

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 30,2021 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 30,2021 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 informing our opinion thereon and we do not provide separate opinion on these matters.

Risk	1. Revenue Recognition
Our Response to the Risk	
<p>At year end the reported total Turnover of Tk.773,807,394.</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>
<p>Please see to the Statement of profit or loss & other Comprehensive Income</p>	
<p>Valuation of Inventory</p>	
<p>As at June 30,2021, the reported amount of inventory is Tk.284,952,963.</p> <p>On the reporting date, inventories are carried at the lower of cost and net realizable value. As such, the company applies 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, due to COVID-19 situation, couldn't attend physical counting. ➤ 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.
<p>Please see note no. 06 to the Financial Statements</p>	
<p>Valuation of Tangible Fixed Assets</p>	
<p>The carrying value of the tangible fixed assets is Tk.1,031,206,714 as at June 30, 2021. 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</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,

item can be measured reliably.

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.

checked whether the items were procured during the year.

- 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 30,2021, the reported amount of total Long-Term Loan is Tk. 410,859,778 and Short-Term Loan is Tk. 536,354,828 respectively. The company borrowed fund from various Bank and FI 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	
<p>The total amount of debtors is Tk. 289,744,796 at June 30, 2021. There are significant large numbers of individual small customers. Customers in different business segments and jurisdictions are subject to their independent business risk.</p> <p>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.</p>	<p>Our audit procedures to assess the recoverability of trade receivables including the following:</p> <ul style="list-style-type: none"> ➤ 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 30,2021.
Please see note no. 20 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 1,20,000 (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.

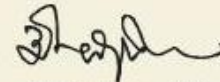
We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence and where applicable, related safeguards.

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.



Fouzia Haque, FCA
Partner

FAMES & R
CHARTERED ACCOUNTANTS
DVC # 2110051032A5518464

Date: September 30, 2021
Place: Dhaka

Deshbandhu Polymer Limited

Statement of Financial Position
as at 30 June 2021

Particulars	Notes	Amount in Taka	
		30 June 2021	30 June 2020
Assets			
Non-Current Assets:		1,032,084,591	460,336,339
Property, Plant & Equipment (Cost/Revaluation)	4	1,031,206,714	459,619,411
Investment in share	5	877,876	716,928
Current Assets:		1,511,449,834	1,545,062,262
Inventories	6	284,952,963	282,126,699
Inventory in Transit	7	188,293,077	305,851,655
Accounts Receivable	8	289,744,796	262,457,625
Inter Company Receivable	9	171,378,178	219,552,033
Advance, Deposit and Prepayments	10	224,070,875	165,312,520
Advance Income Tax	11	326,047,287	291,132,330
Cash and Cash Equivalents	12	26,962,658	18,629,400
Total Assets		2,543,534,425	2,005,398,601
Equity and Liabilities			
Shareholders' Equity:		1,108,623,665	643,388,702
Share Capital	13	613,651,500	613,651,500
Revaluation Surplus	14	473,502,357	-
Retained Earnings		21,469,808	29,737,202
Non-Current Liabilities:		577,196,881	663,405,903
Deferred Tax Liability	15	166,337,103	66,992,628
Long Term Loan	16	410,859,778	596,413,274
Current Liabilities:		857,713,878	698,603,995
Bank Overdraft	17	235,091,322	217,466,613
Short Term Loan	18	536,354,828	398,396,086
Accounts Payable	19	2,292,664	3,584,201
Other Payables and Provisions	20	10,988,483	9,201,738
Share Money Refundable	21	14,924,500	14,924,500
Worker's Profit Participation Fund	22	476,309	2,219,381
Provision for Income Tax	23	57,585,772	52,811,476
Total Equity and Liabilities		2,543,534,425	2,005,398,601
Net Asset Value (NAV) per share		34	18.07
		10.48	

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: September 30, 2021
Place: Dhaka




Fuzia Haque, FCA
Partner, FAMES & R
CHARTERED ACCOUNTANTS
DVC # 2110051032A5518464

Deshbandhu Polymer Limited

Statement of Profit or Loss and Other Comprehensive Income
For the year ended 30 June 2021

Particulars	Notes	Amount in Taka	
		30 June 2021	30 June 2020
Revenue	24	773,807,394	824,577,244
Cost of Goods Sold	25	(682,505,268)	(729,930,375)
Gross profit		91,302,125	94,646,869
Operating Expenses			
Administrative Expenses	26	(14,904,729)	(15,231,263)
Selling & Distribution Expenses	27	(9,261,265)	(8,945,103)
Total Operating Expenses		(24,165,994)	(24,176,366)
Operating profit		67,136,131	70,470,503
Financing Cost	28	(79,042,355)	(80,562,912)
Other Income	29	21,908,703	22,489,884
		(57,133,652)	(58,073,028)
Profit/(loss) before WPPF and Income Tax		10,002,479	12,397,476
Provision for Contribution to WPPF	30	(476,309)	(590,356)
Profit/(loss) before Tax		9,526,170	11,807,120
Income Tax (Expenses)/Income	31		
Current Tax		(4,774,297)	(5,082,403)
Deferred Tax		7,152,410	(502,643)
		2,378,114	(5,585,046)
Profit after tax for the year		11,904,284	6,222,074
Other Comprehensive income/(Loss):	32	219,202	-
Total Comprehensive income for the year		12,123,486	6,222,074
Earning per share of Tk. 10.00 each	33	0.20	0.10

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: September 30, 2021
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, 2021

Particulars	Share Capital Taka	Retained earnings Taka	Revaluation Surplus	Total Taka
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
Balance as at June 30, 2019	613,651,500	43,906,010	-	657,557,510
Cash Dividend 2018-2019	-	(20,390,881)	-	(20,390,881)
Net profit after tax for the year	-	6,222,074	-	6,222,074
Other comprehensive income for the year:	-	-	-	-
Increase in the value of investment in share	-	-	-	-
Balance as at June 30, 2020	613,651,500	29,737,202	-	643,388,702

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: September 30, 2021
Place: Dhaka



Deshbandhu Polymer Limited

Statement of Cash Flows
for the year ended 30 June, 2021

Particulars	Notes	Amount in Taka	
		30 June 2021	30 June 2020
A. Cash flows from operating activities:			
Cash received from customer	35	746,520,222	829,424,175
Cash paid to suppliers, employees and others	36	(621,848,214)	(677,914,924)
Cash generated/used in operations		124,672,008	151,509,251
Cash received from Other income		21,966,957	22,489,885
Financing cost paid		(79,042,355)	(80,562,912)
Income Tax Paid		(34,914,957)	(35,988,261)
Net cash used in operating activities	37	32,681,653	57,447,962
B. Cash flow from investing activities:			
Purchase of property, plant and equipment		(22,161,324)	(46,188,670)
Disposal of shares		-	-
Net cash used in investing activities		(22,161,324)	(46,188,670)
C. Cash flow from financing activities:			
Long Term Loan		(185,553,496)	190,029,524
Short Term Loan		137,958,742	(198,017,188)
Bank Overdraft		17,624,709	(17,178,821)
Cash Dividend		(20,390,881)	(20,390,881)
Other finance- Inter company		48,173,856	24,677,531
Net cash from financing activities		(2,187,070)	(20,879,834)
Net cash inflow / (outflow) (A+B+C)		8,333,258	(9,620,542)
Cash and cash equivalent at the beginning		18,629,400	28,249,941
Cash and cash equivalent at the closing		26,962,658	18,629,400
Cash and cash equivalent at the closing:			
Cash in Hand		791,627	3,699,715
Cash at Banks		26,171,031	14,929,685
		26,962,658	18,629,400
Net Operating Cash Flow Per Share	38	0.53	0.94

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: September 30, 2021
Place: Dhaka



DESHBANDHU POLYMER LIMITED

Notes to the Financial Statements

As at and for the year ended 30 June 2021

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 2020 to 30 June 2021 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/or 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 lives, they are recognized and/is 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 lives 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/ 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 2021	30 June 2020

4.00 Property, Plant & Equipment

Details of property, plant and equipment and depreciation as at June 30, 2021 are shown in the Annexure A-1

	Cost	Revaluation	Total	Total
Fixed Assets				
Opening Balance (at cost)	673,593,879	-	673,593,879	627,405,209
Land & Land development	-	320,039,263	320,039,263	-
Building	-	259,959,979	259,959,979	-
Addition during the Year	22,161,324	-	22,161,324	46,188,670
Closing Balance (Cost/Valuation)	695,755,203	579,999,242	1,275,754,445	673,593,879
Accumulated Depreciation:				
Opening Balance	213,974,468	-	213,974,468	185,809,135
Depreciation charged during the Year	30,573,263	-	30,573,263	28,165,333
Closing Balance	244,547,731	-	244,547,731	213,974,468
Carrying amount (Cost and valuation)	451,207,472	579,999,242	1,031,206,714	459,619,411

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

Manufacturing Expenses	25.02	29,044,600	26,757,066
Administrative Expenses	26.00	1,528,663	1,408,267
		30,573,263	28,165,333

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

5.00 Investment in share

Opening Balance		716,928	716,928
(Decrease)/Increase of Share price	5.01	160,948	-
Closing balance		877,876	716,928

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	11.60	877,876	716,928

Investments in Marketable Share is valued at Market price that prevailed on the reporting date for this year. However this was reported at historical cost previously. Related gain/(loss) BDT 160,948 is recognised through Other Comprehensive Income.

6.00 Inventories

	Quantity(2020)	Quantity (2021)		
Closing Stock of Raw Materials	13,13,527 Kgs	15,42,891 Kgs	163,533,819	159,613,418
Work in process (WIP)	3,88,942 Kgs	3,64,710 Kgs	52,538,329	55,891,839
Finished goods	16,33,200 Pcs	14,98,510 Pcs	29,525,192	37,628,407
Stock of spare parts			39,355,623	28,993,035
			284,952,963	282,126,699

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

7.00 Inventory in Transit

Raw Materials-in-transit	158,117,941	250,987,772
Spare parts-in-transit	30,175,136	54,863,883
	188,293,077	305,851,655



FAMES & R

CHARTERED ACCOUNTANTS

8.00 Accounts Receivable

	Amount in Taka	
	30 June 2021	30 June 2020
First Party	69,661,275	60,475,896
Third party	91,390,738	96,716,900
Inhouse Party	41,858,211	41,383,017
Corporate Party	86,834,572	63,881,812
	289,744,796	262,457,625

Analysis of Accounts Receivable:

Amount due below six months	208,616,253	183,720,338
Amount due within one year	81,128,543	78,737,288
	289,744,796	262,457,625

- 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 2021	30 June 2020
Commodities Trading Company	4,069,137	3,237,916
Deshbandhu Sugar Mills Ltd.	15,384,023	15,109,322
Deshbandhu Consumer & Agro Products Ltd.	780,980	715,980
Deshbandhu Cement Mills Ltd	13,223,439	17,388,641
Deshbandhu Food & Beverage	589,680	446,040
Deshbandhu Packaging Ltd.	5,835,684	-
M.R.Trading	1,393,700	1,393,700
Sahera Auto Rice Mills Ltd.	581,568	3,091,418
	41,858,211	41,383,017

9.00 Inter company receivable

Deshbandhu Cement Mills Ltd.	-	20,701,752
M R Trading	98,858,210	105,358,210
Deshbandhu Food & Beverage Ltd.	5,546,325	5,546,325
Sahera Auto Rice Mills Ltd.	4,952,369	7,952,369
Deshbandhu Packaging Ltd.	62,021,274	79,993,377
	171,378,178	219,552,033

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

10.00 Advance, deposit and prepayment

Advance to others	10.01	153,226,394	130,716,965
Letter of Credit Margin	10.02	70,844,481	34,595,555
		224,070,875	165,312,520

10.01 Advance to others

Advance VAT against purchase	10.01.1	11,286,087	18,338,318
Deshbandhu C & F		26,657,805	22,407,000
S K Mahmud & Sons		15,771,356	15,886,356
Capital Work-in- Progress		47,034,483	41,534,483
Salary and other advance		39,801,044	25,220,044
		140,550,775	123,386,201

Deposits

BG (Margin)	-	5,359,180
Security deposit	20,000	20,000
Other advance	12,655,619	1,951,584
	12,675,619	7,330,764
	153,226,394	130,716,965



Amount in Taka	
30 June 2021	30 June 2020

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

10.02 Letter of Credit Margin

Dhaka Bank Ltd.

70,844,481	34,595,555
70,844,481	34,595,555

All advances and deposits amount are considered good and recoverable.

11.00 Year wise Advance Income Tax:

FY 2007-2008	1,150,501	1,150,501
FY 2008-2009	2,375,993	2,375,993
FY 2009-2010	3,350,553	3,350,553
FY 2010-2011	2,365,460	2,365,460
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	-
Total Advance Income Tax	326,047,287	291,132,330

Details of Advance Income Tax

TDS on interest	156,796	156,796
AIT on Raw materials	188,392,588	175,507,741
AIT on Sales	125,163,120	103,259,435
Tax deduction on FDR	4,485,118	4,469,339
Tax deduction on STD	7,337,634	7,288,898
AIT on Office rent	133,308	133,308
AIT on Spare Parts	378,722	316,812
	326,047,287	291,132,330

The Advance Tax of Tk. 32,60,47,287/- to be adjusted against Tax Liability.



12.00 Cash and Cash Equivalents

		Amount in Taka	
		30 June 2021	30 June 2020
Cash in Hand		791,627	3,699,715
Cash at Banks (Local Currency)	12.01	21,904,673	10,863,587
Cash at Banks (Foreign Currency)	12.02	1,040,327	982,073
Fixed Deposit Receipts	12.04	3,226,032	3,084,025
Total		26,962,658	18,629,400

12.01 Cash at Banks (Local Currency)

Name of banks	A/C No.	Branch	Amount (Tk.)	Amount (Tk.)
Agrani bank	STD-292/3	Principal	29,773	44,977
Bank Asia Ltd.	STD 967	Principal	290	1,425
Dhaka Bank Ltd.	STD- 1004	F.Exchange	2,057	2,057
Dhaka Bank Ltd.	STD- 2292	Local Office	34,397	62,622
Habib Bank Ltd.	STD-1944	Motijheel	2,811	2,811
Islami Bank Ltd.	MSND-8701	F.Exchange	738,601	1,343,799
Janata Bank Ltd.	STD-1312	Corporate	25,846	26,125
Meghna Bank Ltd	CD-415	Gulshan	46,542	36,933
Mutual Trust Bank Ltd.	STD-342	Banani	9,393	55,781
NRB Commercial Bank Ltd.	STD -0047	Principal	109,381	108,804
Pubali Bank Ltd.	STD-75-0	Gulshan	980,251	2,130,415
Sonali Bank Ltd.	STD-627	Shilpa Vhaban	139,231	131,611
Southeast Bank Ltd.	SND-2133	Principal	24,215	24,885
Southeast Bank Ltd.	SND-2153	Principal	8,108,709	1,584,772
Southeast Bank Ltd.	SND-2108	Principal	1,084,087	1,067,596
Southeast Bank Ltd.	STD-2083	Principal	1,280,486	1,260,064
Southeast Bank Ltd.	STD-2079	Principal	8,508	9,926
Southeast Bank Ltd.	STD-2245	Principal	6,561,706	-
Southeast Bank Ltd.	STD-2272	Principal	1,629,638	-
Social Islami Bank Ltd.	CD-8444	Banani	22,018	142,318
Islami Bank Ltd.	SND-3910	Paltan	2,700	2,700
Trust Bank Ltd.	CD-2078	Mohakhali	11,139	330,774
Dhaka Bank Ltd.	CD-17442	Local Office	788,907	1,468,772
United Commercial Bank Ltd.	CD-00477	Banani	247,111	10,507
Uttara Bank Ltd.	CD-11587	Uttara BS	16,877	1,013,91
			21,904,673	10,863,587

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	117,597	110,941
Southeast Bank Ltd.-	FC-Dollar-8568	Principal	USD 9,871.67	837,118	789,734
Southeast Bank Ltd.-	FC-Euro-7736	Principal	EUR 155.13	15,648	15,203
Southeast Bank Ltd.-	FC-Pound-7525	Principal	GBP 596.35	69,964	66,195
				1,040,327	982,073

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, 2021 is BDT 58,254 and recognised in other comprehensive income. This resulted from the difference between BDT 10,40,327 (June 30, 2021) and BDT 9,82,073 (June 30, 2020) (Note-32.00).

12.04 Fixed Deposit Receipts

	Branch	Interest Rate		
Mercantile Bank Ltd.	Motijheel	3.0%	1,071,745	1,040,110
Mercantile Bank Ltd.	Motijheel	5.0%	2,154,287	2,043,915
			3,226,032	3,084,025



13.00 Share capital

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

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

Amount in Taka	
30 June 2021	30 June 2020
3,000,000,000	3,000,000,000
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	2021		2020	
		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
Late Golam Rasul Putul	Bangladeshi	151	0.0002	151	0.0002
D. Financial Institution	Bangladeshi	5,677,378	9.2518	3,412,805	5.561
E. General shareholders	Bangladeshi & NRB	35,104,384	57.2057	37,368,957	60.898
		61,365,150	100.00	61,365,150	100.00

13.03 Category wise Number of Share and Share Holders

Particulars	2021		2020	
	Number of Shares	Holding %	Number of Shares	Holding %
Sponsors and Directors	20,583,388	33.5425	20,583,388	33.5425
Financial Institution	5,677,378	9.2518	3,412,805	5.5615
General Public	35,104,384	57.2057	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	2021			2020		
	Number of Shareholders	Number of Shares	Holding %	Number of Shareholders	Number of Shares	Holding %
Less than 500 Shares	2,246	352,083	0.574	2,510	383,429	0.710
500 to 5,000 Shares	4,748	7,210,472	11.750	5,042	7,272,350	13.390
5,001 to 10,000 Shares	562	4,361,157	7.107	530	3,944,474	7.740
10,001 to 20,000 Shares	370	5,549,735	9.044	323	4,695,018	9.050
20,001 to 30,000 Shares	131	3,346,918	5.454	107	2,693,466	5.450
30,001 to 40,000 Shares	67	2,366,726	3.857	57	2,004,815	4.460
40,001 to 50,000 Shares	45	2,117,580	3.451	28	1,276,216	3.100
50,001 to 100,000 Shares	79	5,885,277	9.591	49	3,524,881	7.460
100,001 to 1,000,000 Shares	44	9,592,569	15.632	45	11,246,687	12.740
Over 1,000,000 Shares	6	20,582,633	33.541	8	24,323,814	35.900
	8,298	61,365,150	100.00	8,699	61,365,150	100.00

14.00 Revaluation Surplus

Revaluation surplus arises due to revaluation of Land and land development and Buildings net of tax arrived as under

Particulars of Assets	Carrying amount (Taka)	Fair Market value (Taka)	Revaluation Surplus before Tax (Taka)	Tax Rate (%)	Deferred Tax Liability for Revalued Amount (Taka)
Land and Land Development	70,860,737	390,900,000	320,039,263	15.00%	48,005,889
Buildings	125,996,021	385,956,000	259,959,979	22.50%	58,490,995
Total	196,856,758	776,856,000	579,999,242		106,496,885

Revaluation Surplus

473,502,357

15.00 Deferred tax Liability

Deferred Tax on historical Cost	15.01	59,840,218	66,992,628
Deferred Tax Liability on Revaluation of Land & land development and Buildings	15.02	106,496,885	-
		166,337,103	66,992,628

15.01 Deferred Tax on historical Cost

Property, Plant & Equipments other than Land and Land Development	Carrying amount (2020-21)	Tax base (2020-21)	Difference (2020-21)	Difference (2019-20)
	380,286,735	114,330,212	265,956,524	267,970,513
Applicable Rate			22.50%	25.00%
Deferred tax liability (on historical cost)			59,840,218	66,992,628
Deferred tax liability as on 30 June 2020			66,992,628	66,489,985
Deferred tax (income)/Loss for the year			(7,152,410)	502,643



		Amount in Taka	
		30 June 2021	30 June 2020
15.02	Deferred Tax Liability on Revaluation of Land & land development and Building		
	Deferred tax liability increased for Revaluated Amount	14.00	106,496,885
			-
15.03	Year wise Deferred tax Liability:		
	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)	-
		(166,337,103)	(66,992,628)
Deferred Tax liability for the year is arrived as under:			
	Deferred Tax Income/(Loss) on historical cost	7,152,410	-
	Deferred Tax on revaluation	(106,496,885)	-
		(99,344,474)	-



		Amount in Taka	
		30 June 2021	30 June 2020
16.00	Long Term Loan		
	Dhaka Bank Ltd.	50,680,161	178,888,385
	Mercantile Bank Ltd.	300,916,723	287,971,716
	Islamic Finance & Investment Ltd.	59,262,894	129,553,174
		410,859,778	596,413,274
	These represents bank Loan net of Current Maturity.		
17.00	Bank Overdraft		
	Dhaka Bank Ltd. Local office (Note-17.01)	81,611,792	61,550,383
	Mercantile Bank Ltd. Motijheel Branch (Note-17.02)	153,479,530	155,916,231
		235,091,322	217,466,613
17.01	Dhaka Bank Ltd. Local office		
	Facility : Overdraft		
	Facility limit : Tk.60,000,000 (OD) + Tk.20,000,000 (Stimulus OD)		
	Interest Rate : 9.00% & 4.5% respectfully 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)	18.01 383,747,095	268,493,732
	Acceptance liabilities under letter of credit	18.03 152,607,734	129,902,354
		536,354,828	398,396,086
	These includes current position of Long term Bank liabilities.		
18.01	Loan against trust receipts (LTR)		
	Dhaka Bank Ltd. (Note: 18.01.01)	209,567,246	170,230,408
	Mercantile Bank Ltd. (Note: 18.01.02)	87,192,813	84,347,952
	Islamic Finance & Investment Ltd. (Note-18.02)	86,987,036	13,915,372
		383,747,095	268,493,732
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 2021	30 June 2020
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	-	1,049,133
	Raw Material L/C	152,607,734	128,853,222
		152,607,734	129,902,354
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 (1single storied factory-cum-office, 1 single storied warehouse, 1 single storied shed) at Kawadi, Palash, Narshingdi.		
19.00	Accounts Payable		
	Aryan Enterprise	-	59,867
	Bandhan Power & Electric	194,929	635,249
	Continental Insurance	-	64,342
	Diamond Bearing & Machinery	14,460	162,650
	Dynamic Trade Link	-	70,560
	Frontline Communication	341,800	341,800
	G K Enterprise	185,050	185,050
	Green Delta Insurance Company Ltd.	-	76,940
	H T Traders	345,721	217,893
	Industrial Electric Power Equipment Co.	-	35,050
	Helal Electric	635,550	1,583,310
	Ornab Electric Co.	423,664	-
	Park Trading	151,490	151,490
		2,292,664	3,584,201
	Analysis of Accounts Payable:		
	Payable due below six months	1,614,324	2,793,871
	Payable due over six months below one year	678,340	790,330
		2,292,664	3,584,201
	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 2,851,111	1,128,630
	Provisions	20.02 8,137,372	8,073,108
		10,988,483	9,201,738
20.01	Other Payables		
	Sudipta Enterprise	313,853	313,853
	Tax deduction at source	2,490,953	323,777
	VAT deduction at source	38,310	-
	Tushar Enterprise	7,995	491,000
		2,851,111	1,128,630



FAMES & R

CHARTERED ACCOUNTANTS

		Amount in Taka	
		30 June 2021	30 June 2020
20.02	Provisions		
	Audit Fees	125,000	-
	Electricity Bill	2,394,685	2,972,610
	Factory Salary	4,631,259	4,160,991
	Head Office Salary	986,428	939,507
		8,137,372	8,073,108
	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	Workers Profit Participation Fund		
	Opening balance	2,219,381	1,629,025
	Disburse to beneficiary	(2,219,381)	-
		-	1,629,025
	Provision made during the year	30.00 476,309	590,356
	Closing Balance	476,309	2,219,381
23.00	Provision for income tax		
	Opening Balance	52,811,476	47,729,073
	Current Tax	31.01 4,774,297	5,082,403
	Less: Adjustments	-	-
	Closing Balance	57,585,772	52,811,476
23.01	Year wise provision for income tax		
	FY 2010-2011	-	-
	FY 2011-2012	-	-
	FY 2012-2013	12,028,022	12,028,022
	FY 2013-2014	7,934,248	7,934,248
	FY 2014-2015	1,843,896	1,843,896
	FY 2015-2016	1,687,068	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	-
		57,585,772	52,811,476
24.00	Revenue		
	Gross Local Sales	774,904,109	791,896,016
	Less: VAT & SD	(133,161,576)	(123,673,168)
	Net Local Sales	641,742,534	668,222,847
	Export Sales (Note-24.01)	132,064,860	156,354,397
		773,807,394	824,577,244
24.01	Export Sales		
	Currency		
	Total in USD	1,559,433	1,860,745
	Total in BDT	132,064,860	156,354,397



FAMES & R

CHARTERED ACCOUNTANTS

		Amount in Taka	
		30 June 2021	30 June 2020
25.00	Cost of Goods Sold:		
	Raw Material Consumed	25.01 549,973,733	640,589,169
	Manufacturing Expenses	25.02 121,074,810	117,573,389
		671,048,543	758,162,558
	Opening work-in-process	55,891,839	46,823,183
	Less: Closing work-in-process	52,538,329	55,891,839
	Cost of goods manufactured:	674,402,054	749,093,902
	Opening Finished Goods	37,628,407	18,464,880
	Less: Closing Finished Goods	Annexure-A-2 29,525,192	37,628,407
		682,505,268	729,930,375
25.01	Raw Material Consumed		
	Opening Stock of Raw Material	Annexure-A-3 159,613,418	126,666,228
	Add: Purchases during the year		
	Imported	274,519,957	237,670,482
	Local purchases	279,374,178	435,865,877
		553,894,134	673,536,359
	Less: Closing Stock of Raw Materials	Annexure-A-3 163,533,819	159,613,418
		549,973,733	640,589,169
25.02	Manufacturing Expenses		
	Salary, Wages and other benefits	48,097,206	47,036,413
	Travelling & conveyance	278,487	303,420
	Electricity bill	35,589,142	36,223,543
	Rent & Rates	291,000	361,200
	Repair & maintenance	2,143,683	2,027,867
	Fuel and Power	1,355,963	1,230,212
	Postage & Telephone	-	28,369
	Printing & Stationery	283,526	292,601
	Food allowance	336,005	113,312
	Insurance Premium	3,164,678	3,018,750
	License, Registration & Renewal	288,793	143,613
	Staff welfare	201,727	37,023
	Depreciation	4.00 29,044,600	26,757,066
		121,074,810	117,573,389
26.00	Administrative Expenses		
	Salary and Allowances	10,652,443	10,802,134
	Rent & Rates	32,750	61,864
	Repair & Maintenance	96,900	120,455
	Conveyance	37,223	98,640
	Audit fee	125,000	125,000
	Business Promotion Expenses	350,000	947,000
	Printing & Stationery	42,809	24,066
	Postage & Telephone	137,843	119,650
	AGM expenses	350,234	453,882
	Entertainment	69,208	131,209
	Legal and professional charge	298,700	447,704
	License, Registration & Renewal	153,421	119,658
	Annual Return fee RJSC	156,000	85,803
	Share department expenses	160,771	178,673
	Staff welfare	27,533	-
	Telephone & Mobile Purchase	55,579	86,758
	Tender schedules purchase	16,000	20,500
	Expenses of CDBL	613,652	-
	Depreciation	4.00 1,528,663	1,408,267
		14,904,729	15,231,263



FAMES & R
CHARTERED ACCOUNTANTS

		Amount in Taka	
		30 June 2021	30 June 2020
27.00	Selling & Distribution Expenses		
	Publicity & advertisement	389,500	372,295
	Carriage outward	7,549,965	6,874,660
	Fuel and power	5,056	-
	Sales promotion expenses	1,193,035	1,603,350
	Travelling & Daily Allowance	123,709	94,798
		9,261,265	8,945,103
28.00	Financing cost		
	Bank Charges	1,559,475	1,750,715
	Realised Foreign exchange Loss/(Gain)	409,261	750,371
	Interest on Overdraft, Time & Term loans	77,073,619	78,061,825
		79,042,355	80,562,912
29.00	Other Income		
	Intercompany interest	21,127,098	21,955,203
	Dividend	203,054	-
	Short term deposit	420,766	334,699
	Fixed Deposit Receipts	157,785	199,982
		21,908,703	22,489,884
30.00	Provision for contribution to WPPF		
	Profit/(loss) before WPPF and Income Tax	10,002,479	12,397,476
	Calculated Provision for contribution to WPPF	476,309	590,356
	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".		
31.00	Income Tax (Expenses)/Income		
	Current Tax	31.01 (4,774,297)	(5,082,403)
	Deferred Tax	15.01 7,152,410	(502,643)
		2,378,114	(5,585,046)
31.01	Current Tax		
	Corporate Tax		
	Profit/(Loss) before Tax	9,526,170	11,807,120
	Tax Charge @ 22.5% (A)	2,143,388	2,951,780
	Gross Receipts		
	Revenue	24.00 773,807,394	824,577,244
	Other Income	29.00 21,908,703	22,489,884
		795,716,096	847,067,128
	Tax Charge (minimum) @ 0.60% (B)	4,774,297	5,082,403
	Whichever is higher (A/B) (So applicable is "B")	4,774,297	5,082,403
32.00	Other Comprehensive Income- Unrealized (Gain)/Loss		
	Foreign Currency Translation Loss/(Gain)	12.03 58,254	-
	Fair Value Loss/(Gain) on Investment in Shares	5.01 160,948	-
		219,202	-



FAMES & R
CHARTERED ACCOUNTANTS

		Amount in Taka	
		30 June 2021	30 June 2020
33.00	Earning per share (EPS)		
	Net profit after tax for the year	12,123,486	6,222,074
	Weighted average number of shares outstanding during the year	61,365,150	61,365,150
	Earning Per Share of Tk. 10.00 each	0.20	0.10
34.00	Net Assets Value Per Share (NAVPS)		
	Total Assets	2,543,534,425	2,005,398,601
	Less: Non-current Liability	577,196,881	663,405,903
	Less: Current Liability	857,713,878	698,603,995
		1,108,623,665	643,388,703
	Weighted average number of shares outstanding during the year	61,365,150	61,365,150
	Net Assets Value Per Share (NAVPS)	18.07	10.48
35.00	Cash Receipts from Customers		
	Revenue	24.00 773,807,394	824,577,244
	Add: Opening Trade Debtors	262,457,625	267,304,556
		1,036,265,019	1,091,881,800
	Less: Closing Trade Debtors	8.00 (289,744,796)	(262,457,625)
		746,520,222	829,424,175
36.00	Cash paid to suppliers, employees and others		
	Cost of Goods Sold	25.00 682,505,268	729,930,375
	WPPF paid to beneficiary	2,219,381	-
	Administrative Expenses	26.00 14,904,729	15,231,263
	Selling & Distribution Expenses	27.00 9,261,265	8,945,103
	Depreciation	4.00 (30,573,263)	(28,165,333)
		678,317,381	725,941,408
	Increase in Inventories	2,826,264	61,635,476
		681,143,645	787,576,884
	(Increase)/Decrease in Current Liabilities	(495,208)	7,301,054
	Increase in Current Assets	(58,800,223)	(116,963,014)
		621,848,214	677,914,924
37.00	Cash Flows from Operating Activities under indirect method		
	Profit before WPPF and Tax	10,002,479	12,397,476
	Add Expenses Not Requiring Cash:		
	Depreciation	4.00 30,573,263	28,165,333
	Foreign Currency Translation Loss/(Gain)	58,254	-
	Other Adjustments:		
	(Increase)/Decrease in Accounts Receivable	(27,287,170)	4,846,931
	(Increase)/Decrease in Inventory	(2,826,264)	(61,635,476)
	(Increase)/Decrease in Advances, Deposits and Prepayments	(58,758,355)	(23,515,117)
	(Increase)/Decrease in Advances Tax paid	(34,914,957)	(35,988,261)
	(Increase)/Decrease in Inventory in transit	117,558,579	140,478,131
	Increase/(Decrease) in Accounts Payable	(1,291,537)	(2,145,953)
	Increase/(Decrease) WPPF Disburse to beneficiary	(2,219,381)	(0)
	Increase/(Decrease) in Other Payables	1,786,745	(5,155,100)
	Cash flows from operating activities	32,681,653	57,447,962



Amount in Taka	
30 June 2021	30 June 2020

38.00	Net Operating Cash Flow Per Shares (NOCFPS)			
	Net cash used in operating activities	37.00	32,681,653	57,447,962
	Weighted average number of shares outstanding during the year		61,365,150	61,365,150
	Net Operating Cash Flow Per Shares (NOCFPS)		0.53	0.94

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)		37,604,700	38,372,165
	Capacity utilization		81%	83%

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	2020-2021 Taka	2019-2020 Taka
Deshbandhu Sugar Mills Ltd.	Share Holder	Short Term Funding	Nil	Nil
		Account Receivables	Dr. 15,384,023	Dr. 15,109,322
Deshbandhu Cement Mills Ltd.	Common Directors	Short Term Funding	Nil	Dr. 20,701,752
		Account Receivables	Dr. 13,223,439	Dr. 17,388,641
Commodities Trading Company	Common Directors	Short Term Funding	Nil	Nil
		Account Receivables	Dr. 4,069,137	Dr. 3,237,916
Deshbandhu Packaging Ltd.	Common Directors	Short Term Funding	Dr. 62,021,274	Dr. 79,993,377
		Account Receivables	Dr. 5,835,684	Nil
Deshbandu Consumer & Agro Products Ltd.	Common Directors	Short Term Funding	Nil	Nil
		Account Receivables	Dr. 780,980	Dr. 715,980
M R Trading	Common Directors	Short Term Funding	Dr. 98,858,210	Dr. 105,358,210
		Account Receivables	Dr. 1,393,700	Dr. 1,393,700
Sahera Auto Rice Mills Ltd.	Common Directors	Short Term Funding	Dr. 4,952,369	Dr. 7,952,369
		Account Receivables	Dr. 581,568	Dr. 3,091,418
Deshbandhu Food & Beverage Ltd.	Common Directors	Short Term Funding	Dr. 5,546,325	Dr. 5,546,325
		Account Receivables	Dr. 589,680	Dr. 446,040

- 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:



Amount in Taka	
30 June 2021	30 June 2020
Number of employees engaged for the whole year	516
Salary range	
Monthly Taka 3,000 or above	522
Monthly below Taka 3,000	Nil

- 43.00 Capital expenditure commitment**
Capital expenditure commitment has been involve with with only Property, Plan and Equipment.
- 44.00 Contingent liabilities**
There is no contingently liabillity as on June 30, 2021 of the company.
- 45.00 Claims not acknowledged as debt**
There is no claims against the company as debt as on June 30, 2021.
- 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, 2021.
- 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 currency.



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, 2021. 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 September 30, 2021.

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

Date: September 30, 2021
Place: Dhaka


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



A) Property, Plant & Equipment

Annexure-A-1

Types of assets	Cost (Taka)		Rate	Depreciation (Taka)			Written down value as on 30.06.21	Written down value as on 30.06.20
	Cost as on 01.07.20	Addition during the Year		Cost as on 30.06.21	Cumulative as on 01.07.20	Charged during the Year		
Land & Land development	70,860,737	60,000	-	-	-	-	70,920,737	70,860,737
Building	148,744,330	2,230,700	2.5%	20,340,742	3,746,492	24,087,234	126,887,796	128,403,588
Plant & Machinery	376,703,513	15,937,441	5%	151,596,055	18,901,582	170,497,637	222,143,317	225,107,458
Furniture & Fixtures	563,956	34,077	10%	451,284	58,099	509,384	88,649	112,672
Electric & Other appliances	67,979,437	1,932,951	10%	37,652,611	6,894,591	44,547,203	25,365,185	30,326,826
Office Machinery & Equipment	6,173,523	286,155	10%	2,030,737	631,660	2,662,397	3,797,281	4,142,786
Vehicles	2,568,383	1,680,000	10%	1,903,038	340,838	2,243,876	2,004,507	665,345
Total	673,593,879	22,161,324		213,374,468	30,573,263	244,547,731	451,207,472	459,619,411

B) Revaluation

Types of assets	Cost (Taka)		Rate	Depreciation (Taka)			Written down value as on 30.06.21	Written down value as on 30.06.20
	Cost as on 01.07.20	Addition during the Year		Cost as on 30.06.21	Cumulative as on 01.07.20	Charged during the Year		
Land & Land development	-	320,039,263	-	-	-	-	320,039,263	-
Building	-	259,959,979	-	-	-	-	259,959,979	-
Total	-	579,999,242		-	-	-	579,999,242	-

A+B= Total	673,593,879	602,160,566	1,275,754,445	213,374,468	30,573,263	244,547,731	1,031,206,714	459,619,411
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Depreciation allocated to:

Manufacturing Expenses
Administrative Expenses

	2021	2020
Taka	Taka	Taka
Manufacturing Expenses	29,044,600	26,757,066
Administrative Expenses	1,528,663	1,408,267
Total	30,573,263	28,165,333



Annexure-A-2

Schedule of Quantity-wise Raw Materials
July 01, 2020 to June 30, 2021

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	674,402,054	18.08	1,498,510	29,525,192
		37,628,407				682,505,268		

Calculation of Finished Goods including new product Cement Bag

Stock of spare parts	39,355,623
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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, 2020 to June 30, 2021

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.	879,280	21.00	38,372,165	19.52	749,093,902	19.40	1,633,200	37,628,407
		18,464,880				729,930,375		

Calculation of Finished Goods including new product Cement Bag

Stock of spare parts	28,993,035
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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.



Schedule of Quantity-wise Raw Materials
July 01, 2020 to June 30, 2021

Particulars	July 01, 2020 to June 30, 2021												
	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)	
Direct Materials													
01. PP Yarn Grade	461,625	127.03	58,640,084	2,869,250	106.06	304,312,655	2,949,050	108.97	321,346,726	381,825	108.97	41,606,013	
02. Polycom	76,425	84.51	6,458,612	117,000	81.92	9,584,991	117,350	82.94	9,733,575	76,075	82.94	6,310,028	
03. CaCo3 & TPT	87,630	67.55	5,919,805	682,500	60.27	41,136,323	675,655	61.10	41,283,560	94,475	61.10	5,772,568	
04. M.B White	7,175	175.26	1,257,481	31,000	187.71	5,819,103	11,000	185.37	2,035,094	27,175	185.37	5,037,490	
05. H.D.PE	232,880	143.72	33,469,862	326,500	110.33	36,022,092	362,440	124.23	45,026,036	196,940	124.23	24,465,919	
06. L.D.PE	40,245	113.94	4,585,440	297,000	89.51	26,583,876	273,320	92.42	25,261,153	63,925	92.42	5,908,163	
07. L.L.D.PE	6,300	119.51	752,912	155,000	117.50	18,212,500	12,800	117.58	1,505,005	148,500	117.58	17,460,407	
08. PP (Lami.G)	235,075	150.81	35,452,110	255,000	101.69	25,929,675	255,000	125.25	31,938,693	235,075	125.25	29,443,092	
09. Sack Kraft Paper	70,210	53.91	3,785,222	1,121,884	51.20	57,441,583	1,162,657	51.361	59,714,899	29,437	51.36	1,511,906	
Indirect Materials													
Ink													
1. Red Ink	425	431.19	183,257	17,250	395.00	6,813,750	17,100	395.87	6,769,382	575	395.87	227,625	
2. Black Ink	175	446.70	78,173	9,750	380.00	3,705,000	9,600	381.18	3,659,291	325	381.18	123,882	
3. Green Ink	320	423.50	135,520	450	395.00	177,750	395	406.84	160,703	375	406.84	152,567	
4. Orange Ink	75	420.35	31,526	250	395.00	98,750	150	400.85	60,127	175	400.85	70,149	
5. Blue Ink	915	430.46	393,867	-	-	-	440	430.46	189,401	475	430.46	204,467	
6. Yellow Ink	75	403.06	30,230	-	-	-	-	403.06	-	75	403.06	30,230	
7. Flexo Thinner/Block	330	177.39	58,539	50,251	162.92	8,186,843	49,941	163.01	8,141,053	640	163.01	104,329	
8. Cotton Yarn	131	177.76	23,286	6,000	178.00	1,068,000	2,841	177.99	505,683	3,290	177.99	585,603	
9. Violet Ink	300	474.14	142,243	-	-	-	-	474.14	-	300	474.14	142,243	
10. Magenta Ink	150	465.00	69,750	-	-	-	-	465.00	-	150	465.00	69,750	
11. M.B Beige	275	439.78	120,940	10,000	284.02	2,840,200	2,920	288.19	841,511	7,355	288.19	2,119,629	
12. M.B Green	400	442.86	177,143	-	-	-	150	442.86	66,429	250	442.86	110,714	
13. M.B Blue	160	417.22	66,756	950	485.00	460,750	360	475.23	171,083	750	475.23	356,423	
14. M.B Red	250	440.00	110,000	200	435.00	87,000	75	437.78	32,833	375	437.78	164,167	
15. M.B Orange	75	428.57	32,143	-	-	-	-	428.57	-	75	428.57	32,143	
16. M.B Yellow	375	445.00	166,875	-	-	-	100	445.00	44,500	275	445.00	122,375	
17. M.B Brown	725	440.00	319,000	-	-	-	175	440.00	77,000	550	440.00	242,000	
18. Adictive Ink	25	401.00	10,025	-	-	-	-	401.00	-	25	401.00	10,025	
19. Violet Ink	-	-	-	1,175	395.00	464,121	700	395.00	276,493	475	395.00	187,624	
20. PP Multifilament Yarn	2,386	215.00	512,990	21,701	228.06	4,949,173	20,853	226.77	4,728,872	3,234	226.77	733,291	
21. PP Recycle	88,395	75.00	6,629,625	181,325	-	-	-	75.00	-	13,599,375	269,720	75.00	20,229,000
Total	1,313,527	121.52	159,613,418	6,154,436	90.00	553,894,134	5,925,072	92.82	549,973,733	1,542,891	105.99	163,533,819	

