

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
Our Response to the Risk	
<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>
Please see to the Statement of profit or loss & other Comprehensive Income	
Valuation of Inventory	
<p>As at June 30, 2021, the reported amount of inventory is Tk. 401,412,927</p> <p>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.</p> <p>Considering the risk for not attending physical verification of Inventory management process, Inventory management is a key audit matter to the Financial Statements.</p>	<p>We verified the appropriateness of management's assumptions applied in calculating the value of the inventory as per International Accounting Standard (IAS) by:</p> <ul style="list-style-type: none">➤ 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	
<p>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.</p> <p>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.</p>	<p>Our audit included the following procedures:</p> <ul style="list-style-type: none">➤ 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.

<p>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.</p>	<ul style="list-style-type: none"> ➤ 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.
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Please see note no. 04 to the Financial Statements

Long Term Loan & Short Term Loan

<p>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.</p> <p>The company may face difficulties due to unfavorable movement in interest rate & monetary policy that may result in short-term and cash flow crisis.</p>	<p>We have tested the design and operating effectiveness of key controls focusing on the following:</p> <ul style="list-style-type: none"> ➤ 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.
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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).



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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
Asset			
Non-Current Assets		1,016,334,573	1,032,084,591
Property, Plant & Equipment	4	1,015,509,672	1,031,206,714
Investment in share	5	824,901	877,876
Current Assets:		1,478,932,633	1,511,449,834
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
Total Assets		2,495,267,206	2,543,534,425
Equity and Liabilities			
Shareholders' Equity		1,117,367,243	1,108,623,665
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
Non-Current Liabilities		532,944,291	577,196,881
Deferred Tax Liability	15	157,771,520	166,337,103
Long Term Loan	16	375,172,771	410,859,778
Current Liabilities		844,955,672	857,713,878
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
Total Current and Non Current Liabilities		1,377,899,963	1,434,910,759
Total Equity and Liabilities		2,495,267,206	2,543,534,425
Net Asset Value (NAV) per share	34	18.21	18.07

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




Fouzia Haque, FCA
Partner, FAMES & R
CHARTERED ACCOUNTANTS
DVC # 2110051032ASS18464



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


Chief Financial Officer


Company Secretary


Director


Director

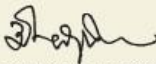

Managing Director

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



FAMES & R
CHARTERED ACCOUNTANTS

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
Balance as at June 30, 2021	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
Balance as at June 30, 2022	613,651,500	36,712,385	467,003,358	1,117,367,242
Balance as at June 30, 2020	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
Balance as at June 30, 2021	613,651,500	21,469,808	473,502,357	1,108,623,665


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
A. Cash flows from operating activities:			
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)
Cash generated/used in operations		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)
Net cash used in operating activities	37	60,587,615	80,555,508
B. Cash flow from investing activities:			
Purchase of property, plant and equipment		(22,587,214)	(22,161,324)
Disposal of shares		-	-
Net cash used in investing activities		(22,587,214)	(22,161,324)
C. Cash flow from financing activities:			
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 Divident		9,208,586	-
Net cash from financing activities		(50,998,104)	(50,360,926)
Net cash inflow / (outflow) (A+B+C)		(12,997,702)	8,333,258
Cash and cash equivalent at the beginning		26,962,658	18,629,400
Cash and cash equivalent at the closing		13,964,956	26,962,658
Cash and cash equivalent at the closing:			
Cash in Hand		643,508	791,627
Cash at Banks		13,321,448	26,171,031
		13,964,956	26,962,658
Net Operating Cash Flow Per Share	38	0.99	0.53


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
Fixed Assets				
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
Closing Balance (Cost/Valuation)	718,342,417	579,999,242	1,298,341,659	1,275,754,445
Accumulated Depreciation:				
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	-
Closing Balance	276,332,987	6,498,999	282,831,986	244,547,731
Carrying amount (Cost and valuation)	442,009,430	573,500,243	1,015,509,672	1,031,206,714

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
		38,284,256	30,573,263

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
Closing balance		824,901	877,876

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
			401,412,927	284,952,963

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
	188,710,823	188,293,077





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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
	298,283,337	289,744,796

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
	298,283,337	289,744,796

- 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
	27,614,389	41,858,211

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
	-	171,378,178

- 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
		215,347,109	224,070,875

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
		111,481,267	140,550,775

Deposits

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





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

69,231,602 | 70,844,481

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	-
Total Advance Income Tax	384,706,714	326,047,287

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	-
	23,493,234	-

Net Advance Income Tax

361,213,480 | 326,047,287

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.





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CHARTERED ACCOUNTANTS

Amount in Taka		
	30 June 2022	30 June 2021
12.00 Cash and Cash Equivalents		
Cash in Hand	643,508	791,627
Cash at Banks (Local Currency)	8,844,572	21,904,673
Cash at Banks (Foreign Currency)	1,134,800	1,040,327
Fixed Deposit Receipts	3,342,077	3,226,032
Total	13,964,956	26,962,658

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 B5	12,612	16,877
			8,844,572	21,904,673

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
				1,134,800	1,040,327

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"	Amount (Tk.)	Amount (Tk.)
Mercantile Bank Ltd.	FDR-11240	Motijheel	1,093,898	1,071,745
Mercantile Bank Ltd.	FDR-28302	Motijheel	2,248,180	2,154,287
			3,342,077	3,226,032





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
613,651,500	613,651,500

13.02 Category wise Shareholding position of the Company

Name of the shareholders	Nationality	2022		2021	
		Number of Shares	Holding %	Number of Shares	Holding %
A. Sponsors					
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. Director					
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
C. Shareholders'					
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
D. Financial Institution	Bangladeshi	4,080,499	6.6495	3,412,805	5.561
E. General shareholders	Bangladeshi & NRB	36,701,414	59.8082	37,369,108	60.898
		61,365,150	100.00	61,365,150	100.00

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
	61,365,150	100	61,365,150	100





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
	8,873	61,365,150	100.00	8,298	61,365,150	100.00

14.00 Revaluation Surplus

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

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
		157,771,520	166,337,103

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
Deferred tax (income)/Loss for the year			(8,565,582)	(7,152,410)

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

Deferred tax liability increased for Revaluated Amount	15.00	106,496,885	106,496,885
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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	-
	(157,771,520)	(166,337,103)

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
	8,565,582	(99,344,474)





FAMES & R

CHARTERED ACCOUNTANTS

		Amount in Taka	
		30 June 2022	30 June 2021
16.00	Long Term Loan		
	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
		375,172,771	410,859,778
	These represents bank Loan net of Current Maturity.		
17.00	Bank Overdraft		
	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
		214,972,098	235,091,322
17.01	Dhaka Bank Ltd. Local office		
	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.		
17.02	Mercantile Bank Ltd. Motijheel Branch		
	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.		
18.00	Short term loan		
	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
		552,345,251	536,354,828
	These includes current position of Long term Bank liabilities.		
18.01	Loan against trust receipts (LTR)		
	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
		385,702,726	383,747,095
18.01.01	Dhaka Bank Ltd.		
	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.		
18.01.02	Mercantile Bank Ltd.		
	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
166,642,525 152,607,734

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
1,739,657 2,292,664

Analysis of Accounts Payable:

Payable due below six months 1,086,367 1,614,324
Payable due over six months below one year 653,290 678,340
1,739,657 2,292,664

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
50,423,520 68,574,255

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
1,561,525 2,851,111





FAMES & R

CHARTERED ACCOUNTANTS

		Amount in Taka	
		30 June 2022	30 June 2021
20.02	Provisions		
	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
	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
	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	-
		48,861,995	65,723,144
	All accrued expenses are paid on regular basis.		
21.00	Share Money Refundable		
	Opening Balance	14,924,500	14,924,500
	Refund during the year	-	-
	Closing Balance	14,924,500	14,924,500
22.00	Unclaimed/Undistributed Dividend Account		
	Year 2011-12	832,488	-
	Year 2018-19	6,342,147	-
	Year 2019-20	990,941	-
	Year 2020-21	1,043,009	-
		9,208,586	-
	Unclaimed/undistributed dividend for 2011-12 already deposited to CMSF (Community Bank Limited, Gulshan Brnch) on 28.07.2022)		
23.00	Workers Profit Participation Fund		
	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	1,342,061	476,309
24.00	Revenue		
		Quantity	
	Gross Local Sales		1,203,546,514
	Less: VAT		(156,984,328)
	Net Local Sales	4,00,05,900 Pcs	1,046,562,186
	Export Sales (Note-24.01)		-
			132,064,860
			1,046,562,186
24.01	Export Sales		
	Currency		
	Total in USD		-
	Total in BDT		1,559,433
			-
			132,064,860





		Amount in Taka	
		30 June 2022	30 June 2021
25.00	Cost of Goods Sold:		
	Raw Material Consumed	25.01	831,441,353
	Manufacturing Expenses	25.02	128,082,527
			959,523,880
	Opening work-in-process		52,538,329
	Less: Closing work-in-process		79,858,260
	Cost of goods manufactured:		671,048,543
	Opening Finished Goods		52,538,329
	Less: Closing Finished Goods	Annexure-A-2	43,697,285
			674,402,054
			918,031,857
25.01	Raw Material Consumed		
	Opening Stock of Raw Material	Annexure-A-3	163,533,819
	Add: Purchases during the year		
	Imported		378,939,306
	Local purchases		526,589,272
			905,528,578
	Less: Closing Stock of Raw Materials	Annexure-A-3	237,621,043
			671,048,543
25.02	Manufacturing Expenses		
	Salary, Wages and other benefits		52,388,521
	Travelling & conveyance		361,495
	Electricity bill		28,808,897
	Rent & Rates		291,000
	Repair & maintenance		1,679,563
	Fuel, Oil and Power		5,800,162
	Printing & Stationery		311,694
	Food allowance		495,375
	Insurance Premium		1,409,325
	License, Registration & Renewal		82,260
	Staff welfare		84,192
	Depreciation	4.00	36,370,043
			128,082,527
26.00	Administrative Expenses		
	Salary and Allowances		11,508,744
	Rent & Rates		38,000
	Repair & Maintenance		73,238
	Conveyance		98,894
	Audit fee		235,000
	Business Promotion Expenses		412,430
	Printing & Stationery		187,126
	Postage & Telephone		94,222
	AGM expenses		293,743
	Entertainment		76,552
	Legal and professional charge		314,000
	License, Registration & Renewal		107,643
	Annual Return fee RJSC		156,000
	Share department expenses		127,000
	Staff welfare		6,394
	Telephone & Mobile Purchase		48,998
	Tender schedules purchase		32,000
	Expenses of CDBL		613,652
	Depreciation	4.00	1,914,213
			16,337,849
			14,904,729





FAMES & R

CHARTERED ACCOUNTANTS

		Amount in Taka	
		30 June 2022	30 June 2021
27.00	Selling & Distribution Expenses		
	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
		5,004,255	9,261,265
28.00	Financing cost		
	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
		84,748,996	79,042,355
29.00	Other Income		
	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
		5,744,046	21,908,703
30.00	Provision for contribution to WPPF		
	Profit/(loss) before WPPF and Income Tax	28,183,276	10,002,479
	Calculated Provision for contribution to WPPF	1,342,061	476,309
<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>			
31.00	Income Tax (Expenses)/Income		
	Current Tax	31.01 (6,313,837)	(4,774,297)
	Deferred Tax	15.01 8,565,582	7,152,410
		2,251,745	2,378,114
31.01	Current Tax		
	Corporate Tax		
	Profit/(Loss) before Tax	26,841,215	9,526,170
	Tax Charge @ 20.00% (A)	5,368,243	2,143,388
	Gross Receipts		
	Revenue	24.00 1,046,562,186	773,807,394
	Other Income	29.00 5,744,046	21,908,703
		1,052,306,233	795,716,096
	Tax Charge (minimum) @ 0.60% (B)	6,313,837	4,774,297
	Whichever is higher (A/B) (So applicable is "B")	6,313,837	4,774,297
32.00	Other Comprehensive Income- Unrealized (Gain)/Loss		
	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
		41,498	219,202





FAMES & R
CHARTERED ACCOUNTANTS

		Amount in Taka	
		30 June 2022	30 June 2021
33.00	Earning per share (EPS)		
	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
	Earning Per Share of Tk. 10.00 each	0.47	0.20
34.00	Net Assets Value Per Share (NAVPS)		
	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
		1,117,367,243	1,108,623,666
	Weighted average number of shares outstanding during the year	61,365,150	61,365,150
	Net Assets Value Per Share (NAVPS)	18.21	18.07
35.00	Cash Receipts from Customers		
	Revenue	24.00 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	8.00 (298,283,337)	(289,744,796)
		1,038,023,645	746,520,222
36.00	Cash paid to suppliers, employees and others		
	Cost of Goods Sold	25.00 918,031,857	682,505,268
	WPPF paid to beneficiary	476,309	2,219,381
	Administrative Expenses	26.00 16,337,849	14,904,729
	Selling & Distribution Expenses	27.00 5,004,255	9,261,265
	Depreciation	4.00 (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)
		1,028,423,702	564,262,441
37.00	Cash Flows from Operating Activities under indirect method		
	Profit before WPPF and Tax	28,183,276	10,002,479
	Add Expenses Not Requiring Cash:		
	Depreciation	4.00 38,284,256	30,573,263
	Foreign Currency Translation Loss/(Gain)	94,473	58,254
	Other Adjustments:		
	(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
	Cash flows from operating activities	60,587,615	32,681,652





FAMES & R

CHARTERED ACCOUNTANTS

Amount in Taka	
30 June 2022	30 June 2021

38.00	Net Operating Cash Flow Per Shares (NOCFPS)			
	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
	Net Operating Cash Flow Per Shares (NOCFPS)		0.99	0.53

39.00 Directors Remuneration:
Directors of the company did not receive any remuneration for attending the Board Meeting except independent director @Tk. 5,000.00 per meeting.

40.00	Capacity Utilization			
	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
Salary range		
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




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



Annexure-A-1

A) Property, Plant & Equipment

Types of assets	Cost (Taka)		Rate	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	Cumulative as on 01.07.21		
Land & Land development	70,920,737	-	-	-	-	70,920,737	70,920,737
Building	150,975,030	4,490,469	2.5%	24,087,234	3,830,507	127,547,758	126,887,796
Plant & Machinery	392,640,954	15,359,645	5%	170,497,637	19,696,046	217,806,916	222,143,317
Furniture & Fixtures	598,033	-	10%	509,384	59,803	28,846	88,649
Electric & Other appliances	69,912,388	1,066,200	10%	44,547,203	7,044,549	19,386,837	25,365,185
Office Machinery & Equipment	6,459,678	70,900	10%	2,662,397	649,513	3,218,668	3,797,281
Vehicles	4,248,383	1,600,000	10%	2,243,876	504,838	3,099,669	2,004,507
Total	695,755,203	22,587,214		244,547,731	31,785,256	442,009,430	451,207,472

B) Revaluation

Types of assets	Cost (Taka)		Rate	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	Cumulative as on 01.07.21		
Land & Land development	320,039,263	-	-	-	-	320,039,263	320,039,263
Building	259,959,979	-	2.5%	-	6,498,999	253,460,980	259,959,979
Total	579,999,242	-		-	6,498,999	573,500,243	579,999,242
A+B= Total	1,275,754,445	22,587,214		244,547,731	38,284,256	1,015,509,672	1,031,206,714

Depreciation allocated to:

Manufacturing Expenses	2022 Taka	2021 Taka
Administrative Expenses	36,370,043	29,044,600
	1,914,213	1,528,663
	38,284,256	30,573,263





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	43,697,285

Calculation of Finished Goods including new product Cement Bag

Stock of spare parts 40,236,340

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

Stock of spare parts 39,355,623

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						July 01, 2021 to June 30, 2022					
	Opening Balance (Including Recycle)			Purchases (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)
Direct Materials												
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 & TPI	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.LDPE	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	268,700	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
Indirect Materials												
Ink												
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. Conton 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	-	-	-
10. Germinum Ink	-	-	-	325	425.43	138,265	325	425.43	138,265	-	-	-
11. Violet Ink	300	474.14	142,443	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. M.B Orange	75	428.57	32,143	-	-	-	-	428.57	-	75	428.57	32,143
18. M.B Yellow	275	445.00	122,375	-	-	-	-	445.00	-	275	445.00	122,375
19. M.B Brown	550	440.00	242,000	-	-	-	-	440.00	-	550	440.00	242,000
20. Additive Ink	25	401.00	10,025	-	-	-	-	401.00	-	25	401.00	10,025
21. Violet Ink	475	395.00	187,624	-	-	-	350	395.00	138,250	125	395.00	49,375
22. PP Multiflament 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
Total	1,542,891	105.99	163,533,819	7,456,092	121.45	905,528,578	6,900,348	120.98	834,794,569	2,248,692	105.67	237,621,043



