommended various issues preparation the quarterly and Annual Financial statements.
- Submitted reports to the Board of Directors on internal control issues and deviations on the basis of internal audit reports.
- Reviewed and monitored compliance issues with laws, rules, regulations, code of conducts etc. with a view to safeguard the interest of all stakeholders of this company.
- Reviewed the performance of the external auditors of the company and assessed their independence;
- Reviewed the statements of significant related party transaction submitted by the management from time to time.





- Overseen other issues within the terms of the code of conduct of the audit committee.
- Recommended to the Board of Directors to consider the appointment of the statutory auditors of the company for the next financial year 2022-2023 in place of the auditors consideration the proposal of the stakeholders.

#### **Activities of the Audit Committee during the period ended on 30 June 2022:**

During the period ended on 30 June 2022, the Audit committee had discharged the responsibilities as mentioned below:

##### **Internal Control:**

Reviewed the effectiveness of internal control, also reviewed the audit objection and observation raised by the internal Audit Department and action plans of the internal Audit department. It monitored and ensured that the system of internal control was in place, effectively administered. It recommended to the board of directors for taking steps needed to improve the system of internal control derived from the findings of the internal and external auditors and from the understanding and by consultations of the audit committee members. In view of all, the Audit committee is the opining that the internal control procedures are adequate to present a true and fair view of the activities and financial status of the company.

##### **Financial Reporting:**

Reviewed, among other issue, the quarterly, half yearly and the annual financial statements of the company. It recommended to the Board of Directors for adoption and circulation those to the regulatory authorities as per the directives in this respect.

##### **Audit Committee Reports:**

The Audit Committee has prepared the annual audit committee report and submitting it to the Board which includes the composition of the audit Committee, its terms of reference, number of meetings held, summary of its activities during the financial year 2021-2022 and the existence of the internal audit services and summary of the activities for its inclusion in the audit report.

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

During the period under review the Audit Committee had also overseen and reviewed the procedure and tasks of the internal audit department. The Committee has been satisfied that the Internal Audit Team has the competency and qualifications to complete its mandates and accomplish according to the approved audit plans. It observed that the internal audit has full, free and unrestricted access to all activities, records, property and other issues necessary to perform its responsibilities. The audit committee also got the co-operation of the internal audit team in carrying out its duties and responsibilities during the financial year 2021-2022.

##### **Related Party Transaction:**

During the year the company had carried out considerable numbers of transactions in carrying out its operation and also with the related parties in its normal courses of business. The names of the related parties, the nature of the related party relationships about the transactions, the amount of the transactions and the amount of outstanding balances at the financial year ending have been monitored, disclosed and set out in the financial statements in accordance with the provisions of BAS-24" related Party Disclosures".

##### **External Audit:**

The Committee has forwarded the draft financial statements (which were placed to it by the management earlier) to the external auditors after its review. The Board has to approve the audited financial statements and place to before the members of the company for their discussion and consideration in the forthcoming 16th Annual General Meeting. It also reviewed the matters concerning the appointment and re-appointment, audit fee of the external auditors.



#### **Reporting to the Authorities:**

If the Audit Committee has reported to the Board about anything which has material impact on the financial condition and results of operation and has discussed with the Board and the management that any rectification is necessary and if the Audit Committee finds that such rectification has been unreasonably ignored, the Audit Committee shall report such finding to the Commission, upon reporting of such matters to the Board for three times or completion of a period of 6 (six) months from the date of first reporting to the Board, whichever is earlier.

#### **Reporting to the Share holders and General Investors:**

Report on activities carried out by the Audit Committee, including any report made to the Board under condition No. 5(6) (b) above during the year, shall be signed by the Chairperson of the Audit Committee and disclosed in the annual report of the issuer company.

**Md. Mofiz Uddin Chowdhury**  
Chairman of the Audit Committee



## ANNEXURE - I

### Report of the Nomination and Remuneration Committee (NRC):

In accordance with the directives of Bangladesh Securities and Exchange Commission through its Corporate Governance code under notification No: BSEC/CMRRCD/2006 158/ 207/ Admin/80 dated 03 June, 2018 was constituted. And four members were appointed by the Board of Directors of the company adhere the directives as follows:

Sl. No.	Name of the Members of the NRC Committee	Position in Company	Position in the Committee
01.	Mr. Md. Mofiz Uddin Chowdhury	Independent Director	Chairman
02.	Mr. Golam Mostafa	Chairman	Member
03.	Mr. Golam Rahman	Managing Director	Member

During the period under review the independent Director of this Company- Mr. Md. Mofiz Uddin Chowdhury performed as the Chairman of the NRC Committee and Mr. Liakat Ali Khan, Company Secretary performed as the secretary of the NRC committee as per Guidelines of The BSEC Corporate Governance Code.

#### Qualification of the NRC Committee Members:

The NRC members possess adequate knowledge on business management and corporate governance issues, financial literate able to analyze, understand and interpret corporate laws, finance and financial statements and have business acumen.

#### Roles and Responsibilities:

The roles and responsibilities of the NRC have been clearly mentioned in the terms of reference of the committee as approved by the Board of Directors of Deshbandhu Polymer Limited.

The Committee discharged its responsibility by holding a meeting in the financial year 2021-2022 and provided required advises and suggestions to the Board of Directors management to execute those duly.

In the meeting the committee it considered and assisted the Board in formulation of the nomination criteria and determining of the qualifications of the prospective candidates attributes, experiences etc. of the directors and top level executives and the remuneration of directors, top level executive of the company as well as.

#### Appointment/ Re-Appointment / Rotation of non executive Directors:

During the year under review the committee has evaluated for recommendation of 02(two) Directors Brig. Gen. Mr. Sarwar Jahan Talukder (Retd.), NDC, PSC Director Representative of Deshbandhu Distilleries Limited and Engr. Mr. Shakhawat Hossain Director Representative of Deshbandhu Sugar Mills Limited of the company who were to resign by rotation and eligible for their re-elections/appointments as per the provisions of the Article of Association of the company.





#### Meeting attendance by the Members:

It was held one committee meeting during the period ended on 30 June, 2022. The committee has placed its report to the Board of Directors in due course.

#### The attendance status of the NRC Committee Meeting is appended below:

Sl. No.	Name of the Members of the NRC Committee	Nos. of Meeting Held	Attendance in the Meeting
01.	Mr. Md. Mofiz Uddin Chowdhury	01	01
02.	Mr. Golam Mostafa	01	01
03.	Mr. Golam Rahman	01	01

#### During the financial year 2021-2022 the NRC accomplished the following:

- Reviewed the status of the Board composition along with their experience and track record of Board members, and made recommended to the Board in this regard;
- Identified and nominated candidates for appointment/reappointment to the board based on their knowledge experience and aptitude for attainment of the objectives of the company.
- Considered and accommodated various issues in connection with appointments, retirements and change in the Board of Directors.
- Reviewed the issues including the company's requirement for employees as to be placed at different levels and determine their selection procedures and criteria.
- Reviewed the performance of the top- level executives of the company and placed the recommendation on their findings.
- Reviewed the company's human resources status and the development and training policies of the company aimed for the employees.
- Reviewed the scope and effectiveness of internal HR functions and adequacy of it.
- Overseen other issues within the code of conduct of the NRC.

**Mr. Md. Mofiz Uddin Chowdhury**  
Chairman  
Nomination and Remuneration Committee (NRC)  
&  
Independent Director



## Maintaining a Website of the Company

[As per condition No. 8]

1. The company have an official website linked with the stock exchange name of the website at [www.deshbandhupolymer.com](http://www.deshbandhupolymer.com)
2. The company has been keeping the website functional from the date of listing.
3. The company has made available the detailed disclosures on its website as required under the listing regulations of the stock exchange(s).





## ANNEXURE –A

[As per condition No. 1(5) (xxvi)]

### **Deshbandhu Polymer Limited**

**[Declaration under Condition No.1 (5) (xxvi) of the Corporate Governance Code, 2018]**

Dated: 10th October, 2022

Board of Directors  
Deshbandhu Polymer Limited  
Mostafa Center  
House # 59, Road # 27, Block # k  
Banani, Dhaka-1213

**Sub.: Declaration on Financial Statements for the year ended on 30 June, 2022.**

**Dear Sirs,**

Compliance with the conditions no. 1(5)(xxvi) imposed by the Bangladesh Securities and Exchange Commission (BSEC) vide Notification No. BSEC/CMRRCD/2006-158/207/Admin/80 dated June 03, 2018 issued under section 2cc of the Securities and Exchange Ordinance, 1969.

- (1) The Financial Statements of Deshbandhu Polymer Limited for the year ended on 30 June, 2022 have been prepared in compliance with International Accounting Standards (IAS) or International Financial Reporting Standards (IFRS), as applicable in the Bangladesh and any departure there from has been adequately disclosed;
- (2) The estimates and judgments related to the financial statements were made on a prudent and reasonable basis, in order for the financial statements to reveal a true and fair view;
- (3) The form and substance of transactions and the Company's state of affairs have been reasonably and fairly presented in its financial statements;
- (4) To ensure above, the Company has taken proper and adequate care in installing a system of internal control and maintenance of accounting records;
- (5) Our internal auditors have conducted periodic audits to provide reasonable assurance that the established policies and procedures of the Company were consistently followed; and
- (6) The management's use of the going concern basis of accounting in preparing the financial statements is appropriate and there exists no material uncertainty related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern.



**In this regard, we also certify that:**

- ( i ) We have reviewed the financial statements for the year ended on 30 June, 2022 and that to the best of our knowledge and belief:
  - ( a ) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - ( b ) These statements collectively present true and fair view of the Company's affairs and are in compliance with existing accounting standards and applicable laws.
- (ii) There are, to the best of knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or in violation of the code of conduct for the company's Board of Directors or its members.

Sincerely yours,

**Md. Acial Hoque**  
Chief Financial Officer

**Golam Rahman**  
Managing Director



## ANNEXURE - B

[Certificate as per condition no. 1(5)(xxvii)]



### Anil Salam Idris & Co.

Chartered Accountants

Affiliated Firm of EMA Squared Chartered Accountants, UK.

House # 57 (2<sup>nd</sup> & 4<sup>th</sup> Floor)  
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Banani, Dhaka - 1213  
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asicodhaka@gmail.com

#### Report to the Shareholders of Deshbandhu Polymer Limited On Compliance on the Corporate Governance Code

We have examined the compliance status to the Corporate Governance Code by “**Deshbandhu Polymer Limited**” for the year ended 30<sup>th</sup> June 2022. This code relates to the Notification No. BSEC/CMRRCD/2006-158/207/Admin/80 dated June 03, 2018 of the Bangladesh Securities and Exchange Commission.

Such compliance with the Corporate Governance Code is the responsibility of the Company. Our examination was limited to the procedures and implementation, thereof as adopted by the Management in ensuring compliance to the conditions of the Corporate Government Code.

This is a scrutiny and verification and an independent audit on compliance of the Corporate Governance Code as well as the provisions of relevant Bangladesh Secretarial Standards (BSS) as adopted by the Institute of Chartered Secretaries of Bangladesh (ICSB) in so far as those standards are not inconsistent with any condition of this Corporate Governance Code.

We state that we have obtained all the information and explanations, which we have required, and after due scrutiny and verification thereof, we report that, in our opinion:

- (a) The Company has complied with the conditions of the Corporate Governance Code as stipulated in the above-mentioned Corporate Governance Code issued by the Commission.
- (b) The company has complied with the provisions of the relevant Bangladesh Secretarial Standards (BSS) as adopted by the Institute of Chartered Secretaries of Bangladesh (ICSB) as required by this Code.
- (c) Proper books and records have been kept by the company as required under the Companies Act, 1994, the securities laws and other relevant laws.
- (d) The governance of the company is highly satisfactory.

Place: Dhaka  
Dated: 20 November 2022



Anil Salam Idris & Co.  
Chartered Accountants

Md. Anwar Hossain, FCA  
Partner





## Annexure-C

[Certificate as per condition No. 1(5) (xxvii)]

### Corporate Governance Compliance Status Report

Status of compliance with the conditions imposed by the Commission's Notification No. BSEC/CMRRCD/2006-158/207/Admin/80 dated 3rd June, 2018 issued under section 2CC of the Securities and Exchange Ordinance, 1969:

#### (Report under Condition No. 9)

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
1.	<b>Board of Directors:</b>			
1(1)	<b>Size of the Board of Directors:-</b> The total number of members of a company's Board of Directors (hereinafter referred to as "Board") shall not be less than 5 (five) and more than 20 (twenty).	✓		
2.	<b>Independent Directors:</b> All companies shall have effective representation of independent directors on their Boards, so that the Board, as a group, includes core competencies considered relevant in 2 the context of each company; for this purpose, the companies shall comply with the following:-			
1(2)(a)	At least one-fifth (1/5) of the total number of directors in the company's Board shall be independent directors; any fraction shall be considered to the next integer or whole number for calculating number of independent director(s);	✓		
1(2)(b)	For the purpose of this clause "independent director" means a director-			
1(2)(b)(i)	who either does not hold any share in the company or holds less than one percent (1%) shares of the total paid-up shares of the company;			
1(2)(b)(ii)	who is not a sponsor of the company or is not connected with the company's any sponsor or director or nominated director or shareholder of the company or any of its associates, sister concerns, subsidiaries and parents or holding entities who holds one percent (1%) or more shares of the total paid-up shares of the company on the basis of family relationship and his or her family members also shall not hold above mentioned shares in the company; Provided that spouse, son, daughter, father, mother, brother, sister, son-in-law and daughter-in-law shall be considered as family members;	✓		
1(2)(b)(iii)	who has not been an executive of the company in immediately preceding 2 (two) financial years;	✓		
1(2)(b)(iv)	who does not have any other relationship, whether pecuniary or otherwise, with the company or its subsidiary or associated companies;	✓		
1(2)(b)(v)	Who is not a member or TREC (Trading Right Entitlement Certificate)holder, director or officer of any stock exchange;	✓		
1(2)(b)(vi)	who is not a shareholder, director excepting independent director or officer of any member or TREC holder of stock exchange or an intermediary of the capital market;	✓		
1(2)(b)(vii)	who is not a partner or an executive or was not a partner or an executive during the preceding 3 (three) years of the concerned company's statutory audit firm or audit firm engaged in internal audit services or audit firm conducting special audit or professional certifying compliance of this Code;	✓		



Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (If any)
		Complied	Not Complied	
1(2)(b)(viii)	Who is not independent director in more than 5 (five) listed companies;	✓		
1(2)(b)(ix)	who has not been convicted by a court of competent jurisdiction as a defaulter in payment of any loan or any advance to a bank or a Non-Bank Financial Institution (NBFI);and	✓		
1(2)(b)(x)	who has not been convicted for a criminal offence involving moral turpitude;	✓		
1(2)(c)	The independent director(s) shall be appointed by the Board and approved by the shareholders in the Annual General Meeting (AGM);	✓		
1(2)(d)	The post of independent director(s) can not remain vacant for more than 90 (ninety) days; and	✓		
1(2)(e)	The tenure of office of an independent director shall be for a period of 3 (three) years, which may be extended for 1 (one) tenure only: Provided that a former independent director may be considered for reappointment for another tenure after a time gap of one tenure, i.e., three years from his or her completion of consecutive two tenures [i.e. six years]: Provided further that the independent director shall not be subject to retirement by rotation as per the কোম্পানী আইন,১৯৯৪ (১৯৯৪ সনের ১৮ নং আইন) companies Act,1994 <b>Explanation:</b> For the purpose of counting tenure or term of independent director, any partial term of tenure shall be deemed to be a full tenure.	✓		
<b>3.</b>	<b>Qualification of Independent Director:-</b>			
1(3)(a)	Independent director shall be a knowledgeable individual with integrity who is able to ensure compliance with financial laws, regulatory requirements and corporate laws and can make meaningful contribution to the business;	✓		
	<b>Independent director shall have following qualifications:-</b>			
1(3)(b)(i)	Business Leader who is or was a promoter or director of an unlisted company having minimum paid-up capital of Tk. 100.00 million or any listed company or a member of any national or international chamber of commerce or business association; or	✓		
1(3)(b)(ii)	Corporate Leader who is or was a top level executive not lower than Chief Executive Officer or Managing Director or Deputy Managing Director or Chief Financial Officer or Head of Finance or Accounts or Company Secretary or Head of Internal Audit and Compliance or Head of Legal Service or a candidate with equivalent position of an unlisted company having minimum paid up capital of Tk. 100.00million or of a listed company; or <b>Explanation:</b> Top level executive includes Managing Director (MD) or Chief Executive Officer (CEO), Additional or Deputy Managing Director (AMD or DMD), Chief Operating Officer (COO), Chief Financial Officer (CFO), Company Secretary (CS), Head of Internal Audit and Compliance (HIAC), Head of Administration and Human Resources or equivalent positions and same level or ranked or salaried officials of the company.	✓		
1(3)(b)(iii)	Former official of government or statutory or autonomous or regulatory body in the position not below 5th Grade of the national pay scale, who has at least educational background of bachelor degree in economics or commerce or business or law; or	✓		



Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (If any)
		Complied	Not Complied	
1(3)(b)(iv)	University Teacher who has educational background in Economics or Commerce or Business Studies or Law; or	✓		
1(3)(b)(v)	Professional who is or was an advocate practicing at least in the High Court Division of Bangladesh Supreme Court or a Chartered Accountant or Cost and Management Accountant or Chartered Financial Analyst or Chartered Certified Accountant or Certified Public Accountant or Chartered Management Accountant or Chartered Secretary or equivalent qualification	✓		
1(3)(c)	The independent director shall have at least 10 (ten) years of experiences in any field mentioned in clause (b);	✓		
1(3)(d)	In special cases, the above qualifications or experiences may be relaxed subject to prior approval of the Commission.	✓		
<b>4.</b>	<b>Duality of Chairperson of the Board of Directors and Managing Director or Chief Executive Officer:-</b>			
1(4)(a)	The positions of the Chairperson of the Board and the Managing Director (MD) and/or Chief Executive Officer (CEO) of the company shall be filled by different individuals;	✓		
1(4)(b)	The Managing Director (MD) and/or Chief Executive Officer (CEO) of a listed company shall not hold the same position in another listed company;	✓		
1(4)(c)	The Chairperson of the Board shall be elected from among the non- executive directors of the company;	✓		
1(4)(d)	The Board shall clearly define respective roles and responsibilities of the Chairperson and the Managing Director and/or Chief Executive officer;	✓		
1(4)(e)	In the absence of the Chairperson of the Board, the remaining members may elect one of themselves from non- executive directors as Chairperson for that particular Board's meeting; the reason of absence of the regular Chairperson shall be duly recorded in the minutes.	✓		
<b>5.</b>	<b>The Directors' Report to Shareholders :-</b> The Board of the company shall include the following additional statements or disclosures in the Directors' Report prepared under section 184 of the Companies Act, 1994 (Act No. XVIII of 1994):-			
1(5)(i)	An industry outlook and possible future developments in the industry;	✓		
1(5)(ii)	The segment-wise or product-wise performance;	✓		
1(5)(iii)	Risks and concerns including internal and external risk factors, threat to sustainability and negative impact on environment, if any;	✓		
1(5)(iv)	A discussion on Cost of Goods sold, Gross Profit Margin and Net Profit Margin, where applicable;	✓		
1(5)(v)	A discussion on continuity of any extraordinary activities and their implications (gain or loss);	✓		
1(5)(vi)	A detailed discussion on related party transactions along with a statement showing amount, nature of related party, nature of transactions and basis of transactions of all related party transactions;	✓		
1(5)(vii)	A statement of utilization of proceeds raised through public issues, rights issues and/or any other instruments;	✓		
1(5)(viii)	An explanation if the financial results deteriorate after the company goes for Initial Public Offering (IPO), Repeat Public Offering (RPO), Rights Share Offer, Direct Listing, etc.;			Not Applicable
1(5)(ix)	An explanation on any significant variance that occurs between Quarterly Financial performances and Annual Financial Statements;	✓		





Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (If any)
		Complied	Not Complied	
1(5)(x)	A statement of remuneration paid to the directors including independent directors;			Stated in the annual Report
1(5)(xi)	A statement that the financial statements prepared by the management of the issuer company present fairly its state of affairs, the result of its operations, cash flows and changes in equity;	✓		
1(5)(xii)	A statement that proper books of account of the issuer company have been maintained;	✓		
1(5)(xiii)	A statement that appropriate accounting policies have been consistently applied in preparation of the financial statements and that the accounting estimates are based on reasonable and prudent judgment;	✓		
1(5)(xiv)	A statement that International Accounting Standards (IAS) or International Financial Reporting Standards (IFRS), as applicable in Bangladesh, have been followed in preparation of the financial statements and any departure there from has been adequately disclosed;	✓		
1(5)(xv)	A statement that the system of internal control is sound in design and has been effectively implemented and monitored;	✓		
1(5)(xvi)	A statement that minority shareholders have been protected from abusive actions by, or in the interest of, controlling shareholders acting either directly or indirectly and have effective means of redress;	✓		
1(5)(xvii)	A statement that there is no significant doubt upon the issuer company's ability to continue as a going concern, if the issuer company is not considered to be a going concern, the fact along with reasons thereof shall be disclosed;	✓		Not Applicable
1(5)(xviii)	An explanation that significant deviations from the last year's operating results of the issuer company shall be highlighted and the reasons thereof shall be explained;	✓		
1(5)(xix)	A statement where key operating and financial data of at least preceding 05 (five) years shall be summarized;	✓		Stated in (Annexure-D)
1(5)(xx)	An explanation on the reasons if the issuer company has not declared dividend (cash or stock) for the year;	N/A		
1(5)(xxi)	Board's statement to the effect that no bonus share or stock dividend has been or shall be declared as interim dividend;			Nil cash dividend declared only. General Shareholders other than Sponsored Director
1(5)(xxii)	The total number of Board meetings held during the year and attendance by each director;	✓		Stated in (Annexure-H)
1(5)(xxiii)	A report on the pattern of shareholding disclosing the aggregate number of shares (along with name-wise details where stated below) held by:-	✓		Stated in (Annexure-E)
1(5)(xxiii)(a)	Parent or Subsidiary or Associated Companies and other related parties (name-wise details);	✓		Sl. No. 3,4 & 5 of annexure-E are associate companies
1(5)(xxiii)(b)	Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer, Head of Internal Audit and Compliance and their spouses and minor children (name-wise details);	✓		Stated in (Annexure-E)
1(5)(xxiii)(c)	Executives; and	✓		Stated in (Annexure-E)
1(5)(xxiii)(d)	Shareholders holding ten percent (10%) or more voting interest in the company (name-wise details); <b>Explanation:</b> For the purpose of this clause, the expression "executive" means top 5 (five) salaried employees of the company, other than the Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer and Head of Internal Audit and Compliance.	✓		Stated in (Annexure-E)



Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (If any)
		Complied	Not Complied	
1(5)(xxiv)	In case of the appointment or reappointment of a director, a disclosure on the following information to the shareholders:-	✓		Stated in the Annual Report
1(5)(xxiv)(a)	a brief resume of the director;	✓		<b>Stated in (Annexure-G)</b>
1(5)(xxiv)(b)	Nature of his or her expertise in specific functional areas; and	✓		Stated in the Annual Report
1(5)(xxiv)(c)	names of companies in which the person also holds the directorship and the membership of committees of the Board;	✓		Stated in the Annual Report
1(5)(xxv)	A Management's Discussion and Analysis signed by CEO or MD presenting detailed analysis of the company's position and operations along with a brief discussion of changes in the financial statements, among others, focusing on:	✓		Stated in the Annual Report
1(5)(xxv)(a)	accounting policies and estimation for preparation of financial statements;	✓		
1(5)(xxv)(b)	Changes in accounting policies and estimation, if any, clearly describing the effect on financial performance or results and financial position as well as cash flows in absolute figure for such changes;	✓		
1(5)(xxv)(c)	Comparative analysis (including effects of inflation) of financial performance or results and financial position as well as cash flows for current financial year with immediate preceding five years explaining reasons thereof;	✓		
1(5)(xxv)(d)	compare such financial performance or results and financial position as well as cash flows with the peer industry scenario;	✓		
1(5)(xxv)(e)	briefly explain the financial and economic scenario of the country and the globe;	✓		
1(5)(xxv)(f)	risks and concerns issues related to the financial statements, explaining such risk and concerns mitigation plan of the company; and	✓		
1(5)(xxv)(g)	future plan or projection or forecast for company's operation, performance and financial position, with justification thereof, i.e., actual position shall be explained to the shareholders in the next AGM;	✓		
1(5)(xxvi)	Declaration or certification by the CEO and the CFO to the Board as required under condition No. 3(3) shall be disclosed as per <b>Annexure-A; and</b>	✓		Stated in the annual Report
1(5)(xxvii)	The report as well as certificate regarding compliance of conditions of this Code as required under condition No.9 shall be disclosed as per <b>Annexure-B &amp; Annexure-C</b>	✓		Stated in the annual Report
<b>6.</b>	<b>Meetings of the Board of Directors:-</b>			
1(6)	The company shall conduct its Board meetings and record the minutes of the meetings as well as keep required books and records in line with the provisions of the relevant Bangladesh Secretarial Standards (BSS) as adopted by the Institute of Chartered Secretaries of Bangladesh (ICSB) in so far as those standards are not inconsistent with any condition of this Code.	✓		
<b>7.</b>	<b>Code of Conduct for the Chairperson, other Board members and Chief Executive Officer</b>			
1(7)(a)	The Board shall lay down a code of conduct, based on the recommendation of the Nomination and Remuneration Committee (NRC) at condition No. 6, for the Chairperson of the Board, other board members and Chief Executive Officer of the company;	✓		
1(7)(b)	The code of conduct as determined by the NRC shall be posted on the website of the company including, among others, prudent conduct and behavior; confidentiality; conflict of interest; compliance with laws, rules and regulations; prohibition of insider trading; relationship with environment, employees, customers and suppliers; and interdependency.	✓		





Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
<b>2.</b>	<b>Governance of Board of Directors of Subsidiary Company:-</b>			
2(a)	Provisions relating to the composition of the Board of the holding company shall be made applicable to the composition of the Board of the subsidiary company;		N/A	No Subsidiary Company
2(b)	At least 1 (one) independent director on the Board of the holding company shall be a director on the Board of the subsidiary company;		N/A	No Subsidiary Company
2(c)	The minutes of the Board meeting of the subsidiary company shall be placed for review at the following Board meeting of the holding company;		N/A	No Subsidiary Company
2(d)	The minutes of the respective Board meeting of the holding company shall state that they have reviewed the affairs of the subsidiary company also;		N/A	No Subsidiary Company
2(e)	The Audit Committee of the holding company shall also review the financial statements, in particular the investments made by the subsidiary company.		N/A	No Subsidiary Company
<b>3.</b>	<b>Managing Director (MD) or Chief Executive Officer (CEO), Chief Financial Officer (CFO), Head of Internal Audit and Compliance (HIAC) and Company Secretary (CS).-</b>			
	<b>(1) Appointment</b>			
3(1)(a)	The Board shall appoint a Managing Director (MD) or Chief Executive Officer (CEO), a Company Secretary (CS), a Chief Financial Officer (CFO) and a Head of Internal Audit and Compliance (HIAC);	✓		
3(1)(b)	The positions of the Managing Director (MD) or Chief Executive Officer (CEO), Company Secretary (CS), Chief Financial Officer (CFO) and Head of Internal Audit and Compliance (HIAC) shall be filled by different individuals;	✓		
3(1)(c)	The MD or CEO, CS, CFO and HIAC of a listed company shall not hold any executive position in any other company at the same time;	✓		
3(1)(d)	The Board shall clearly define respective roles, responsibilities and duties of the CFO, the HIAC and the CS;	✓		
3(1)(e)	The MD or CEO, CS, CFO and HIAC shall not be removed from their position without approval of the Board as well as immediate dissemination to the Commission and stock exchange(s).	✓		
3(2)	<b>Requirement to attend Board of Directors' Meetings</b>			
	The MD or CEO, CS, CFO and HIAC of the company shall attend the meetings of the Board: Provided that the CS, CFO and/or the HIAC shall not attend such part of a meeting of the Board which involves consideration of an agenda item relating to their personal matters.			
3(3)	<b>Duties of Managing Director (MD) or Chief Executive Officer (CEO) and Chief Financial Officer (CFO)</b> The MD or CEO and CFO shall certify to the Board that they have reviewed financial statements for the year and that to the best of their knowledge and belief:			
3(3)(a)(i)	these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading; and	✓		
3(3)(a)(ii)	these statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards and applicable laws;	✓		
3(3)(b)	The MD or CEO and CFO shall also certify that there are, to the best of knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or in violation of the code of conduct for the company's Board or its members;	✓		
3(3)(C)	The certification of the MD or CEO and CFO shall be disclosed in the Annual Report.	✓		





Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
<b>4.</b>	<b>Board of Directors' Committee:-</b> For ensuring good governance in the company, the Board shall have at least following subcommittees.			
4(i)	Audit Committee; and	✓		
4(ii)	Nomination and Remuneration Committee.	✓		
<b>5.</b>	<b>Audit Committee:-</b>			
	<b>(1) Responsibility to the Board of Directors:-</b>			
5(1)(a)	The company shall have an Audit Committee as a sub-committee of the Board;	✓		
5(1)(b)	The Audit Committee shall assist the Board in ensuring that the financial statements reflect true and fair view of the state of affairs of the company and in ensuring a good monitoring system within the business;	✓		
5(1)(c)	The Audit Committee shall be responsible to the Board; the duties of the Audit Committee shall be clearly set forth in writing.	✓		
	<b>(2) Constitution of the Audit Committee</b>			
5(2)(a)	The Audit Committee shall be composed of at least 3 (three) members;	✓		
5(2)(b)	The Board shall appoint members of the Audit Committee who shall be nonexecutive directors of the company excepting Chairperson of the Board and shall include at least 1 (one) independent director;	✓		
5(2)(c)	All members of the audit committee should be "financially literate" and at least 1(one) member shall have accounting or related financial management background and 10 (ten) years of such experience; <b>Explanation:</b> The term "financially literate" means the ability to read and understand the financial statements like statement of financial position, statement of comprehensive income, statement of changes in equity and cash flows statement and a person will be considered to have accounting or related financial management expertise if he or she possesses professional qualification or Accounting or Finance Graduate with at least 10 (ten) years of corporate management or professional experiences.	✓		
5(2)(d)	When the term of service of any Committee member expires or there is any circumstance causing any Committee member to be unable to hold office before expiration of the term of service, thus making the number of the Committee members to be lower than the prescribed number of 3 (three) persons, the Board shall appoint the new Committee member to fill up the vacancy immediately or not later than 1 (one) month from the date of vacancy in the Committee to ensure continuity of the performance of work of the Audit Committee;	✓		
5(2)(e)	The company secretary shall act as the secretary of the Committee;	✓		
5(2)(f)	The quorum of the Audit Committee meeting shall not constitute without at least 1 (one) independent director.	✓		
	<b>(3) Chairperson of the Audit Committee</b>			
5(3)(a)	The Board shall select 1 (one) member of the Audit Committee to be Chairperson of the Audit Committee, who shall be an independent director;	✓		
5(3)(b)	In the absence of the Chairperson of the Audit Committee, the remaining members may elect one of themselves as Chairperson for that particular meeting, in that case there shall be no problem of constituting a quorum as required under condition No. 5(4)(b) and the reason of absence of the regular Chairperson shall be duly recorded in the minutes.	✓		



Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
5(3)(c)	Chairperson of the Audit Committee shall remain present in the Annual General Meeting (AGM): Provided that in absence of Chairperson of the Audit Committee, any other member from the Audit Committee shall be selected to be present in the annual general meeting (AGM) and reason for absence of the Chairperson of the Audit Committee shall be recorded in the minutes of the AGM.	✓		
<b>(4) Meeting of the Audit Committee</b>				
5(4)(a)	The Audit Committee shall conduct at least its four meetings in a financial year: Provided that any emergency meeting in addition to regular meeting may be convened at the request of any one of the members of the Committee;	✓		
5(4)(b)	The quorum of the meeting of the Audit Committee shall be constituted in presence of either two members or two third of the members of the Audit Committee, whichever is higher, where presence of an independent director is a must.	✓		
<b>(5) Role of Audit Committee</b>				
5(5)(a)	<b>The Audit Committee shall:-</b> Oversee the financial reporting process;	✓		
5(5)(b)	monitor choice of accounting policies and principles;	✓		
5(5)(c)	monitor Internal Audit and Compliance process to ensure that it is adequately resourced, including approval of the Internal Audit and Compliance Plan and review of the Internal Audit and Compliance Report;	✓		
5(5)(d)	oversee hiring and performance of external auditors;	✓		
5(5)(e)	hold meeting with the external or statutory auditors for review of the annual financial statements before submission to the Board for approval or adoption;	✓		
5(5)(f)	review along with the management, the annual financial statements before submission to the Board for approval;	✓		
5(5)(g)	review along with the management, the quarterly and half yearly financial statements before submission to the Board for approval;	✓		
5(5)(h)	review the adequacy of internal audit function;	✓		
5(5)(i)	review the Management's Discussion and Analysis before disclosing in the Annual Report;	✓		
5(5)(j)	review statement of all related party transactions submitted by the management;	✓		
5(5)(k)	review Management Letters or Letter of Internal Control weakness issued by statutory auditors;	✓		
5(5)(l)	oversee the determination of audit fees based on scope and magnitude, level of expertise deployed and time required for effective audit and evaluate the performance of external auditors; and	✓		
5(5)(m)	oversee whether the proceeds raised through Initial Public Offering (IPO) or Repeat Public Offering (RPO) or Rights Share Offer have been utilized as per the purposes stated in relevant offer document or prospectus approved by the Commission: Provided that the management shall disclose to the Audit Committee about the uses or applications of the proceeds by major category (capital expenditure, sales and marketing expenses, working capital, etc.), on a quarterly basis, as a part of their quarterly declaration of financial results: Provided further that on an annual basis, the company shall prepare a statement of the proceeds utilized for the purposes other than those stated in the offer document or prospectus for publication in the Annual Report along with the comments of the Audit Committee.	✓		



Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (If any)
		Complied	Not Complied	
<b>(6) Reporting of the Audit Committee</b>				
<b>(a) Reporting to the Board of Directors</b>				
5(6)(a)(i)	(i) The Audit Committee shall report on its activities to the Board.	✓		
	(i) The Audit Committee shall immediately report to the Board on the following findings, if any:-	✓		
5(6)(a)(ii)(a)	report on conflicts of interests;	✓		
5(6)(a)(ii)(b)	suspected or presumed fraud or irregularity or material defect identified in the internal audit and compliance process or in the financial statements;	✓		
5(6)(a)(ii)(c)	suspected infringement of laws, regulatory compliances including securities related laws, rules and regulations; and	✓		
5(6)(a)(ii)(d)	any other matter which the Audit Committee deems necessary shall be disclosed to the Board immediately;	✓		
<b>(b) Reporting to the Authorities</b>				
5(6)(b)	If the Audit Committee has reported to the Board about anything which has material impact on the financial condition and results of operation and has discussed with the Board and the management that any rectification is necessary and if the Audit Committee finds that such rectification has been unreasonably ignored, the Audit Committee shall report such finding to the Commission, upon reporting of such matters to the Board for three times or completion of a period of 6 (six) months from the date of first reporting to the Board, whichever is earlier.	✓		
<b>(7) Reporting to the Shareholders and General Investors</b>				
5(7)	Report on activities carried out by the Audit Committee, including any report made to the Board under condition No. 5(6)(a)(ii) above during the year, shall be signed by the Chairperson of the Audit Committee and disclosed in the annual report of the issuer company.	✓		
<b>6. Nomination and Remuneration Committee (NRC)</b>				
<b>6(1) Responsibility to the Board of Directors</b>				
6(1)(a)	The company shall have a Nomination and Remuneration Committee (NRC) as a subcommittee of the Board;	✓		
6(1)(b)	The NRC shall assist the Board in formulation of the nomination criteria or policy for determining qualifications, positive attributes, experiences and independence of directors and top level executive as well as a policy for formal process of considering remuneration of directors, top level executive;	✓		
6(1)(c)	The Terms of Reference (TOR) of the NRC shall be clearly set forth in writing covering the areas stated at the condition No. 6(5)(b).	✓		
<b>6(2) Constitution of the NRC</b>				
6(2)(a)	The Committee shall comprise of at least three members including an independent director;	✓		
6(2)(b)	All members of the Committee shall be non-executive directors;	✓		
6(2)(c)	Members of the Committee shall be nominated and appointed by the Board;	✓		
6(2)(d)	The Board shall have authority to remove and appoint any member of the Committee;	✓		
6(2)(e)	In case of death, resignation, disqualification, or removal of any member of the Committee or in any other cases of vacancies, the board shall fill the vacancy within 180 (one hundred eighty) days of occurring such vacancy in the Committee;	✓		





Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (If any)
		Complied	Not Complied	
6(2)(f)	The Chairperson of the Committee may appoint or co-opt any external expert and/or member(s) of staff to the Committee as advisor who shall be non-voting member, if the Chairperson feels that advice or suggestion from such external expert and/or member(s) of staff shall be required or valuable for the Committee;			No Such Case in the year
6(2)(g)	The company secretary shall act as the secretary of the Committee;	✓		
6(2)(h)	The quorum of the NRC meeting shall not constitute without attendance of at least an independent director;	✓		
6(2)(i)	No member of the NRC shall receive, either directly or indirectly, any remuneration for any advisory or consultancy role or otherwise, other than Director's fees or honorarium from the company.	✓		
<b>6(3)</b>	<b>Chairperson of the NRC</b>			
6(3)(a)	The Board shall select 1 (one) member of the NRC to be Chairperson of the Committee, who shall be an independent director;	✓		
6(3)(b)	In the absence of the Chairperson of the NRC, the remaining members may elect one of themselves as Chairperson for that particular meeting, the reason of absence of the regular Chairperson shall be duly recorded in the minutes;	✓		
6(3)(c)	The Chairperson of the NRC shall attend the annual general meeting (AGM) to answer the queries of the shareholders: Provided that in absence of Chairperson of the NRC, any other member from the NRC shall be selected to be present in the annual general meeting (AGM) for answering the shareholder's queries and reason for absence of the Chairperson of the NRC shall be recorded in the minutes of the AGM.	✓		
<b>6(4)</b>	<b>Meeting of the NRC</b>			
6(4)(a)	The NRC shall conduct at least one meeting in a financial year;	✓		
6(4)(b)	The Chairperson of the NRC may convene any emergency meeting upon request by any member of the NRC;	✓		
6(4)(c)	The quorum of the meeting of the NRC shall be constituted in presence of either two members or two third of the members of the Committee, whichever is higher, where presence of an independent director is must as required under condition No. 6(2)(h);	✓		
6(4)(d)	The proceedings of each meeting of the NRC shall duly be recorded in the minutes and such minutes shall be confirmed in the next meeting of the NRC.	✓		
<b>6(5)</b>	<b>Role of the NRC</b>			
6(5)(a)	NRC shall be independent and responsible or accountable to the Board and to the shareholders;	✓		
	<b>(b)</b> NRC shall oversee, among others, the following matters and make report with recommendation to the Board:	✓		
	<b>(i)</b> Formulating the criteria for determining qualifications, positive attributes and independence of a director and recommend a policy to the Board, relating to 13 the remuneration of the directors, top level executive, considering the following:	✓		
6(5)(b)(i)(a)	the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate suitable directors to run the company successfully;	✓		
6(5)(b)(i)(b)	the relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and	✓		
6(5)(b)(i)(c)	remuneration to directors, top level executive involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals;	✓		



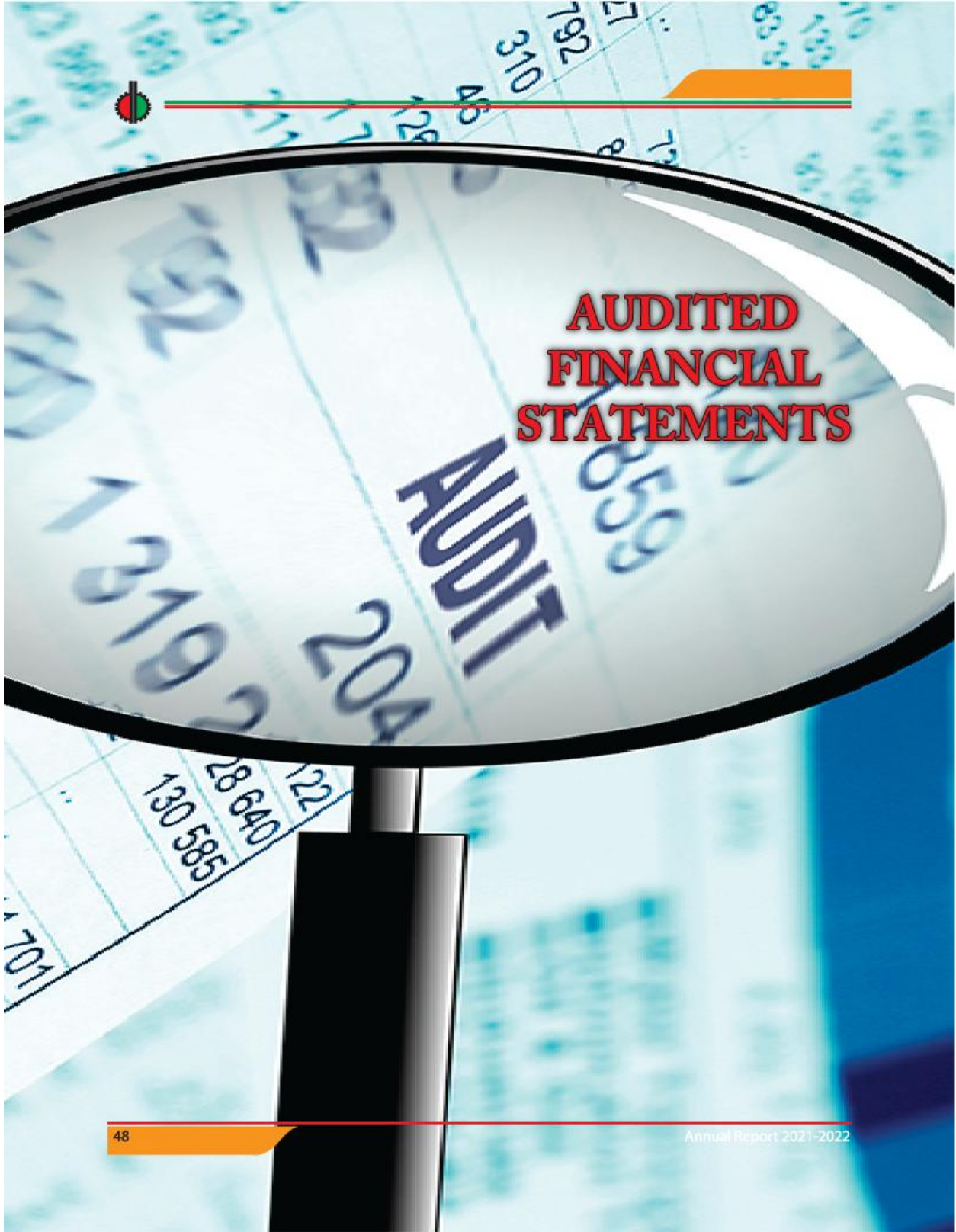
Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (If any)
		Complied	Not Complied	
6(5)(b)(ii)	devising a policy on Board's diversity taking into consideration age, gender, experience, ethnicity, educational background and nationality;	✓		
6(5)(b)(iii)	identifying persons who are qualified to become directors and who may be appointed in top level executive position in accordance with the criteria laid down, and recommend their appointment and removal to the Board;	✓		
6(5)(b)(iv)	formulating the criteria for evaluation of performance of independent directors and the Board;	✓		
6(5)(b)(v)	identifying the company's needs for employees at different levels and determine their selection, transfer or replacement and promotion criteria; and	✓		
6(5)(b)(vi)	developing, recommending and reviewing annually the company's human resources and training policies;	✓		
6(5)(c)	The company shall disclose the nomination and remuneration policy and the evaluation criteria and activities of NRC during the year at a glance in its annual report.	✓		
<b>7.</b>	<b>External or Statutory Auditors:</b>			
	(1) The issuer company shall not engage its external or statutory auditors to perform the following services of the company, namely:-	✓		
7(1)(i)	appraisal or valuation services or fairness opinions;	✓		
7(1)(ii)	financial information systems design and implementation;	✓		
7(1)(iii)	book-keeping or other services related to the accounting records or financial statements;	✓		
7(1)(iv)	broker-dealer services;	✓		
7(1)(v)	actuarial services;	✓		
7(1)(vi)	internal audit services or special audit services;	✓		
7(1)(vii)	any service that the Audit Committee determines;	✓		
7(1)(viii)	audit or certification services on compliance of corporate governance as required under condition No. 9(1); and	✓		
7(1)(ix)	Any other service that creates conflict of interest.	✓		
7(2)	No partner or employees of the external audit firms shall possess any share of the company they audit at least during the tenure of their audit assignment of that company; his or her family members also shall not hold any shares in the said company. Provided that spouse, son, daughter, father, mother, brother, sister, son-in-law and daughter-in-law shall be considered as family members.	✓		
7(3)	Representative of external or statutory auditors shall remain present in the Shareholders' Meeting (Annual General Meeting or Extraordinary General Meeting) to answer the queries of the shareholders	✓		
<b>8.</b>	<b>Maintaining a website by the Company:-</b>			
8(1)	The company shall have an official website linked with the website of the stock exchange	✓		
8(2)	The company shall keep the website functional from the date of listing.	✓		
8(3)	The company shall make available the detailed disclosures on its website as required under the listing regulations of the concerned stock exchange(s).	✓		



Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (If any)
		Complied	Not Complied	
9.	<b>Reporting and Compliance of Corporate Governance:-</b>			
9(1)	<p>The company shall obtain a certificate from a practicing Professional Accountant or Secretary (Chartered Accountant or Cost and Management Accountant or Chartered Secretary) other than its statutory auditors or audit firm on yearly basis regarding compliance of conditions of Corporate Governance Code of the Commission and shall such certificate shall be disclosed in the Annual Report.</p> <p><b>Explanation:</b> "Chartered Accountant" means Chartered Accountant as defined in the Bangladesh Chartered Accountants Order, 1973 (President's Order No. 2 of 1973); "Cost and Management Accountant" means Cost and Management Accountant as defined in the Cost and Management Accountants Ordinance, 1977 (Ordinance No. LIII of 1977); "Chartered Secretary" means Chartered Secretary as defined in the চার্টার্ড সেক্রেটারীস আইন, ২০১০ (২০১০ সনের ২৫ নং আইন) (Chartered Secretaries Act, 2010). The company shall obtain a certificate from a practicing Professional Accountant or Secretary (Chartered Accountant or Cost and Management Accountant or Chartered Secretary) other than its statutory auditors or audit firm on yearly basis regarding compliance of conditions of Corporate Governance Code of the Commission and shall such certificate shall be disclosed in the Annual Report.</p> <p><b>Explanation:</b> "Chartered Accountant" means Chartered Accountant as defined in the Bangladesh Chartered Accountants Order, 1973 (President's Order No. 2 of 1973); "Cost and Management Accountant" means Cost and Management Accountant as defined in the Cost and Management Accountants Ordinance, 1977 (Ordinance No. LIII of 1977); "Chartered Secretary" means Chartered Secretary as defined in the চার্টার্ড সেক্রেটারীস আইন, ২০১০ (২০১০ সনের ২৫ নং আইন) (Chartered Secretaries Act, 2010).</p>	✓		
9(2)	The professional who will provide the certificate on compliance of this Corporate Governance Code shall be appointed by the shareholders in the annual general meeting.	✓		
9(3)	The directors of the company shall state, in accordance with the Annexure-C attached, in the directors' report whether the company has complied with these conditions or not.	✓		

**Golam Rahman**  
Managing Director





**AUDITED  
FINANCIAL  
STATEMENTS**

**Independent Auditor's Report To the Shareholders of Deshbandhu Polymer Limited**  
**Report on the Audit of the Financial Statements**

**Opinion**

We have audited the Financial Statements of Deshbandhu Polymer Limited which comprise the Statement of Financial Position as at June 30,2022 and Statement of Profit or Loss & Other Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year then ended and notes to the Financial Statements, including a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying Financial Statements give a true and fair view, in all material respects, of the Financial Position of the company as at June 30,2022 and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS), The Companies Act 1994, The Securities and Exchange Rules 1987 and other applicable laws and regulations.

**Basis for Opinion**

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the company in accordance with the 'International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Bangladesh and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained sufficient and appropriate to provide a basis for our opinion.

**Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Financial Statements of the current period. These matters were addressed in the context of our audit of the Financial Statements as a whole and in forming our opinion thereon and we do not provide separate opinion on these matters.

Risk	Revenue Recognition
<b>Our Response to the Risk</b>	
<p>At year end the reported total Turnover of Tk.1,046,562,186</p> <p>The company generates revenue from the sale of goods to local customers and also Export sales.</p> <p>There is also a risk that revenue may be overstated /understated due to the timing differences.</p> <p>We identified revenue recognition as key audit matter as it is one of the key performance Indicators of the Company, which give rise to an inherent risk of the existence and the accuracy of the revenue.</p>	<p>We have tested the design and operating effectiveness of key controls focusing on the following:</p> <p>Obtaining an understanding of and assessing the design and operating effectiveness of controls designed to ensure that revenue is recognized in the appropriate accounting standards.</p> <p>Segregation of duties in invoice creation and modification and timing of revenue recognition:</p> <p>Assessing the appropriateness of the Company's accounting policies for revenue recognition and compliance of those policies with applicable accounting standards, Obtained supporting documentation for sale transaction recorded either side of year-end to determine whether revenue was recognized in the current period.</p>





	<p>Comparing a sample of revenue transactions recognized during the year with the sale invoices and other relevant underlying documentation.</p> <p>Critically assessing manual journals posted to revenue to identify unusual or irregular items and finally assessed the appropriateness and presentation of disclosures against relevant accounting standards.</p>
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**Please see to the Statement of profit or loss & other Comprehensive Income**

**Valuation of Inventory**

As at June 30, 2021, the reported amount of inventory is Tk. 401,412,927

On the reporting date, inventories are carried at the lower of cost and net realizable value. As such, the company apply judgment in determining the appropriate values of inventory in accordance with International Accounting Standards.

Considering the risk for not attending physical verification of Inventory management process, Inventory management is a key audit matter to the Financial Statements.

We verified the appropriateness of management's assumptions applied in calculating the value of the inventory as per International Accounting Standard (IAS) by:

- Evaluating the design and implementation of key inventory controls operating across the factory warehouse.
- Inventory counts and reconciling the results have been done by the management of the company.
- We have collected inventory count data sheet and relevant certification of inventories which indicates inventory items were maintained in good condition and maintaining all compliances.
- Reviewing the historical accuracy of inventory provisioning and the level of inventory write-offs during the year
- Obtained a detailed review with the subsequent sales to compare with the net realizable value.

**Please see note no. 06 to the Financial Statements**

**Valuation of Tangible Fixed Assets**

The carrying value of the tangible fixed assets is Tk. 1,015,509,672 as at June 30, 2022. The valuation of tangible fixed assets was identified as a key audit matter due to significance of this balance to the Financial Statements.

The expenditures are classified as an asset, if it is probable that the future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably.

**Our audit included the following procedures:**

- We assessed whether the accounting policies in relation to the capitalization of expenditures are in compliance with IFRS and found them to be consistent.
- We obtained a listing of capital expenditures incurred during the year and on a sample basis, checked whether the items were procured during the year.



The useful lives of tangible fixed assets items are based on management's estimates regarding the period over which an asset is expected to be available for use. The estimates of the useful life of the assets is a matter of judgments based on the experience of the entity with similar assets and also take into consideration the physical condition of the assets.

- We verified the invoices and L/C documents on sample basis to segregate the capital and operating expenditure and found that the transactions are appropriately classified.
- We evaluated whether the useful lives determined and applied by the management were in line with the nature of assets, the physical condition of the assets and its uses.
- We checked whether the depreciation of tangible fixed assets items was commenced from the date of ready to use and found the depreciation had been started accordingly.
- We have checked and confirmed the Asset valuation amount from the Valuation report of Rahman Mostafa Alam & Co., Chartered Accountants. Valuation survey has been completed by Unique Survey Service Bureau.

**Please see note no. 04 to the Financial Statements**

**Long Term Loan & Short Term Loan**

As at June 30,2022, the reported amount of total Long-Term Loan is Tk.375,172,771 and Short-Term Loan is Tk.552,345,251 respectively. The company borrowed fund from various Bank and Financial Institution for the purpose of acquisition of non-current assets and working capital as well.

The company may face difficulties due to unfavorable movement in interest rate & monetary policy that may result in short-term and cash flow crisis.

**We have tested the design and operating effectiveness of key controls focusing on the following:**

- Obtaining an understanding of and assessing the design and operating effectiveness of controls designed to ensure the proper use of loan
- We verified sanction letter, loan schedule bank statements to confirm the loan outstanding and found that the balance had been reported in the Financial Statements accurately.
- We checked the financial expenses and classification of loan and repayment schedule on a test basis as well.
- We checked the recording date of transactions and found the recording date is in line with the loan disbursement date.

**Please see note no. 16&18 to the Financial Statements**



#### **Recoverability Assessment of Debtors**

The total amount of debtors is Tk. 298,283,337 at June 30, 2022. There are significant large numbers of individual small customers. Customers in different business segments and jurisdictions are subject to their independent business risk.

The increasing challenges over the economy and operating environment in the manufacturing industry during the year have increased and the risks of default on receivables from the customers. In particular, in the event of insolvency of customers, the company is exposed to potential risk of financial loss when the customers fail to meet their contractual obligations in accordance with the requirements of the agreements.

#### **Our audit procedures to assess the recoverability of trade receivables including the following:**

- Tested the accuracy of aging of debtors at year end on a sample basis;
- Evaluating the Company's policy for making allowance for doubtful debts with reference to the requirements of the prevailing accounting standards;
- Assessing the classification of trade receivables in the debtors ageing report by comparison with sales invoice and other underlying documentation on a taste basis;
- Assessed the recoverability of the debtors on a sample basis through our evaluation of management's assessment with reference to the credit profile of the customers, historical payment pattern of customers and
- Inspecting subsequent bank receipts from customers and other relevant underlying documentation relating to trade receivable balances at June 30,2022.

**Please see note no. 08 to the Financial Statements**

#### **Other Information**

Management is responsible for the other information. The other information comprises all of the information in the annual report other than the Financial Statements and our auditor's report thereon. The directors are responsible for the other information.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information we are required to report that fact. We have nothing to report in this regard.

IFRS 16 is not relevant for the Company as the company has been using their own factory premises and a negligible amount of Taka 120,000 (One Lac Twenty Thousand) only has been shown as rental cost included in share department expenses (Note-26).



### ***Responsibilities of Management and Those Charged with Governance for the Financial Statements and Internal Controls***

Management is responsible for the preparation and fair presentation of the Financial Statements in accordance with IFRSs, The Companies Act 1994, The Securities and Exchange Rules 1987 and other applicable laws and regulations and for such internal control as management determines is necessary to enable the preparation of Financial Statements that are free from material misstatement, whether due to fraud or error. The Companies Act, 1994 require the management to ensure effective internal audit, internal control and risk management functions of the company.

In preparing the Financial Statements, management is responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so. Those charged with governance are responsible for overseeing the company's financial reporting process.

### ***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Financial Statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.





- Evaluate the overall presentation, structure and content of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and event in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the company to express an opinion on the Financial Statements we are responsible for the direction, supervision and performance of the company audit. We are solely responsible for our audit opinion.

We communicated with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Financial Statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### Report on other Legal and Regulatory Requirements

In accordance with the Companies Act 1994, and The Securities and Exchange Rules 1987 and relevant notifications issues by Bangladesh Securities and Exchange Commission, we also report that:

- a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit and made due verification thereof;
- b) In our opinion, proper books of accounts, records and other statutory books as required by law have been kept by the company so far as it appeared from our examinations of those books;
- c) The Statement of Financial Position, Statement of Profit or Loss & Other Comprehensive Income and Statement of Changes in Equity and Statement of Cash Flows of the Company dealt with by the report are in agreement with the books of accounts and returns; and
- d) The expenditure incurred was for the purpose of the Company's business.

Date: October 10, 2022  
Place: Dhaka

Fouzia Haque, FCA  
Partner  
**FAMES & R**  
CHARTERED ACCOUNTANTS  
DVC # 2210101032AS691004  
Annual Report 2021-2022

**Deshbandhu Polymer Limited**  
Statement of Financial Position  
as at 30 June 2022

Particulars	Notes	Amount in Taka	
		30 June 2022	30 June 2021
<b>Asset</b>			
<b>Non-Current Assets</b>		<b>1,016,334,573</b>	<b>1,032,084,591</b>
Property, Plant & Equipment	4	1,015,509,672	1,031,206,714
Investment in share	5	824,901	877,876
<b>Current Assets:</b>		<b>1,478,932,633</b>	<b>1,511,449,834</b>
Inventories	6	401,412,927	284,952,963
Inventory in Transit	7	188,710,823	188,293,077
Accounts Receivable	8	298,283,337	289,744,796
Inter Company Receivable	9	-	171,378,178
Advance, Deposit and Prepayments	10	215,347,109	224,070,875
Advance Income Tax	11	361,213,480	326,047,287
Cash and Cash Equivalents	12	13,964,956	26,962,658
<b>Total Assets</b>		<b>2,495,267,206</b>	<b>2,543,534,425</b>
<b>Equity and Liabilities</b>			
<b>Shareholders' Equity</b>		<b>1,117,367,243</b>	<b>1,108,623,665</b>
Share Capital	13	613,651,500	613,651,500
Revaluation Surplus	14	467,003,358	473,502,357
Retained Earnings		36,712,385	21,469,808
<b>Non-Current Liabilities</b>		<b>532,944,291</b>	<b>577,196,881</b>
Deferred Tax Liability	15	157,771,520	166,337,103
Long Term Loan	16	375,172,771	410,859,778
<b>Current Liabilities</b>		<b>844,955,672</b>	<b>857,713,878</b>
Bank Overdraft	17	214,972,098	235,091,322
Short Term Loan	18	552,345,251	536,354,828
Accounts Payable	19	1,739,657	2,292,664
Other Payables and Provisions	20	50,423,520	68,574,255
Share Money Refundable	21	14,924,500	14,924,500
Unclaimed/Undistributed Dividend Account	22	9,208,586	-
Worker's Profit Participation Fund	23	1,342,061	476,309
<b>Total Current and Non Current Liabilities</b>		<b>1,377,899,963</b>	<b>1,434,910,759</b>
<b>Total Equity and Liabilities</b>		<b>2,495,267,206</b>	<b>2,543,534,425</b>
<b>Net Asset Value (NAV) per share</b>	<b>34</b>	<b>18.21</b>	<b>18.07</b>

The annexed notes form an integral part of these financial statements

  
Chief Financial Officer

  
Company Secretary

  
Director

  
Director

  
Managing Director

Signed in terms of our separate report of even date annexed

Date: October 10, 2022  
Place: Dhaka



  
Fuzia Haque, FCA  
Partner, FAMES & R  
CHARTERED ACCOUNTANTS  
DVC # 2110051032AS518464



**Deshbandhu Polymer Limited**

Statement of Profit or Loss and Other Comprehensive Income  
For the year ended 30 June 2022

Particulars	Notes	Amount in Taka	
		30 June 2022	30 June 2021
Revenue	24	1,046,562,186	773,807,394
Cost of Goods Sold	25	(918,031,857)	(682,505,268)
<b>Gross profit</b>		<b>128,530,329</b>	<b>91,302,125</b>
<b>Operating Expenses</b>			
Administrative Expenses	26	(16,337,849)	(14,904,729)
Selling & Distribution Expenses	27	(5,004,255)	(9,261,265)
<b>Total Operating Expenses</b>		<b>(21,342,104)</b>	<b>(24,165,994)</b>
<b>Operating profit</b>		<b>107,188,225</b>	<b>67,136,131</b>
Financing Cost	28	(84,748,996)	(79,042,355)
Other Income	29	5,744,046	21,908,703
		(79,004,950)	(57,133,652)
<b>Profit/(loss) before WPPF and Income Tax</b>		<b>28,183,276</b>	<b>10,002,479</b>
Provision for Contribution to WPPF	30	(1,342,061)	(476,309)
<b>Profit/(loss) before Tax</b>		<b>26,841,215</b>	<b>9,526,170</b>
<b>Income Tax (Expenses)/Income</b>	31		
Current Tax		(6,313,837)	(4,774,297)
Deferred Tax		8,565,582	7,152,410
		<b>2,251,745</b>	<b>2,378,114</b>
<b>Profit after tax for the year</b>		<b>29,092,961</b>	<b>11,904,284</b>
<b>Other Comprehensive income/(Loss):</b>	32	41,498	219,202
<b>Total Comprehensive income for the year</b>		<b>29,134,459</b>	<b>12,123,486</b>
<b>Earning per share of Tk. 10.00 each</b>	33	<b>0.47</b>	<b>0.20</b>

Chief Financial Officer

Company Secretary

Director

Director

Managing Director

Signed in terms of our separate report of even date annexed

Date: October 10, 2022

Place: Dhaka



Fuzia Haque, FCA  
Partner, FAMES & R  
CHARTERED ACCOUNTANTS  
DVC # 2110051032AS518464



**Deshbandhu Polymer Limited**  
Statement of Changes in Equity  
For the year ended 30 June, 2022

Particulars	Share Capital Taka	Retained earnings Taka	Revaluation Surplus	Total Taka
<b>Balance as at June 30, 2021</b>	613,651,500	21,469,808	473,502,357	1,108,623,665
Cash Dividend 2020-2021	-	(20,390,881)	-	(20,390,881)
Net profit after tax for the year	-	29,092,961	-	29,092,961
Depreciation on Revaluation Surplus	-	6,498,999	(6,498,999)	-
Other Comprehensive income/(Loss):	-	41,498	-	41,498
<b>Balance as at June 30, 2022</b>	<b>613,651,500</b>	<b>36,712,385</b>	<b>467,003,358</b>	<b>1,117,367,242</b>
<b>Balance as at June 30, 2020</b>	613,651,500	29,737,202	-	643,388,702
Cash Dividend 2019-2020	-	(20,390,881)	-	(20,390,881)
Net profit after tax for the year	-	11,904,284	-	11,904,284
Revaluation Surplus	-	-	473,502,357	473,502,357
Other Comprehensive income/(Loss):	-	219,202	-	219,202
<b>Balance as at June 30, 2021</b>	<b>613,651,500</b>	<b>21,469,808</b>	<b>473,502,357</b>	<b>1,108,623,665</b>

Chief Financial Officer

Company Secretary

Director

Director

Managing Director

Signed in terms of our separate report of even date annexed

Date: October 10, 2022  
Place: Dhaka





**Deshbandhu Polymer Limited**  
Statement of Cash Flows  
for the year ended 30 June, 2022

Particulars	Notes	Amount in Taka	
		30 June 2022	30 June 2021
<b>A. Cash flows from operating activities:</b>			
Cash received from customer	35	1,038,023,645	746,520,222
Cash paid to suppliers, employees and others	36	(1,028,423,702)	(564,262,442)
<b>Cash generated/used in operations</b>		9,599,943	182,257,780
Cash received from Other income		5,838,520	21,966,957
Cash received from Intercompany		171,378,178	48,173,856
Financing Cost Paid		(84,748,996)	(79,042,355)
Income Tax Paid		(41,480,030)	(92,500,730)
<b>Net cash used in operating activities</b>	37	<b>60,587,615</b>	<b>80,555,508</b>
<b>B. Cash flow from investing activities:</b>			
Purchase of property, plant and equipment		(22,587,214)	(22,161,324)
Disposal of shares		-	-
<b>Net cash used in investing activities</b>		<b>(22,587,214)</b>	<b>(22,161,324)</b>
<b>C. Cash flow from financing activities:</b>			
Long Term Loan		(35,687,008)	(185,553,496)
Short Term Loan		15,990,422	137,958,742
Bank Overdraft		(20,119,224)	17,624,709
Cash Dividend		(20,390,881)	(20,390,881)
Unclaimed Dividend		9,208,586	-
<b>Net cash from financing activities</b>		<b>(50,998,104)</b>	<b>(50,360,926)</b>
<b>Net cash inflow / (outflow) (A+B+C)</b>		(12,997,702)	8,333,258
<b>Cash and cash equivalent at the beginning</b>		26,962,658	18,629,400
<b>Cash and cash equivalent at the closing</b>		<b>13,964,956</b>	<b>26,962,658</b>
<b>Cash and cash equivalent at the closing:</b>			
Cash in Hand		643,508	791,627
Cash at Banks		13,321,448	26,171,031
		<b>13,964,956</b>	<b>26,962,658</b>
<b>Net Operating Cash Flow Per Share</b>	<b>38</b>	<b>0.99</b>	<b>0.53</b>

Chief Financial Officer

Company Secretary

Director

Director

Managing Director

Signed in terms of our separate report of even date annexed

Date: October 10, 2022

Place: Dhaka



Fuzia Haque, FCA  
Partner, FAMES & R  
CHARTERED ACCOUNTANTS  
DVC # 2110051032AS518464



## DESHBANDHU POLYMER LIMITED

### Notes to the Financial Statements

For the year ended June 30, 2022

#### 1. Status of the Reporting Entity:

##### 1.1. Legal Status

Deshbandhu Polymer Ltd. was incorporated in Bangladesh on December 03, 2006 as a private limited company under the Companies Act, 1994 which has been converted into public limited company on August 05, 2009. The Registered office and the Manufacturing facilities of the Company is at Kawadi, Charsindur, Polash in Narsingdi having the Corporate office at Mostafa Center, House # 59, Road # 27, Block # K, Banani in Dhaka-1213. The company is listed with DSE and CSE since January 17, 2011.

##### 1.2. Nature of the Business

The principal activities of the Company are manufacturing and marketing of PP woven bag, PP woven fabrics, 2Ply Cement Bag and liner.

#### 2. Basis of Preparation:

##### 2.1. Statement of Compliance

The financial statements have been prepared in accordance with International Accounting Standards (IASs) and International Financial Reporting Standards (IFRSs), Companies Act 1994 and other applicable laws and regulations in the country.

##### 2.2. Other Regulatory Compliances:

The Company is also required to comply with the following major laws and regulations in addition to the Companies Act, 1994:

The Income Tax Ordinance, 1984;

The Income Tax Rules, 1984;

The Value Added Tax and Supplementary Duty Act, 2012;

The Value Added Tax and Supplementary Duty Rules, 2016;

The Customs Act, 1969;

Bangladesh Labor Act, 2006 as amended in 2018;

Bangladesh Securities and Exchange Rules, 1987;

Dhaka Stock Exchange (DSE) Listing Regulations, 2015 and

Chittagong Stock Exchange (CSE) Listing Regulations, 2015.

##### 2.3. Measurement has been taken in preparing the Financial Statements as Going Concern basis

The financial statements have been prepared on "Historical Cost" convention on a going concern basis which is one of the most commonly adopted basis provided in "The framework for the preparation and presentation of financial statements" issued by the International Accounting Standard Committee (IASC).

The financial statements have been prepared by using the accrual basis of accounting except for the Cash flow statement.





#### 2.4. Components of the Financial Statements

Financial Statements are presented in accordance with IAS-1 "Presentation of Financial Statements" which describes the components of Financial Statements as below:

- i . Statement of Financial Position;
- ii. Statement of Profit or Loss and Other Comprehensive Income;
- iii. Statement of Changes in Equity;
- iv. Statement of Cash Flows and
- v . Notes to the Financial Statements.

#### 2.5. Applicable Accounting Standards

The following IASs and IFRSs are applicable in preparing and reporting of the Financial Statements for the year under review:

- IAS - 1 Presentation of Financial Statements;
- IAS - 2 Inventories;
- IAS - 7 Statements of Cash Flows;
- IAS - 8 Accounting Policies, Changes in Accounting Estimates and Errors;
- IAS - 10 Events after the Reporting Period;
- IAS - 12 Income Taxes;
- IAS - 16 Property, Plant and Equipment;
- IAS - 19 Employee Benefits;
- IAS - 21 The Effects of Changes in Foreign Exchange Rates;
- IAS - 23 Borrowing Costs;
- IAS - 24 Related Party Disclosures;
- IAS - 32 Financial Instruments: Presentation;
- IAS - 33 Earnings per Share;
- IAS - 37 Provisions, Contingent Liabilities and Contingent Assets;
- IFRS - 7 Financial Instruments: Disclosures;
- IFRS - 9 Financial Instruments;
- IFRS - 13 Fair Value Measurements;
- IFRS - 15 Revenue from Contracts with Customers;

#### 2.6. Use of Estimates and Judgments

The preparation of the Financial Statements in conformity with IASs and IFRSs requires management to make judgments, estimates and assumptions that effect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates, judgments and assumptions.

Estimates and underlying assumptions are reviewed on a going concern basis. Effects of revisions of estimates are being recognized prospectively. These estimates are based on Management's best knowledge of current events, historical experiences, references and actions that are believed to be the most likely and reasonable under the circumstances.

#### 2.7. Functional and presentation currency and level of precision

These Financial Statements are prepared and presented in Bangladesh Currency (Taka), which is the company's functional currency. Except indicated otherwise all financial information presented in Bangladeshi currency and has been rounded off to the nearest integer.



### **2.8. Reporting Period**

The financial period of the Company covers one year from the month of 1 July 2021 to 30 June 2022 and followed consistently.

### **3. Significant Accounting Policies**

The specific accounting policies selected and applied by the company's directors for significant transactions and events that have material effect within the framework of IAS-1 "Presentation of Financial Statements", in preparation and presentation of financial statements have been consistently applied throughout the year and all prior periods presented.

For proper understanding of the financial statements, these accounting policies are set out below in one place as prescribed by the IAS-1 "Presentation of Financial Statements". The recommendations of IAS-1 relating to the format of financial statements were also taken into full consideration for fair presentation.

#### **3.1. Revenue from Contracts with Customers**

In compliance with the requirements of IFRS-15: Revenue from Contract with Customers, revenue is recognized when the company fulfills the performance obligations in contact with the customers. It usually occurs when customers take possession of the products or goods are delivered at destination specified in the contacts and recovery of the consideration is possible, the associated costs and possible return of goods can be estimated reliably and there is no continuing management involvement with the goods.

Revenue from sale of goods is measured at the fair value of the consideration received or receivable net of returns and allowances, trade discounts, rebates and Value Added Tax (VAT).

#### **3.2. Property, Plant and Equipment**

##### **3.2.1. Recognition and Measurement**

Property, Plant and Equipment except Land and Land Development and Building are measured at cost less accumulated depreciation and accumulated impairment losses. Capital work-In-Progress represents the cost incurred for acquisition and construction of items of Property, Plant and Equipment that were not ready for use at the end of reporting period and these are stated at cost.

Land and Land development and Buildings are stated at fair value as determined by independent registered valuer. Fair value is determined by using market approach as per IFRS-13. Resulting gains are credited to revaluation surplus for this whole class of asset. Details are given in Note-4.00 and Annexure-A1.

Independent valuer is Rahman Mostafa Alam & Co, Chartered Accountants has been valued Land & Land Development and Buildings. Valuer Firm has been taken expert assistance from the Survey Company named "Unique Survey Service Bureau" for determination of the valuation. Revaluation was effective as at 30 June 2021.

Cost includes expenditure that is directly attributable to the acquisition of asset. The cost of self constructed asset includes the cost of material and direct labor, any other costs directly attributable to bringing the assets to a working condition for their intended use, and the costs of dismantling and removing the items and restoring the site on which they are located.

Where parts of an item of Property, Plant and Equipment have different useful life, they are recognized and as separate items of Property, Plant and Equipment.



### 3.2.2. Subsequent Cost

Subsequent to initial recognition, cost of replacing part of an item of Property, Plant and Equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. All other repair and maintenance expenses are charged in the statement of Profit or Loss and Other comprehensive income as they are incurred.

### 3.2.3. Depreciation on Fixed Assets

Depreciation on Property, Plant and Equipment is charged by using straight-line method. No depreciation is charged on Land & Land Development and Capital Work-In-Progress. On an addition of assets, depreciation is charged the month in which the asset is available for use and no depreciation is charged in the year of disposal. No depreciation is charged on the revalued amount for this year. However depreciation of revalued amount will be charged from next year.

Upon disposal of assets, the cost and related accumulated depreciation are eliminated from the accounts and resulting gain or loss is charged or credited to Income.

Useful life and residual values are reviewed at each reporting date and adjusted when deemed appropriate. After considering the useful life of assets as per IAS-16 "Property, Plant and Equipment", the annual depreciation rates have been applied as under being reasonable by the management.

Category	Rate of Depreciation
Land & Land Development	-
Building	2.5%
Plant & Machineries	5%
Furniture & Fixtures	10%
Electric and other Appliances	10%
Office machinery and Equipment's	10%
Vehicles	10%

### 3.2.4. Capitalization of borrowing costs

Borrowing cost relating to acquisition of Property, Plant and Equipment is capitalized as per IAS-23 "Borrowing Costs", at the weighted average cost of borrowings. However, capitalization of borrowing costs is ceased when acquisition of relevant asset is completed.

### 3.2.5. Impairment

The carrying amount of the entity's non-financial assets, other than inventories and deferred tax assets (considered and disclosed separately under respective accounting standards), are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is re-estimated. However, no such conditions that might be suggestive of a heightened risk of impairment of assets existed at the reporting date.

## 3.3. Inventories

Inventories comprise of Raw materials, Work-In-Process, Finished goods, Stores and spares, which are valued at lower of cost or net realizable value in accordance with IAS-2 "Inventories" after making due allowance for any obsolete or slow-moving item and details of valuation are as follows:

- i) Raw materials at average cost
- ii) Work-In-Process at estimated cost
- iii) Finished Goods at cost or net realizable value whichever is lower
- iii) Goods-in-transit at cost
- iv) Stores & Spares at weighted average cost





**3.4. Financial Assets**

Financial assets include Investment, Accounts Receivable, Inter-company Receivable, Advances, Deposits and Pre-payments, Cash and Cash Equivalents.

The company initially recognizes loans and receivables and deposits on the date that they are originated. All other financial assets are recognized initially on the trade date, which is the date of the company becomes a party to the contractual provisions of the instrument.

Investments in marketable securities are initially recognized at cost. Subsequent to initial recognition such investment is measured at market value as per IFRS-9 "Financial Instruments".

The company derecognizes a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred.

**3.4.1. Accounts Receivable**

Accounts receivable are initially recognized at cost which is the fair value of the consideration given in return. After initial recognition, these are carried at cost less impairment losses, if any, due to uncollectibility of any amount so previously recognized.

**3.4.2. Advances, deposits and prepayments**

Advances are initially measured at cost. After initial recognition, advances are carried at cost less deductions, adjustments or charges to other account heads such as Property, Plant and Equipment, Inventory or Expenses.

Deposits are measured at payment value.

Pre-payments are initially measured at cost. After initial recognition, prepayments are carried at cost less charges to the Statement of Profit or Loss and Other comprehensive income.

**3.4.3. Cash and Cash Equivalents**

Cash and cash equivalents include cash in hand, deposits and other short term and fixed deposits with banks and non-banking financial institutions which are held and available for use by the company without any restriction.

Cash and cash equivalents other than reporting currency is translated at closing rate as per ISA-21 "The Effects of Changes in Foreign Exchange Rates". Resulting translation difference is recognized as income through other comprehensive income.

**3.5. Revaluation Surplus**

The Company has revalued its Land & Land Development and Buildings located at Kawadi, Charsindur, Polash, Narsingdi, being factory land and building, using revaluation model being fair value at the date of revaluation on June 30, 2021, in accordance with IAS-16 "Properties, Plant and Equipment".

The Fair value of the assets is certified by Rahman Mostafa Alam & Co., Chartered Accountants, an Independent and Professional valuer.

Revaluation surplus arising from revaluation of Land & Land development and Buildings is recognized as a component of equity net of deferred Tax. Details of the numeric figures are disclosed in **Note-4.00 and Annexure-A-1**.

**3.6. Financial Liabilities**

The company recognizes all financial liabilities on the trade date which is the date the company becomes a party to the contractual obligations of the instrument. The company derecognizes a financial liability when its contractual obligations are discharged, cancelled or expired. Financial liabilities comprise accounts payable, other payable and other financial obligations.



**3.6.1. Accounts Payable and Other Payable**

The company recognizes a financial liability when its contractual obligations arising from past events are certain and the settlement of which is expected to result in an outflow from the company of resources embodying economic benefits.

**3.6.2. Loans and Borrowing**

Principal amounts of loans and borrowings are stated at their outstanding amount. Borrowings repayable after twelve months from the reporting date are classified as non-current liabilities whereas the portion payable within twelve months, unpaid interest and other charges are classified as current liabilities.

**3.7. Impairment**

**3.7.1. Financial Assets**

A financial asset is impaired if objective evidence indicates that an event has occurred after the initial recognition of the asset, and that the event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

**3.7.2. Non-Financial Assets**

The carrying amounts of the company's non-financial assets, other than inventories and deferred tax assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the recoverable amount of the asset is estimated. An impairment loss is recognized if the carrying amount of an asset or its related Cash-Generating Unit (CGU) exceeds its estimated recoverable amount.

**3.8. Cash flow statement**

Cash Flows Statement is prepared in accordance with IAS 7 "Statement of Cash Flows". The cash flows from the operating activities have been presented under Direct Method as prescribed by the Securities and Exchange Rules 1987 and considering the provisions of Paragraph 18(b) of IAS-7 which provides that "Enterprises are encouraged to report Cash Flow from Operating Activities by using the Direct Method".

**3.9. Provisions, Contingent Liabilities and Contingent Assets**

A provision is recognized in the Statement of Financial Position as per IAS-37 "Provisions, Contingent Liabilities and Contingent Assets", when the company has a legal or contractual obligation as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Contingencies arising from claims, litigations, assessments, fine, penalties etc. are recorded when it is probable that a liability has been incurred and the amount can be reasonably estimated.

Contingent assets are not recognized.

**3.10. Taxation**

**3.10.1. Current Tax:**

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantially enacted at the reporting date, and any adjustment to tax payable in respect of previous years. Necessary provision for taxation has been made as per Income Tax Ordinance, 1984.

**3.10.2. Deferred tax:**

Deferred tax is recognized by using the Statement of Financial Position method as stated in IAS-12. Deferred Tax arises due to deductible or taxable temporary difference for the events or transaction recognized in the income statement. A temporary difference is the difference between the tax bases





of an asset or liability and its carrying amount/reported in the Statement of Financial Position. Deferred tax asset or liability is the amount of income tax recoverable or payable in future period's recognized in the current period. The deferred tax asset /income or liability/expense does not create a legal liability/recoverability to and from the income tax authority.

Deferred Tax arising from revaluation of Land & Land development and Buildings is debited to revaluation surplus. Please refer to Note-4.00 and Note-15.00.

### **3.11. Employee benefit**

#### **3.11.1. Short Term Employee Benefits**

Salaries, Bonus and allowances are accrued in the financial year in which the associated services are rendered by the employees of the company as stated in IAS-19 "Employee Benefits".

#### **3.11.2. Workers' Profit Participation & Welfare Fund**

The Company operates fund for workers as "Workers' Profit Participation Fund" and 5% of the profit before charging such expenses has been transferred to this fund as per section 234 of Bangladesh Labour Act 2006 (Amended in 2013).

### **3.12. Finance Cost**

Finance expenses comprise interest expenses on loan, overdraft and bank charges. All borrowing costs are recognized in the statements of Profit or Loss and Other Comprehensive Income using effective interest method except to the extent that they are capitalized during constructions period of the plants in accordance with IAS-23 "Borrowing Cost".

### **3.13. Other Income**

Other income comprises interest income, dividends and other non-operating income.

Cash Dividend is recognized when Dividend is received by the Company. Bonus dividend is recognized in the other comprehensive income.

Interest incomes from bank deposits and loan to related-companies are recognized on accrual basis following specific rate of interest in arrangement with banks and related companies.

### **3.14. Foreign Exchange**

Transactions in foreign currencies are translated at the foreign exchange rate prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to Bangladeshi Taka at the foreign exchange rate prevailing at that date. Foreign Exchange differences arising on translation are recognized in the statements of Profit or Loss and Other comprehensive income in accordance with IAS-21 "The Effects of Changes in Foreign Exchange Rates."

### **3.15. Earnings Per Share (EPS)**

The Company calculates Earning Per Share (EPS) in accordance with IAS-33 "Earnings Per Share", which has been shown on the face of Statement of Profit or Loss and Other Comprehensive Income.

#### **Basic Earnings**

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

#### **Weighted average number of ordinary shares outstanding during the year**

This represents the number of ordinary shares outstanding at the beginning of the year plus the number





of shares issued during the year multiplied by a time-weighting factor. The time weighting factor is the numbers of days the specific shares are outstanding as a proportion of the total number of days in the year.

**Basic Earnings Per Share**

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

**Diluted earnings per share**

No diluted earnings per share are required to be calculated per year as there was no scope for dilution during the year.

**3.16. Events After the Reporting Period**

Events after the reporting period that provide additional information about the company's position at the date of Statement of Financial Position or those that indicate the going concern assumption is not appropriate as reflected in the Financial Statements. Events after the reporting period that are not adjusting events are disclosed in the notes when material.

**3.17. Comparative Information**

Comparative information has been presented in respect of earliest period presented in accordance with IAS-1: "Presentation of Financial Statements" for all numeric information in the financial statements and also the narrative and descriptive information where it is relevant for understanding of the current year's Financial Statements.

Comparative figures have been rearranged to confirm with current year's presentation

**3.18. Related Party Transactions**

The objective of "Related Party Disclosures" IAS-24 is to ensure that an entity's financial statements contain the disclosures necessary to draw attention to the possibility that its financial position and profit or loss may have been affected by the existence of related parties and by transactions and outstanding balances with such parties.

Parties are considered to be related if one party has the ability to control the other party or to exercise significant influence or joint control over the other party in making financial and operating decisions.

The Company transacts with related parties and disclosed as per IAS-24: "Related Party Disclosures".

**3.18. General**

- i . Figures appearing in these Financial Statements have been rounded off to the nearest integer.
- ii. Bracket figures denote negative.





Amount in Taka	
30 June 2022	30 June 2021

**4.00 Property, Plant & Equipment**

Details of Property, Plant and Equipment and depreciation as at June 30, 2022 are shown in the Annexure A-1

	Cost	Revaluation	Total	Total
<b>Fixed Assets</b>				
Opening Balance (at cost)	695,755,203	-	695,755,203	673,593,879
Land & Land development	-	320,039,263	320,039,263	320,039,263
Building	-	259,959,979	259,959,979	259,959,979
Addition during the Year	22,587,214	-	22,587,214	22,161,324
<b>Closing Balance (Cost/Valuation)</b>	<b>718,342,417</b>	<b>579,999,242</b>	<b>1,298,341,659</b>	<b>1,275,754,445</b>
<b>Accumulated Depreciation:</b>				
Opening Balance	244,547,731	-	244,547,731	213,974,468
Depreciation charged during the Year	31,785,256	-	31,785,256	30,573,263
Depreciation on Revaluation Surplus	-	6,498,999	6,498,999	-
<b>Closing Balance</b>	<b>276,332,987</b>	<b>6,498,999</b>	<b>282,831,986</b>	<b>244,547,731</b>
<b>Carrying amount (Cost and valuation)</b>	<b>442,009,430</b>	<b>573,500,243</b>	<b>1,015,509,672</b>	<b>1,031,206,714</b>

Allocation of depreciation charge for the year has been made in the financial statements as follows:

Manufacturing Expenses	25.02	36,370,043	29,044,600
Administrative Expenses	26.00	1,914,213	1,528,663
		<b>38,284,256</b>	<b>30,573,263</b>

Details of Property, Plant & Equipment and Depreciation are shown in the Annexure-1.

**5.00 Investment in share**

Opening Balance		877,876	716,928
(Decrease)/Increase of Share price	5.01	(52,975)	160,948
<b>Closing balance</b>		<b>824,901</b>	<b>877,876</b>

**5.01 EXIM Bank Ltd.**

Number of Share	Cost per Share	Total cost (Tk.)	Market Price per Share	Total Market price (Tk.)	Total Market price (Tk.)
75,679	9.47	716,928	10.90	824,901	877,876

Investments in Marketable Share is valued at Market price that prevailed on the reporting date for this year. Related gain/(loss) BDT (52,975) is recognised through Other Comprehensive Income.

**6.00 Inventories**

	Quantity (2022)	Quantity (2021)		
Closing Stock of Raw Materials	22,48,692 Kgs	15,42,891 Kgs	237,621,043	163,533,819
Work- In-Process (WIP)	3,88,942 Kgs	3,64,710 Kgs	79,858,260	52,538,329
Finished goods	18,25,050 Pcs	14,98,510 Pcs	43,697,285	29,525,192
Stock of spare parts			40,236,340	39,355,623
			<b>401,412,927</b>	<b>284,952,963</b>

Quantity wise break up is given in Annexure: A-2 & A-3.

**7.00 Inventory in Transit**

Raw Materials-In-Transit	160,044,435	158,117,941
Spare parts-In-Transit	28,666,388	30,175,136
	<b>188,710,823</b>	<b>188,293,077</b>





## FAMES & R

CHARTERED ACCOUNTANTS

### 8.00 Accounts Receivable

	Amount in Taka	
	30 June 2022	30 June 2021
First Party	77,960,850	69,661,275
Third party	89,035,160	91,390,738
Inhouse Party	36,036,034	41,858,211
Corporate Party	95,251,293	86,834,572
	<b>298,283,337</b>	<b>289,744,796</b>

#### Analysis of Accounts Receivable:

Amount due below six months	202,832,669	208,616,253
Amount due within one year	95,450,668	81,128,543
	<b>298,283,337</b>	<b>289,744,796</b>

- a Accounts recoverable are unsecured and considered good .  
 b There is no such debt due by or to directors or other officers of the company.  
 c The company has Accounts receivable transactions with its following related party:

Company Name	30 June 2022	30 June 2021
Commodities Trading Company	1,708,482	4,069,137
Deshbandhu Sugar Mills Ltd.	13,229,193	15,384,023
Deshbandhu Consumer & Agro Products Ltd.	786,029	780,980
Deshbandhu Cement Mills Ltd	2,258,693	13,223,439
Deshbandhu Food & Beverage	589,680	589,680
Deshbandhu Packaging Ltd.	5,835,684	5,835,684
M.R.Trading	1,393,700	1,393,700
Sahera Auto Rice Mills Ltd.	1,812,928	581,568
	<b>27,614,389</b>	<b>41,858,211</b>

### 9.00 Inter company receivable

M R Trading	-	98,858,210
Deshbandhu Food & Bevarage Ltd.	-	5,546,325
Sahera Auto Rice Mills Ltd.	-	4,952,369
Deshbandhu Packaging Ltd.	-	62,021,274
	-	<b>171,378,178</b>

- 9.01 The above inter company receivable bears interest at the rate 10.00% for last year.

### 10.00 Advance, deposit and prepayment

Advance to others	10.01	146,115,507	153,226,394
Letter of Credit Margin	10.02	69,231,602	70,844,481
		<b>215,347,109</b>	<b>224,070,875</b>

### 10.01 Advance to others

Advance VAT against purchase	10.01.1	10,556,521	11,286,087
Deshbandhu C & F		26,028,198	26,657,805
S K Mahmud & Sons		15,771,356	15,771,356
Capital Work-In- Progress		31,827,011	47,034,483
Salary and other advance		27,298,182	39,801,044
		<b>111,481,267</b>	<b>140,550,775</b>

#### Deposits

BG (Margin)	1,002,490	-
Security deposit	4,498,000	20,000
Other advance	29,133,750	12,655,619
	<b>34,634,240</b>	<b>12,675,619</b>
	<b>146,115,507</b>	<b>153,226,394</b>







Amount in Taka	
30 June 2022	30 June 2021

**10.01.1 Advance VAT Against purchase**

Year wise Advance VAT:	Opening Balance	VAT Paid against purchase	VAT adjustment during the year	Closing Balance
FY 2007-2008	-	12,869,992	10,853,495	2,016,497
FY 2008-2009	2,016,497	26,734,699	26,941,025	1,810,171
FY 2009-2010	1,810,171	36,674,411	32,034,454	6,450,128
FY 2010-2011	6,450,128	29,738,109	22,587,772	13,600,465
FY 2011-2012	13,600,465	44,233,040	38,498,674	19,334,832
FY 2012-2013	19,334,832	60,495,273	66,163,640	13,666,465
FY 2013-2014	13,666,465	71,674,380	73,742,488	11,598,357
FY 2014-2015	11,598,357	86,173,368	75,863,701	21,908,024
FY 2015-2016	21,908,024	66,357,794	66,481,645	21,784,173
FY 2016-2017	21,784,173	90,248,336	107,137,772	4,894,737
FY 2017-2018	4,894,737	131,391,200	128,092,258	8,193,679
FY 2018-2019	8,193,679	103,743,676	105,820,142	6,117,213
FY 2019-2020	6,117,213	135,894,273	123,673,168	18,338,318
FY 2020-2021	18,338,318	126,198,232	133,250,462	11,286,087
FY 2021-2022	11,286,087	184,998,710	185,728,276	10,556,521

**10.02 Letter of Credit Margin**  
Dhaka Bank Ltd.

69,231,602	70,844,481
<b>69,231,602</b>	<b>70,844,481</b>

All advances and deposits amount are considered good and recoverable.

**11.00 Advance Income Tax:**

FY 2010-2011	10,855,386	9,242,507
FY 2011-2012	13,262,159	13,262,159
FY 2012-2013	26,934,217	26,934,217
FY 2013-2014	31,976,605	31,976,605
FY 2014-2015	38,620,692	38,620,692
FY 2015-2016	23,419,853	23,419,853
FY 2016-2017	45,634,789	45,634,789
FY 2017-2018	34,220,249	34,220,249
FY 2018-2019	31,832,997	31,832,997
FY 2019-2020	35,988,261	35,988,261
FY 2020-2021	34,914,957	34,914,957
FY 2021-2022	57,046,548	-
<b>Total Advance Income Tax</b>	<b>384,706,714</b>	<b>326,047,287</b>

**Less: Adjustable Provision for Income Tax**

FY 2012-2013	12,028,022	-
FY 2013-2014	7,934,248	-
FY 2014-2015	1,843,896	-
FY 2015-2016	1,687,068	-
	<b>23,493,234</b>	<b>-</b>

**Net Advance Income Tax**

<b>361,213,480</b>	<b>326,047,287</b>
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Noteable here that, there are disputed tax demand of Tk. 22,80,78,897/- upto 30.06.2016 as per NBR authority demanded more tax than we provisioned. The company has taken legal proceedings as per applicable law against the tax demand.





## FAMES & R

CHARTERED ACCOUNTANTS

Amount in Taka	
30 June 2022	30 June 2021
643,508	791,627
8,844,572	21,904,673
1,134,800	1,040,327
3,342,077	3,226,032
<b>13,964,956</b>	<b>26,962,658</b>

### 12.00 Cash and Cash Equivalents

Cash in Hand	12.01
Cash at Banks (Local Currency)	12.02
Cash at Banks (Foreign Currency)	12.03
Fixed Deposit Receipts	12.04
<b>Total</b>	

### 12.01 Cash at Banks (Local Currency)

Name of banks	A/C No.	Branch	Amount (Tk.)	Amount (Tk.)
Agrani bank	STD-292/3	Principal	19,792	29,773
Bank Asia Ltd.	STD 967	Principal	2	290
Dhaka Bank Ltd.	STD- 1004	F.Exchange	2,057	2,057
Dhaka Bank Ltd.	STD- 2292	Local Office	-	34,397
Habib Bank Ltd.	STD-1944	Motijheel	2,811	2,811
Islami Bank Ltd.	MSND-8701	F.Exchange	178,297	738,601
Janata Bank Ltd.	STD-1312	Corporate	25,371	25,846
Meghna Bank Ltd.	CD-415	Gulshan	15,560	46,542
Mutual Trust Bank Ltd.	STD-342	Banani	8,243	9,393
NRB Commercial Bank Ltd.	STD -0047	Principal	109,870	109,381
Pubali Bank Ltd.	STD-75-0	Gulshan	1,833,702	980,251
Sonali Bank Ltd.	STD-627	Shilpa Vhaban	26,362	139,231
Southeast Bank Ltd.	SND-2133	Principal	23,375	24,215
Southeast Bank Ltd.	SND-2153	Principal	89,036	8,108,709
Southeast Bank Ltd.	SND-2108	Principal	1,068,621	1,084,087
Southeast Bank Ltd.	STD-2083	Principal	1,292,919	1,280,486
Southeast Bank Ltd.	STD-2079	Principal	7,464	8,508
Southeast Bank Ltd.	STD-2245	Principal	462,327	6,561,706
Southeast Bank Ltd.	STD-2272	Principal	1,060,217	1,629,638
Southeast Bank Ltd.	CD-49396	Principal	1,048,009	-
Social Islami Bank Ltd.	CD-8444	Banani	20,753	22,018
Islami Bank Ltd.	SND-3910	Paltan	630	2,700
Trust Bank Ltd.	CD-2078	Mohakhali	15,226	11,139
Dhaka Bank Ltd.	CD-17442	Local Office	39,377	788,907
United Commercial Bank Ltd.	CD-00477	Banani	1,481,939	247,111
Uttara Bank Ltd.	CD-11587	Uttara BS	12,612	16,877
			<b>8,844,572</b>	<b>21,904,673</b>

### 12.02 Cash at Banks (Foreign Currency)

Name of banks	A/C No.	Branch	Currency	Amount (Tk.)	Amount (Tk.)
Mercantile Bank Ltd.-	FC-Doller-054	Motijheel	USD 1,386.76	129,593	117,597
Southeast Bank Ltd.-	FC-Dollar-8568	Principal	USD 9,871.67	922,508	837,118
Southeast Bank Ltd.-	FC-Euro-7736	Principal	EUR 155.13	15,133	15,648
Southeast Bank Ltd.-	FC-Pound-7525	Principal	GBP 596.35	67,566	69,964
				<b>1,134,800</b>	<b>1,040,327</b>

### 12.03 Foreign Currency Translation Loss/(Gain)

Foreign currency held by the company is translated at Closing rate as per IAS-21 "The Effects of Changes in Foreign Exchange Rates". The difference between initial recognition and translation at closing rate on June 30, 2022 is BDT 94,473 and recognised in other comprehensive income. This resulted from the difference between BDT 11,34,800 (June 30, 2022) and BDT 10,40,327 (June 30, 2021) (Note-32.00).

### 12.04 Fixed Deposit Receipts

	A/C No.	Branch	"Interest Rate"		
Mercantile Bank Ltd.	FDR-11240	Motijheel	2.50%	1,093,898	1,071,745
Mercantile Bank Ltd.	FDR-28302	Motijheel	4.75%	2,248,180	2,154,287
				<b>3,342,077</b>	<b>3,226,032</b>





**13.00 Share capital**

30,000,000 ordinary shares of Tk 10/- each.

Amount in Taka	
30 June 2022	30 June 2021
3,000,000,000	3,000,000,000

**13.01 Issued, subscribed and paid-up capital**

40,000,000 ordinary shares of Tk 10/- each fully paid.  
6,000,000 Bonus shares of Tk 10/- for the year 2011-2012  
2,300,000 Bonus shares of Tk 10/- for the year 2012-2013  
2,415,000 Bonus shares of Tk 10/- for the year 2013-2014  
5,071,500 Bonus shares of Tk 10/- for the year 2014-2015  
5,578,650 Bonus shares of Tk 10/- for the year 2016-2017

400,000,000	400,000,000
60,000,000	60,000,000
23,000,000	23,000,000
24,150,000	24,150,000
50,715,000	50,715,000
55,786,500	55,786,500
<b>613,651,500</b>	<b>613,651,500</b>

**13.02 Category wise Shareholding position of the Company**

Name of the shareholders	Nationality	2022		2021	
		Number of Shares	Holding %	Number of Shares	Holding %
<b>A. Sponsors</b>					
Mr. Golam Mostafa	Bangladeshi	1,227,303	2.00	1,227,303	2.000
Mr. Golam Rahman	Bangladeshi	2,173,858	3.54	2,173,858	3.542
<b>B. Director</b>					
Deshbandhu Sugar Mills Ltd.	Bangladeshi	14,726,866	23.9987	14,726,866	23.998
Deshbandhu Distilleries Ltd.	Bangladeshi	1,227,303	2.00	1,227,303	2.000
<b>C. Shareholders'</b>					
Deshbandhu Shipping Ltd.	Bangladeshi	1,227,303	2.00	1,227,303	2.000
Provash Chakrobarty	Bangladeshi	151	0.0002	151	0.0002
Brig. Gen. Sarwar Jahan Talukder(Rtd.)	Bangladeshi	151	0.0002	151	0.0002
Eng. Md. Shakhawat Hossain	Bangladeshi	151	0.0002	151	0.0002
Abdul Khaleque	Bangladeshi	151	0.0002	151	0.0002
<b>D. Financial Institution</b>	Bangladeshi	4,080,499	6.6495	3,412,805	5.561
<b>E. General shareholders</b>	Bangladeshi & NRB	36,701,414	59.8082	37,369,108	60.898
		<b>61,365,150</b>	<b>100.00</b>	<b>61,365,150</b>	<b>100.00</b>

**13.03 Category wise Number of Share and Share Holders**

Particulars	2022		2021	
	Number of Shares	Holding %	Number of Shares	Holding %
Sponsors and Directors	20,583,388	33.5425	20,583,388	33.5425
Financial Institution	4,080,499	6.6495	3,412,805	5.5615
General Public	36,701,263	59.8080	37,368,957	60.8967
	<b>61,365,150</b>	<b>100</b>	<b>61,365,150</b>	<b>100</b>







Amount in Taka	
30 June 2021	30 June 2020

**13.04 Classification of shares by holding**

Particulars	2022			2021		
	Number of Shareholders	Number of Shares	Holding %	Number of Shareholders	Number of Shares	Holding %
Less than 500 Shares	2,416	413,895	0.674	2,246	352,083	0.574
500 to 5,000 Shares	5,119	7,695,178	12.540	4,748	7,210,472	11.750
5,001 to 10,000 Shares	574	4,434,360	7.226	562	4,361,157	7.107
10,001 to 20,000 Shares	377	5,601,980	9.129	370	5,549,735	9.044
20,001 to 30,000 Shares	131	3,276,787	5.340	131	3,346,918	5.454
30,001 to 40,000 Shares	77	2,742,310	4.469	67	2,366,726	3.857
40,001 to 50,000 Shares	41	1,875,900	3.057	45	2,117,580	3.451
50,001 to 100,000 Shares	85	6,051,442	9.861	79	5,885,277	9.591
100,001 to 1,000,000 Shares	47	8,690,665	14.162	44	9,592,569	15.632
Over 1,000,000 Shares	6	20,582,633	33.541	6	20,582,633	33.541
	<b>8,873</b>	<b>61,365,150</b>	<b>100.00</b>	<b>8,298</b>	<b>61,365,150</b>	<b>100.00</b>

**14.00 Revaluation Surplus**

Opening Balance	473,502,357	-
Add: Addition for Revaluation	-	473,502,357
Less: Adjustment	6,498,999	-
<b>Closing Revaluation Surplus</b>	<b>467,003,358</b>	<b>473,502,357</b>

**15.00 Deferred tax Liability**

Deferred Tax on historical Cost	15.01	51,274,635	59,840,218
Deferred Tax Liability on Revaluation of Land & land development and Buildings	15.02	106,496,885	106,496,885
		<b>157,771,520</b>	<b>166,337,103</b>

**15.01 Deferred Tax on historical Cost**

Property, Plant & Equipments other than Land and Land Development	Carrying amount (2021-22)	Tax base (2021-22)	Difference (2021-22)	Difference (2020-21)
	371,088,693	114,715,516	256,373,177	265,956,524
Applicable Rate			20.00%	22.50%
Deferred tax liability (on historical cost)			51,274,635	59,840,218
Deferred tax liability as on 30 June 2021			59,840,218	66,992,628
<b>Deferred tax (income)/Loss for the year</b>			<b>(8,565,582)</b>	<b>(7,152,410)</b>

**15.02 Deferred Tax Liability on Revaluation of Land & land development and Building**

Deferred tax liability increased for Revaluated Amount	15.00	<b>106,496,885</b>	<b>106,496,885</b>
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**15.03 Year wise Deferred tax Liability:**

	Amount in Taka	
	30 June 2022	30 June 2021
FY 2012-2013	(46,353,002)	(46,353,002)
FY 2013-2014	(19,875,950)	(19,875,950)
FY 2014-2015	4,159,873	4,159,873
FY 2015-2016	(15,257,559)	(15,257,559)
FY 2016-2017	4,940,565	4,940,565
FY 2017-2018	1,588,423	1,588,423
FY 2018-2019	4,307,665	4,307,665
FY 2019-2020	(502,643)	(502,643)
FY 2020-2021	(99,344,474)	(99,344,474)
FY 2021-2022	8,565,582	-
	<b>(157,771,520)</b>	<b>(166,337,103)</b>

**Deferred Tax liability for the year is arrived as under:**

Deferred Tax Income/(Loss) on historical cost	-	7,152,410
Deferred Tax on revaluation	8,565,582	106,496,885
	<b>8,565,582</b>	<b>(99,344,474)</b>





## FAMES & R

CHARTERED ACCOUNTANTS

		Amount in Taka	
		30 June 2022	30 June 2021
<b>16.00</b>	<b>Long Term Loan</b>		
	Dhaka Bank Ltd.	27,442,382	50,680,161
	Mercantile Bank Ltd	323,175,871	300,916,723
	Islamic Finance & Investment Ltd.	24,554,518	59,262,894
		<b>375,172,771</b>	<b>410,859,778</b>
	These represents bank Loan net of Current Maturity.		
<b>17.00</b>	<b>Bank Overdraft</b>		
	Dhaka Bank Ltd. Local office (Note-17.01)	61,376,626	81,611,792
	Mercantile Bank Ltd. Motijheel Branch (Note-17.02)	153,595,473	153,479,530
		<b>214,972,098</b>	<b>235,091,322</b>
<b>17.01</b>	<b>Dhaka Bank Ltd. Local office</b>		
	Facility : Overdraft		
	Facility limit : Tk.60,000,000 (OD)		
	Interest Rate : 9.00% which is subject to change from time to time.		
	Security : Registered mortgage of total 129.125 decimal land with 3 factory shade (1 single storied factory-cum-office, 1 single storied warehouse, 1 single storied shed) at Kawadi, Palash, Narshingdi.		
<b>17.02</b>	<b>Mercantile Bank Ltd. Motijheel Branch</b>		
	Facility : SOD (Gen)		
	Facility limit : Tk.150,000,000		
	Interest Rate : 9.00% which is subject to change from time to time.		
	Security : Hypothecation of the stocks in trade. Corporate guarantee of Deshbandhu Group. Directors Personal guarantee.		
<b>18.00</b>	<b>Short term loan</b>		
	Loan against trust receipts(LTR)	18.01 385,702,726	383,747,095
	Acceptance liabilities under letter of credit	18.03 166,642,525	152,607,734
		<b>552,345,251</b>	<b>536,354,828</b>
	These includes current position of Long term Bank liabilities.		
<b>18.01</b>	<b>Loan against trust receipts (LTR)</b>		
	Dhaka Bank Ltd. (Note: 18.01.01)	211,522,877	209,567,246
	Mercantile Bank Ltd. (Note: 18.01.02)	87,192,813	87,192,813
	Islamic Finance & Investment Ltd. (Note-18.02)	86,987,036	86,987,036
		<b>385,702,726</b>	<b>383,747,095</b>
<b>18.01.01</b>	<b>Dhaka Bank Ltd.</b>		
	Facility : LTR, STL		
	Facility limit : Tk.150,000,000		
	Interest Rate : 9.00% which is subject to change from time to time.		
	Security : Registered mortgage of total 129.125 decimal land with 3 factory shade (1 single storied factory-cum-office, 1 single storied warehouse, 1 single storied shed) at Kawadi, Palash, Narshingdi.		
<b>18.01.02</b>	<b>Mercantile Bank Ltd.</b>		
	Facility : Time Loan		
	Facility limit : Tk.388,400,000		
	Interest Rate : 9% which is subject to change from time to time.		
	Security : Registered mortgage of total 74.50 decimal land at Kawadi, Palash, Narshingdi, Hypothecation of the stocks in trade. Corporate guarantee of Deshbandhu Group. Directors Personal guarantee.		







Amount in Taka	
30 June 2022	30 June 2021

**18.02 Islamic Finance & Investment Limited**

Facility : Term Loan  
Facility limit : Tk.100,000,000  
Interest Rate : 13% which is subject to change from time to time.  
Security : Hypothecation of the stocks in trade. Corporate guarantee of Deshbandhu Group. Directors Personal guarantee.

**18.03 Acceptance Liabilities under letter of credit**

Dhaka Bank Ltd. (Note-18.04)		
Capital Machinery L/C	5,156,956	-
Raw Material L/C	161,485,569	152,607,734
	<b>166,642,525</b>	<b>152,607,734</b>

**18.04 Dhaka Bank Ltd.**

Facility : Letter of Credit (L/C)  
Facility limit : Tk.300,000,000  
Purposes : Import Capital machinery, Raw Materials and Spare Parts by Letter of Credit (L/C).  
Security : Registered mortgage of total 129.125 decimal land with 3 factory shade (1 single storied factory-cum-office, 1 single storied warehouse, 1 single storied shed) at Kawadi, Palash, Narshingdi.

**19.00 Accounts Payable**

Aryan Enterprise	228,000	-
Bandhan Power & Electric	-	194,929
Diamond Bearing & Machinery	44,382	14,460
Frontline Communication	331,800	341,800
G K Enterprise	180,000	185,050
H T Traders	151,103	345,721
Helal Electric	185,550	635,550
Ornab Electric Co.	477,332	423,664
Park Trading	141,490	151,490
	<b>1,739,657</b>	<b>2,292,664</b>
<b>Analysis of Accounts Payable:</b>		
Payable due below six months	1,086,367	1,614,324
Payable due over six months below one year	653,290	678,340
	<b>1,739,657</b>	<b>2,292,664</b>

Above mentioned suppliers are regular parties to supply Raw material, Chemicals, Packing materials etc. and mentioned all suppliers paid the dues on a regular basis.

**20.00 Others Payable and Provisions**

Other Payables	20.01	1,561,525	2,851,111
Provisions	20.02	48,861,995	65,723,144
		<b>50,423,520</b>	<b>68,574,255</b>

**20.01 Other Payables**

Sudipta Enterprise	-	313,853
Tax deduction at source	1,432,792	2,490,953
VAT deduction at source	128,733	38,310
Tushar Enterprise	-	7,995
	<b>1,561,525</b>	<b>2,851,111</b>





## FAMES & R

CHARTERED ACCOUNTANTS

		Amount in Taka	
		30 June 2022	30 June 2021
<b>20.02</b>	<b>Provisions</b>		
	Audit Fees	125,000	125,000
	Electricity Bill	2,506,690	2,394,685
	Factory Salary	4,826,541	4,631,259
	Head Office Salary	997,388	986,428
	<b>Income Tax:</b>		
	FY 2012-2013	-	12,028,022
	FY 2013-2014	-	7,934,248
	FY 2014-2015	-	1,843,896
	FY 2015-2016	-	1,687,068
	FY 2016-2017	5,147,235	5,147,235
	FY 2017-2018	10,943,477	10,943,477
	FY 2018-2019	8,145,127	8,145,127
	FY 2019-2020	5,082,403	5,082,403
	FY 2020-2021	4,774,297	4,774,297
	FY 2021-2022	6,313,837	-
		<b>48,861,995</b>	<b>65,723,144</b>
	All accrued expenses are paid on regular basis.		
<b>21.00</b>	<b>Share Money Refundable</b>		
	Opening Balance	14,924,500	14,924,500
	Refund during the year	-	-
	<b>Closing Balance</b>	<b>14,924,500</b>	<b>14,924,500</b>
<b>22.00</b>	<b>Unclaimed/Undistributed Dividend Account</b>		
	Year 2011-12	832,488	-
	Year 2018-19	6,342,147	-
	Year 2019-20	990,941	-
	Year 2020-21	1,043,009	-
		<b>9,208,586</b>	<b>-</b>
	Unclaimed/undistributed dividend for 2011-12 already deposited to CMSF (Community Bank Limited, Gulshan Brnch) on 28.07.2022)		
<b>23.00</b>	<b>Workers Profit Participation Fund</b>		
	Opening balance	476,309	2,219,381
	Disburse to beneficiary	(476,309)	(2,219,381)
	Provision made during the year	30.00	1,342,061
	Closing Balance	<b>1,342,061</b>	<b>476,309</b>
<b>24.00</b>	<b>Revenue</b>		
		Quantity	
	Gross Local Sales		1,203,546,514
	Less: VAT		(156,984,328)
	Net Local Sales	4,00,05,900 Pcs	<b>1,046,562,186</b>
	Export Sales (Note-24.01)		-
			<b>132,064,860</b>
			<b>1,046,562,186</b>
<b>24.01</b>	<b>Export Sales</b>		
	<b>Currency</b>		
	Total in USD		-
	Total in BDT		<b>1,559,433</b>
			<b>- 132,064,860</b>





		Amount in Taka	
		30 June 2022	30 June 2021
<b>25.00</b>	<b>Cost of Goods Sold:</b>		
	Raw Material Consumed	25.01 831,441,353	549,973,733
	Manufacturing Expenses	25.02 128,082,527	121,074,810
		<b>959,523,880</b>	<b>671,048,543</b>
	Opening work-in-process	52,538,329	55,891,839
	Less: Closing work-in-process	79,858,260	52,538,329
	<b>Cost of goods manufactured:</b>	<b>932,203,949</b>	<b>674,402,054</b>
	Opening Finished Goods	29,525,192	37,628,407
	Less: Closing Finished Goods	Annexure-A-2 43,697,285	29,525,192
		<b>918,031,857</b>	<b>682,505,268</b>
<b>25.01</b>	<b>Raw Material Consumed</b>		
	Opening Stock of Raw Material	Annexure-A-3 163,533,819	159,613,418
	Add: Purchases during the year		
	Imported	378,939,306	274,519,957
	Local purchases	526,589,272	279,374,178
		905,528,578	553,894,134
	Less: Closing Stock of Raw Materials	Annexure-A-3 237,621,043	163,533,819
		<b>831,441,353</b>	<b>549,973,733</b>
<b>25.02</b>	<b>Manufacturing Expenses</b>		
	Salary, Wages and other benefits	52,388,521	48,097,206
	Travelling & conveyance	361,495	278,487
	Electricity bill	28,808,897	35,589,142
	Rent & Rates	291,000	291,000
	Repair & maintenance	1,679,563	2,143,683
	Fuel, Oil and Power	5,800,162	1,355,963
	Printing & Stationery	311,694	283,526
	Food allowance	495,375	336,005
	Insurance Premium	1,409,325	3,164,678
	License, Registration & Renewal	82,260	288,793
	Staff welfare	84,192	201,727
	Depreciation	4.00 36,370,043	29,044,600
		<b>128,082,527</b>	<b>121,074,810</b>
<b>26.00</b>	<b>Administrative Expenses</b>		
	Salary and Allowances	11,508,744	10,652,443
	Rent & Rates	38,000	32,750
	Repair & Maintenance	73,238	96,900
	Conveyance	98,894	37,223
	Audit fee	235,000	125,000
	Business Promotion Expenses	412,430	350,000
	Printing & Stationery	187,126	42,809
	Postage & Telephone	94,222	137,843
	AGM expenses	293,743	350,234
	Entertainment	76,552	69,208
	Legal and professional charge	314,000	298,700
	License, Registration & Renewal	107,643	153,421
	Annual Return fee RJSC	156,000	156,000
	Share department expenses	127,000	160,771
	Staff welfare	6,394	27,533
	Telephone & Mobile Purchase	48,998	55,579
	Tender schedules purchase	32,000	16,000
	Expenses of CDBL	613,652	613,652
	Depreciation	4.00 1,914,213	1,528,663
		<b>16,337,849</b>	<b>14,904,729</b>







## FAMES & R

CHARTERED ACCOUNTANTS

		Amount in Taka	
		30 June 2022	30 June 2021
<b>27.00</b>	<b>Selling &amp; Distribution Expenses</b>		
	Publicity & advertisement	330,625	389,500
	Carriage outward	3,171,422	7,549,965
	Fuel and power	-	5,056
	Sales promotion expenses	1,341,986	1,193,035
	Travelling & Daily Allowance	160,222	123,709
		<b>5,004,255</b>	<b>9,261,265</b>
<b>28.00</b>	<b>Financing cost</b>		
	Bank Charges	2,591,618	1,559,475
	Realised Foreign exchange Loss/(Gain)	10,878,860	409,261
	Interest on Overdraft, Time & Term loans	71,278,518	77,073,619
		<b>84,748,996</b>	<b>79,042,355</b>
<b>29.00</b>	<b>Other Income</b>		
	Intercompany interest	4,982,189	21,127,098
	Dividend from Investment	242,915	203,054
	Short term deposit	206,689	176,059
	Short term deposit (Divident A/c)	176,648	244,707
	Fixed Deposit Receipts	135,606	157,785
		<b>5,744,046</b>	<b>21,908,703</b>
<b>30.00</b>	<b>Provision for contribution to WPPF</b>		
	Profit/(loss) before WPPF and Income Tax	28,183,276	10,002,479
	Calculated Provision for contribution to WPPF	<b>1,342,061</b>	<b>476,309</b>
<p>WPPF charged @ 5% of net profit before tax as per labor law act 2006 (Amended in 2008), whereas 80% is allocated to "Worker's profit participation fund", 10% to "Employee welfare fund" and 10% to "Bangladesh workers welfare foundation".</p>			
<b>31.00</b>	<b>Income Tax (Expenses)/Income</b>		
	Current Tax	31.01 (6,313,837)	(4,774,297)
	Deferred Tax	15.01 8,565,582	7,152,410
		<b>2,251,745</b>	<b>2,378,114</b>
<b>31.01</b>	<b>Current Tax</b>		
	<b>Corporate Tax</b>		
	Profit/(Loss) before Tax	26,841,215	9,526,170
	Tax Charge @ 20.00% (A)	5,368,243	2,143,388
	<b>Gross Receipts</b>		
	Revenue	24.00 1,046,562,186	773,807,394
	Other Income	29.00 5,744,046	21,908,703
		<b>1,052,306,233</b>	<b>795,716,096</b>
	Tax Charge (minimum) @ 0.60% (B)	6,313,837	4,774,297
	<b>Whichever is higher (A/B) (So applicable is "B")</b>	<b>6,313,837</b>	<b>4,774,297</b>
<b>32.00</b>	<b>Other Comprehensive Income- Unrealized (Gain)/Loss</b>		
	Foreign Currency Translation (Loss)/Gain	12.03 94,473	58,254
	Fair Value (Loss)/Gain on Investment in Shares	5.01 (52,975)	160,948
		<b>41,498</b>	<b>219,202</b>





**FAMES & R**  
CHARTERED ACCOUNTANTS

		Amount in Taka	
		30 June 2022	30 June 2021
<b>33.00</b>	<b>Earning per share (EPS)</b>		
	Net profit after tax for the year	29,134,459	12,123,486
	Weighted average number of shares outstanding during the year	61,365,150	61,365,150
	<b>Earning Per Share of Tk. 10.00 each</b>	<b>0.47</b>	<b>0.20</b>
<b>34.00</b>	<b>Net Assets Value Per Share (NAVPS)</b>		
	Total Assets	2,495,267,206	2,543,534,425
	Less: Non-current Liability	532,944,291	577,196,881
	Less: Current Liability	844,955,672	857,713,878
		<b>1,117,367,243</b>	<b>1,108,623,666</b>
	Weighted average number of shares outstanding during the year	61,365,150	61,365,150
	<b>Net Assets Value Per Share (NAVPS)</b>	<b>18.21</b>	<b>18.07</b>
<b>35.00</b>	<b>Cash Receipts from Customers</b>		
	Revenue	1,046,562,186	773,807,394
	Add: Opening Trade Debtors	289,744,796	262,457,625
		1,336,306,982	1,036,265,019
	Less: Closing Trade Debtors	(298,283,337)	(289,744,796)
		<b>1,038,023,645</b>	<b>746,520,222</b>
<b>36.00</b>	<b>Cash paid to suppliers, employees and others</b>		
	Cost of Goods Sold	918,031,857	682,505,268
	WPPF paid to beneficiary	476,309	2,219,381
	Administrative Expenses	16,337,849	14,904,729
	Selling & Distribution Expenses	5,004,255	9,261,265
	Depreciation	(38,284,256)	(30,573,263)
		901,566,014	678,317,381
	Increase in Inventories	116,459,965	2,826,264
		1,018,025,978	681,143,645
	(Increase)/Decrease in Current Liabilities	18,703,743	(58,080,980)
	Increase in Current Assets	(8,306,020)	(58,800,223)
		<b>1,028,423,702</b>	<b>564,262,441</b>
<b>37.00</b>	<b>Cash Flows from Operating Activities under indirect method</b>		
	Profit before WPPF and Tax	28,183,276	10,002,479
	<b>Add Expenses Not Requiring Cash:</b>		
	Depreciation	38,284,256	30,573,263
	Foreign Currency Translation Loss/(Gain)	94,473	58,254
	<b>Other Adjustments:</b>		
	(Increase)/Decrease in Accounts Receivable	(8,538,541)	(27,287,170)
	(Increase)/Decrease in Inventory	(116,459,965)	(2,826,264)
	(Increase)/Decrease in Advances, Deposits and Prepayments	8,723,766	(58,758,355)
	(Increase)/Decrease in Intercompany Receivable	171,378,178	-
	(Increase)/Decrease in Advances Tax paid	(41,480,030)	(92,500,730)
	(Increase)/Decrease in Inventory in transit	(417,746)	117,558,579
	Increase/(Decrease) in Accounts Payable	(553,007)	(1,291,537)
	Increase/(Decrease) WPPF Disburse to beneficiary	(476,309)	(2,219,381)
	Increase/(Decrease) in Other Payables	(18,150,736)	59,372,517
	<b>Cash flows from operating activities</b>	<b>60,587,615</b>	<b>32,681,652</b>





## FAMES & R

CHARTERED ACCOUNTANTS

### Amount in Taka

**30 June 2022** | **30 June 2021**

<b>38.00</b>	<b>Net Operating Cash Flow Per Shares (NOCFPS)</b>			
	Net cash used in operating activities	37.00	60,587,615	32,681,652
	Weighted average number of shares outstanding during the year		61,365,150	61,365,150
	<b>Net Operating Cash Flow Per Shares (NOCFPS)</b>		<b>0.99</b>	<b>0.53</b>
<b>39.00</b>	<b>Directors Remuneration:</b>			
	Directors of the company did not receive any remuneration for attending the Board Meeting except independent director @Tk. 5,000.00 per meeting.			
<b>40.00</b>	<b>Capacity Utilization</b>			
	BOI approved capacity (pcs)		65,045,000	65,045,000
	Installed capacity (pcs)		46,200,000	46,200,000
	Actual production (pcs)		40,332,440	37,604,700
	Capacity utilization		87%	81%

**41.00 Related party transaction**

During the year, the company carried out a number of transactions with related parties in the normal course of business and on arms length basis. The name of these related parties, nature of transactions and their total value have been set in accordance with the provisions of IAS-24.

Name	Nature of relationship	Nature of transactions	2021-2022 Taka	2020-2021 Taka
Deshbandhu Sugar Mills Ltd.	Share Holder	Short Term Funding	Nil	Nil
		Account Receivables	Dr. 13,229,193	Dr. 15,384,023
Deshbandhu Cement Mills Ltd.	Common Directors	Short Term Funding	Nil	Nil
		Account Receivables	Dr. 2,258,693	Dr. 13,223,439
Commodities Trading Company	Common Directors	Short Term Funding	Nil	Nil
		Account Receivables	Dr. 1,708,482	Dr. 4,069,137
Deshbandhu Packaging Ltd.	Common Directors	Short Term Funding	Nil	Dr. 62,021,274
		Account Receivables	Dr. 5,835,684	Dr. 5,835,684
Deshbandu Consumer & Agro Products Ltd.	Common Directors	Short Term Funding	Nil	Nil
		Account Receivables	Dr. 786,029	Dr. 780,980
M R Trading	Common Directors	Short Term Funding	Nil	Dr. 98,858,210
		Account Receivables	Dr. 1,393,700	Dr. 1,393,700
Sahera Auto Rice Mills Ltd.	Common Directors	Short Term Funding	Nil	Dr. 4,952,369
		Account Receivables	Dr. 1,812,928	Dr. 581,568
Deshbandhu Food & Beverage Ltd.	Common Directors	Short Term Funding	Nil	Dr. 5,546,325
		Account Receivables	Dr. 589,680	Dr. 589,680

- a. No Key Management Personnel services is being received from related parties during the year.  
b. No compensation is given other than board meeting attendance fee for independent director during this year.

**42.00 Number of employees engaged**

As per Schedule-XI of the Companies Act, 1994, the number of employees (including contractual employees) engaged for the whole year or part thereof and received a total remuneration of Tk. 36,000 per annum and above but no one received below Tk. 3,000 per month. Details range has been given follows:

Number of employees engaged for the whole year	545	522
<b>Salary range</b>		
Monthly Taka 3,000 or above	545	522
Monthly below Taka 3,000	Nil	Nil







**43.00 Capital expenditure commitment**

Capital expenditure commitment has been involved with only Property, Plan and Equipment.

**44.00 Contingent liabilities**

There is no contingently liability as on June 30, 2022 of the company.

**45.00 Claims not acknowledged as debt**

There is no claims against the company as debt as on June 30, 2022.

**46.00 Commission, brokerage or discount against sale**

No commission, brokerage or discount was incurred or paid by the company against sales during the year ended June 30, 2022.

**47.00 Payment made in foreign currency**

Except raw material purchased (Note: 25.01) no expenses including royalty, technical expert and professional advisory fees, interest etc was incurred or paid as foreign curr



**48.00 Risk Factors & Management's Perception About The Risks**

International Financial Reporting Standard (IFRS) 7 - Financial instruments: Disclosures- Requires disclosure of information relating to: both recognized and unrecognized financial instruments, their significance and performance, accounting policies, terms and conditions, net fair values and risk information- the Company's policies for controlling risks and exposures.

**48.01 Credit Risk**

Credit risk is the risk of a financial loss to the company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the company's receivables from institutional and export customers etc.

**Management Perception**

In monitoring credit risk, debtors are grouped according to their risk profile, i.e. their legal status, financial condition, ageing profile etc. Accounts receivable are related to sale of PP woven bags, the only product of the company. The maximum exposure to credit risk is represented by the carrying amount of each financial assets in the statement of financial position.

**48.02 Interest Rate Risk**

Interest rate risk is the risk that company faces due to unfavorable movements in interest rates. Changes in the government's monetary policy along with increased demand for loans/investments tend to increase the interest rates. Such rises in interest rates mostly affect companies having floating rate loans or companies investing in debt securities.

**Management Perception**

Management of the company emphasizes on equity based financing to reduce dependency on borrowed fund. Therefore, fluctuation of interest rate on borrowing would have lower impact upon the financial performance of the company. Moreover, management of the Company continuously reduced the long term debt balance. As on 30 June 2014 the balance of the long term loan was nil.

**48.03 Exchange Rate Risk**

Exchange rate risk occurs due to changes in exchange rates. As the Company imports raw materials and plant and Machinery from abroad and also earns a small amount of revenue in foreign currency, unfavorable volatility or currency fluctuations may affect the profitability of the Company. If exchange rate is increased against local currency, opportunity will be created for generating more profit.

**Management Perception**

The management is always alert in minimizing the negative impact of currency fluctuation cost by identifying new sources of raw materials and constantly negotiating with suppliers for reducing price. Furthermore by intensifying of export, the company enjoys the benefits of any further devaluation of BDT against foreign currency.

**48.04 Industry Risks**

The Company is operating in a highly competitive market. Some of the competitors in this sector are larger than Deshbandhu polymer limited and have broader range of products that may enable them to expand their market share. The business, financial condition and prospects of the Company could be adversely affected if it is unable to compete with its competitors.

**48.05 Market and Technology Related Risks**

Technology always plays a vital role for each and every type of business. Better technology can increase productivity and reduce costs of production. Firms are exposed to technology risks when there are better technologies available in the market than the one used by the company which may cause technological obsolescence and negative operational efficiency.





**Management Perception**

Deshbandhu polymer limited has setup its project with modern brand new imported machineries. Furthermore, routine and proper maintenance of equipment's carried out by the company ensures longer service life for the existing equipment and facilities.

**48.06 Potential or Existing Government Regulations**

The Company operates under the Company's Act 1994 and other related regulations, Income Tax Ordinance 1984, Income Tax Rules 1984, Customs Act, 1969, The Value Added Tax and Supplementary Duty Act, 2012 and The Value Added Tax and Supplementary Duty Rules, 2016. Any abrupt changes of the policies made by the regulatory authorities may adversely affect the business of the Company.

**Management Perception**

Unless any adverse policies are made, which may materially affect the industry as a whole; the business of the company will not be affected. PP woven bags full-fill a very basic need for the packaging of sugar, cement, fertilizer, poultry feed, fisheries feed etc. As this is a very basic requirement for industrial use of the country, it is unlikely that the government will initiate any fiscal measure having adverse effect on the growth of the industry. The government is going to make it mandatory to use bags, these may effect the further growth of the company.

**48.07 Potential Change in Global or National Policy**

The company operates its business based on imported raw materials. Financial and operating performance of the company may be adversely affected due to unfavorable change in global and national policy.

**Management Perception**

All the market players in this industry operate based on mainly imported raw materials and in compliance with national as well as global policies/practices. Any changes in policies will affect all the competitors almost equally. DPL's market standing, brand image and groups behind the company will put it in a comparatively better position to handle any adverse policy.

**48.08 Non-operating History**

Any interruption in the operations of the company affects the company's image as a going concern. Failure to ensure uninterrupted operation reduces profitability and in the long run weakens the fundamentals of the company.

**Management Perception**

There is no history of disruption in the operation of the company.

**48.09 Operational Risk**

Shortage of power supply, labor unrest, unavailability or price increase of raw material, natural calamities like flood, cyclone, earth quack etc. may disrupt the production of the Company and can adversely impact the profitability of the Company.

**Management Perception**

Power requirement for the project is 0.8 MW which is meeting up from its sister concern namely Deshbandhu Sugar Mills Limited who generate power through its own steam generator. Besides this the company has also a gas base generator with a capacity of 1MW. The project of the Company is situated at a high land having less record of flood. The factory building has strong RCC foundation, RCC floor, pre-fabricated steel structure to withstand wind, storm, rain etc. along with good drainage facility. The risks from these factors are also covered through Insurance. The company is also facilitated to keep a rational reserve for any future price escalation of the raw materials.







**49.00 Events after the Reporting Period :**

**49.01** The board of directors has recommended 5% Cash dividend for General Shareholders other than Sponsors/Directors of the company for the year ended 30 June, 2022. The shareholders whose name will appear in the share register of the company or in the depository register on the record date will be eligible to attend the Annual General Meeting and to receive the dividend. The Sponsor/Directors hold 2,05,83,388 shares out of total 6,13,65,150 shares of the Company and the cash dividend to be payable to the General Shareholders is Tk. 2,03,90,881.00

**49.02** The Board of Directors authorized the Financial Statements for issue on October 10, 2022

**49.03** Except above, no other significant event occurred till the date of signing the financial statements.

Chief Financial Officer

Company Secretary

Director

Director

Managing Director

Signed in terms of our separate report of even date annexed

Date: October 10, 2022  
Place: Dhaka



Fouzia Haque, FCA  
Partner, FAMES & R  
CHARTERED ACCOUNTANTS  
DVC # 2110051032AS518464



Annexure-A-1

A) Property, Plant & Equipment

Types of assets	Cost (Taka)		Depreciation (Taka)			Written down value as on 30.06.22	Written down value as on 30.06.21
	Cost as on 01.07.21	Addition during the Year	Cost as on 30.06.22	Rate	Cumulative as on 01.07.21		
Land & Land development	70,920,737	-	70,920,737	-	-	70,920,737	70,920,737
Building	150,975,030	4,490,469	155,465,499	2.5%	24,087,234	3,830,507	27,917,741
Plant & Machinery	392,640,954	15,359,645	408,000,599	5%	170,497,637	19,696,046	190,193,683
Furniture & Fixtures	598,033	-	598,033	10%	505,384	59,803	569,187
Electric & Other appliances	69,912,388	1,066,200	70,978,588	10%	44,547,203	7,044,549	51,591,751
Office Machinery & Equipment	6,459,678	70,900	6,530,578	10%	2,662,397	649,513	3,311,910
Vehicles	4,248,383	1,600,000	5,848,383	10%	2,243,876	504,838	2,748,714
<b>Total</b>	<b>695,755,203</b>	<b>22,587,214</b>	<b>718,342,417</b>		<b>244,547,731</b>	<b>31,785,256</b>	<b>276,332,987</b>

B) Revaluation

Types of assets	Cost (Taka)		Depreciation (Taka)			Written down value as on 30.06.22	Written down value as on 30.06.21
	Cost as on 01.07.21	Addition during the Year	Cost as on 30.06.22	Rate	Cumulative as on 01.07.21		
Land & Land development	320,039,263	-	320,039,263	-	-	-	320,039,263
Building	259,959,979	-	259,959,979	2.5%	-	6,498,999	253,460,980
<b>Total</b>	<b>579,999,242</b>	<b>-</b>	<b>579,999,242</b>		<b>-</b>	<b>6,498,999</b>	<b>573,500,243</b>
<b>A+B= Total</b>	<b>1,275,754,445</b>	<b>22,587,214</b>	<b>1,298,341,659</b>		<b>244,547,731</b>	<b>38,284,256</b>	<b>1,015,509,672</b>

Depreciation allocated to:

Manufacturing Expenses  
Administrative Expenses

	2022	2021
Taka	Taka	Taka
36,370,043	29,044,600	
1,914,213	1,528,663	
<b>38,284,256</b>	<b>30,573,263</b>	





Annexure-A-2

Schedule of Quantity-wise Raw Materials  
July 01, 2021 to June 30, 2022

Particulars	Opening		Production		Cost of Revenue		Closing		
	Quantity Pcs.	Rate (Taka)	Quantity Pcs.	Rate (Taka)	Quantity Pcs.	Rate (Taka)	Quantity Pcs.	Rate (Taka)	
PP woven bag and liner.	1,498,510	19.70	40,332,440	23.11	40,005,900	22.95	1,825,050	23.94	43,497,285
Calculation of Finished Goods including new product Cement Bag									
<b>Stock of spare parts</b>	<b>40,236,340</b>								

Quantity-wise break-up of Stores & Spares could not be given as it was difficult to quantify each item in a separate and distinct due to large variety of stores & spares.

Annexure-A-2

Schedule of Quantity-wise Raw Materials  
July 01, 2021 to June 30, 2022

Particulars	Opening		Production		Cost of Revenue		Closing		
	Quantity Pcs.	Rate (Taka)	Quantity Pcs.	Rate (Taka)	Quantity Pcs.	Rate (Taka)	Quantity Pcs.	Rate (Taka)	
PP woven bag and liner.	1,633,200	23.04	37,604,700	17.93	37,739,390	18.08	1,498,510	19.70	29,525,192
Calculation of Finished Goods including new product Cement Bag									
<b>Stock of spare parts</b>	<b>39,355,623</b>								

Quantity-wise break-up of Stores & Spares could not be given as it was difficult to quantify each item in a separate and distinct due to large variety of stores & spares.







Annexure-A-3  
Schedule of Quantity-wise Raw Materials  
July 01, 2021 to June 30, 2022

Particulars	July 01, 2021 to June 30, 2022											
	Opening Balance ( Including Recycle)			Purchased ( Excluding Recycle)			Consumed ( Including Recycle)			Closing Balance ( Including Recycle)		
	Quantity (Kg.)	Rate	Amount (Taka)	Quantity (Kg.)	Rate	Amount (Taka)	Quantity (Kg.)	Rate	Amount (Taka)	Quantity (Kg.)	Rate	Amount (Taka)
<b>Direct Materials</b>												
01. PP Yarn Grade	381,825	108.97	41,606,013	5,604,575	129.08	723,426,426	5,351,000	127.80	683,831,449	635,400	127.80	81,200,991
02. Polycorn	76,075	82.94	6,310,028	54,000	93.44	5,045,630	37,600	87.30	3,282,512	92,475	87.30	8,073,146
03. CaCo3 & TPT	94,475	61.10	5,772,568	191,250	56.24	10,755,671	197,275	57.85	11,411,701	88,450	57.85	5,116,538
04. M.B White	27,175	185.37	5,037,490	62,000	251.87	15,616,114	30,525	231.61	7,069,821	58,650	231.61	13,583,783
05. H.D.PE	196,940	124.23	24,465,919	92,000	135.95	12,507,286	117,690	127.96	15,059,792	171,250	127.96	21,913,412
06. L.D.PE	63,925	92.42	5,908,163	29,000	188.51	5,466,840	28,650	122.41	3,507,063	64,275	122.41	7,867,940
07. L.L.D.PE	148,500	117.58	17,460,407	161,000	140.42	22,606,970	202,950	129.46	26,273,584	106,550	129.46	13,793,793
08. PP (Lami.G)	235,075	125.25	29,443,092	164,925	147.82	24,379,566	131,300	134.56	17,667,287	288,700	134.56	36,155,370
09. Sack Kraft Paper	29,437	51.36	1,511,906	967,886	51.72	50,056,222	686,121	51.707	35,476,947	311,202	51.71	16,091,181
<b>Indirect Materials</b>												
<b>Ink</b>												
1. Red Ink	575	395.87	227,625	17,955	386.88	6,946,430	16,355	387.16	6,331,985	2,175	387.16	842,071
2. Black Ink	325	381.18	123,882	6,100	385.89	2,353,929	1,300	385.65	501,347	5,125	385.65	1,976,464
3. Green Ink	375	406.84	152,567	5,575	390.71	2,178,220	5,575	391.73	2,183,888	375	391.73	146,898
4. Orange Ink	175	400.85	70,149	500	417.39	208,695	625	413.10	258,189	50	413.10	20,655
5. Blue Ink	475	430.46	204,467	2,800	412.96	1,156,302	3,175	415.50	1,319,218	100	415.50	41,550
6. Yellow Ink	75	403.06	30,230	1,800	397.38	715,284	1,800	397.61	715,693	75	397.61	29,821
7. Flexo Thinner	640	163.01	104,329	55,305	200.13	11,068,377	54,505	199.71	10,885,125	1,440	199.71	287,581
8. Cotton Yarn	3,290	177.99	585,603	-	-	-	2,166	177.99	385,537	1,124	177.99	200,066
9. White Ink	-	-	-	1,100	394.59	434,049	1,100	394.59	434,049	-	394.59	-
10. Germinum Ink	-	-	-	325	425.43	138,265	325	425.43	138,265	-	425.43	-
11. Violet Ink	300	474.14	142,243	100	500.00	50,000	100	480.61	48,061	300	480.61	144,182
12. Magenta Ink	150	465.00	69,750	850	417.39	354,782	850	424.53	360,852	150	424.53	63,680
13. M.B Beige	7,355	288.19	2,119,629	7,000	314.61	2,202,244	505	301.07	152,041	13,850	301.07	4,169,832
14. M.B Green	250	442.86	110,714	-	-	-	-	442.86	-	250	442.86	110,714
15. M.B Blue	750	475.23	356,423	-	-	-	-	475.23	-	750	475.23	356,423
16. M.B Red	375	437.78	164,167	-	-	-	-	437.78	-	375	437.78	164,167
17. MB Orange	75	428.57	32,143	-	-	-	-	428.57	-	75	428.57	32,143
18. MB Yellow	275	445.00	122,375	-	-	-	-	445.00	-	275	445.00	122,375
19. MB Brown	550	440.00	242,000	-	-	-	-	440.00	-	550	440.00	242,000
20. Adictive Ink	25	401.00	10,025	-	-	-	-	401.00	-	25	401.00	10,025
21. Violet Ink	475	395.00	187,624	-	-	-	-	395.00	-	475	395.00	187,624
22. PP Multifilament Yarn	3,234	226.77	733,291	30,046	261.64	7,861,278	28,506	258.26	7,361,915	4,773	258.26	1,232,654
23. PP Recycle	269,720	75.00	20,229,000	-	-	-	-	75.00	-	419,778	80.00	33,582,215
<b>Total</b>	<b>1,542,891</b>	<b>105.89</b>	<b>163,333,819</b>	<b>7,456,092</b>	<b>121.45</b>	<b>905,528,578</b>	<b>6,900,348</b>	<b>120.98</b>	<b>834,794,569</b>	<b>2,248,692</b>	<b>105.67</b>	<b>237,621,043</b>





**BANGLADESH ASSOCIATION OF PUBLICLY LISTED COMPANIES**

Ref. No: (N-2022/258)

Date of issue: June 19, 2022



**Renewed Certificate**

*This is to certify that*

**DESHBANDHU POLYMER LIMITED**

*is an Ordinary Member of Bangladesh Association of Publicly Listed Companies and is entitled to all the rights and privileges appertaining thereto.*

*This certificate remains current until 31<sup>st</sup> December 2022.*



*[Signature]*  
Secretary General



## Deshbandhu Polymer Limited

Mostafa Center, Road # 27, House # 59  
Block # k, Banani, Dhaka-1213

### PROXY FORM

I/We.....of.....being a shareholder of  
**DESHBANDHU POLYMER LIMITED** appoint Mr. / Mrs. / Miss. of.....as my/our proxy to attend and vote for me/us and  
on my /our behalf at the 16th Annual General Meeting of the Company to be held on Wednesday, December 14, 2022 at 10.00 A.M at  
digital platform at any adjournment thereof.

As witness my hand this.....day of.....2022

Please affix  
Revenue Stamp  
of Tk. 20.00

Signature of the Shareholder

Signature of the Proxy

Register Folio/BO ID No. : .....

Nos. of the shares held on the Record Date : .....

Date:

Signature Verified

**Note:** i). Signature of the Shareholder must be in accordance with specimen registered with the Company or  
with Central Depository account (BO Account).

ii. A member entitled to attend and vote at the Annual General Meeting may appoint a Proxy in his  
stead. The proxy form, duly stamped must be sent through email to [dplshare@dbg.com.bd](mailto:dplshare@dbg.com.bd) not later  
then 48 hours before the time fixed for the Meeting.

## Deshbandhu Polymer Limited

### ATTENDANCE SLIP

Name of Shareholder/Proxy										
Registered BO ID:										

I hereby record my attendance at the 16th Annual General Meeting of the Company to be held on Wednesday, December  
14, 2022 at 10.00 A.M at digital platform at any adjournment thereof.

SIGNATURE OF THE SHAREHOLDER / PROXY

NO. OF SHARES HELD  
(As on Record Date of EGM/AGM)

সম্মানিত শেয়ারহোল্ডারবৃন্দের সদয় অবগতির জন্য জানানো যাচ্ছে যে, বাংলাদেশ সিকিউরিটিজ এন্ড এক্সচেঞ্জ কমিশনের নোটিফিকেশন নং এসইসি/সিএমআরআরসিডি/২০০৯-১৯৩/১৫৪ তারিখ, অক্টোবর ২৪, ২০১৩ মোতাবেক অতিরিক্ত সাধারণ সভা ও বার্ষিক সাধারণ সভায় কোন প্রকার উপস্থার অথবা কোন ধরনের আপ্যায়নের ব্যবস্থা থাকবে না।





[www.deshbandhupolymer.com](http://www.deshbandhupolymer.com)

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**Corporate Office:**

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