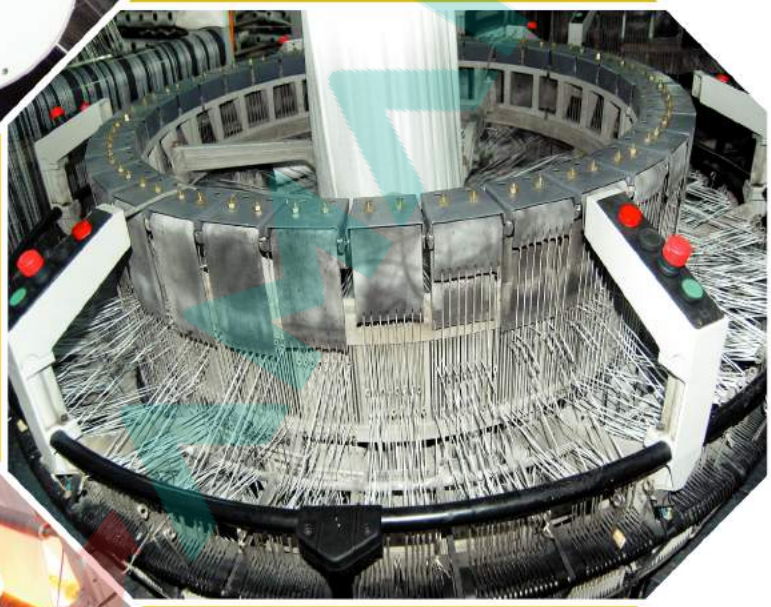
ISO 9001:2008







ANNUAL REPORT 2016-2017

Deshbandhu Polymer Limited



Deshbandhu Polymer Limited

BANGLADESH ASSOCIATION OF PUBLICLY LISTED COMPANIES

Ref. No: CM-2017/177

BAPLC

Date of issue : 2nd March 2017

Renewed Certificate

This is to certify that

DESHBANDHU POLYMER LIMITED

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

This certificate remains current until 31st December 2017.

Secretary-General
(Acting)

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AMARSTOCK

Vision

We view business as a means to the material and social wellbeing of the investors, employees and the society at large, leading to accretion of wealth through financial and moral gains as a part of the process of the human civilization.

Mission

Our Mission is to produce and provide quality PP woven bag; maintain stringently ethical standard in business operation ensuring benefit to the shareholders, stakeholders and the society at large.

Objectives

Our objectives are to conduct transparent business operation based on market mechanism within the legal & social frame work with aims to attain the mission reflected by our vision.

Letter of Transmittal

To

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

Sub: **Annual Report for the year ended on June 30, 2017**

Dear Sir (s),

We are pleased to enclose a copy of the Annual Report together with the Audited Financial Statements for the year ended on 30th June, 2017 along with the Auditors' Report and Directors' Report for your kind information and record.

Thanking you,

Sincerely yours,

Sd/-
Md. Liakat Ali Khan
Company Secretary

NOTICE OF THE

11th ANNUAL GENERAL MEETING

Notice is hereby given that the **11th ANNUAL GENERAL MEETING** of Deshbandhu Polymer Limited will be held on Thursday, 21 December, 2017 at 9.00. A.M at Factory Premises of the Company at Kawadi, Charsindur, Palash, Narsingdi, Bangladesh to transact the following business.

AGENDA

1. To consider and adopt the Audited Financial Accounts of the Company for the year ended on 30 June, 2017 together with the reports of the Auditors and Directors thereon.
2. To approved Divdend for the year ended 30 June, 2017.
3. To elect Directors in place of retiring ones.
4. To appoint Auditors and fix their remuneration.

By Order of the Board

Dated, Dhaka
26 October, 2017

Sd/-
Md. Liakat Ali Khan
Company Secretary

Notes :

1. 21 November, 2017 is the record date. Shareholders whose name will appear in the share register of the company or in the depository register on the date will be eligible to attend the Annual General Meeting.
2. A member entitled to attend and vote at the General Meeting may appoint a Proxy to attend and vote on his/her behalf. Duly stamped and completed Proxy Form must be deposited at the Share Office of the Company at Aziz Bhaban (4th floor), 93,Motijheel C/A, Dhaka-1000, not later then 48 hours before the time fixed for the meeting.
3. Admission to the meeting venue will be strictly on production of the attendance slip attached with the proxy form.

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

CORPORATE DIRECTORY

BOARD OF DIRECTORS :

Mr. Golam Mostafa	:	Chairman
Mr. Golam Rahman	:	Managing Director
Mr. Md. Mainul Islam Lal	:	Director, Representative by Deshbandhu Sugar Mills Limited
Mr. Md. Akheruzaman	:	Director, Representative by Deshbandhu Distilleries Limited
Mr. Md. Mofiz Uddin Chowdhury	:	Independent Director

AUDIT COMMITTEE :

Md. Mofiz Uddin Chowdhury	:	Chairman of the Audit Committee
Mr. Golam Mostafa	:	Member of the Audit Committee
Mr. Golam Rahman	:	Member of the Audit Committee

Mr. Md. Liakat Ali Khan
Company Secretary

Mr.Md. Rafiqul Islam
Chief Financial Officer

AUDITORS :

M/S, Islam Quazi Shafique & Co.
Chartered Accountants
Al- haj Shamsuddin mansion, (4th floor)
Room-C, 17, New Eskaton Road
Mogbazar, Dhaka-1000

BANKERS :

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

Mercantile Bank Limited
Motijheel Branch
Motijheel C/A. DHAKA – 1000

COMPANY PROFILE

Authorized Capital	:	300,00,00,000.00 BDT
Paid-up Capital	:	557,865,000 BDT
Date of Incorporation	:	03-12-2006
Date of Conversion into Public Limited	:	05-08-2009
Starting Date of Commercial Production	:	17-12-2007
Consent for IPO from BSEC	:	September 19, 2010
Listing with DSE & CSE	:	January 17, 2011
Last AGM Date	:	December 21, 2016
Business Line	:	Manufacturing and Marketing of PP woven bag and liner.

CORPORATE OFFICE :

Mostafa Center
House # 59, Road # 27,
Block # k, Banani, Dhaka-1213
Tel.: 58816731(hunting)
Fax: +88 02 8815571
Web. : www.deshbandhupolymer.com

SHARE OFFICE :

Aziz Bhaban (4th floor), 93,Motijheel
C/A, Dhaka-1000
Mobile : +88-02-47119506-8

REGISTERED OFFICE & FACTORY:

Kawadi, Charsindur
Palash, Narsingdi
Bangladesh

Bismillahir Rahmanir Rahim

Distinguished Shareholders,

Assalamu Alaikum Wa Rahmatullah

On behalf of the Board of Directors of the company, I am delighted to welcome you to the 11th Annual General Meeting of Deshbandhu Polymer Limited. On behalf of the Board of Directors I would like to take an opportunity to express my heartiest gratitude for your continuous support, inspiration and trust on us.

The Board of Directors has the pleasure in presenting the Annual Report for the year ended on 30th June 2017. We present this Annual Report in compliance with the Companies Act, 1994 and the guidelines issued by Bangladesh Securities and Exchange Commission Rules 1987 and the Listing Rules of the Dhaka Stock Exchange Limited & Chittagong Stock Exchange Limited and other applicable rules and regulations.

Dear Shareholders:

Due to new enactment on using pp woven bags, the market demand has drastically fallen down, despite that, our challenge in the financial year 2016-2017 was to increase sales volume and increase profitability.

Production during this year has been increased compared to the last year. The production of PP woven bags during the year under review is 28,718,495 pcs. while it was 21,318,485 pcs. during the last financial year.

The company made a net sale Tk. 733,827,609 in the financial year 2016-2017 while it was Tk.562,355,995 during the last financial year and the total Comprehensive income Tk. 20, 493,759 in the financial year 2016-2017 while it was Tk. 10,350,907 during the last year.

We hope that we will successful to make the company sustainable development by overcoming all the impediments. Our management team is award of the present scenario of the company.We have taken necessary stapes with full of confidence to overcome the current situation. We hope that you would see a better scenario of the company in future.

Our management team is continuously trying to explore new opportunity to enhance the productivity and profitability of the company .The company is actively looking for increase of production capacity through Product Diversification. We are determined to maintain our uncompromising stand for producing quality products. As a result we continue to maintain the confidence and reliance of our honorable customers and clients.

Financial Result & Appropriations:

The company summarized operating results for the years under review in comparison to the previous year are enumerated hereunder.

Particulars	2017	2016
Revenue	733,827,609	562,355,995
Cost of Sales	(655,108,570)	(483,963,773)
Gross Profit	**78,719,039**	**78,392,222**
Administrative Expenses	(15,370,935)	(12,184,197)
Selling and Distribution Expenses	(8,982,100)	(5,895,421)
Operating Profit	**54,366,004**	**60,312,604**
Financing cost	(43,922,447)	(42,347,348)
Financing income	11,174,830	10,757,075
Net profit/ (Loss) before WPPF and income tax	**21,618,387**	**28,722,331**
Provision for Contribution to WPPF	(1,029,447)	(1,367,730)
Net profit / (Loss) before income tax	**20,588,940**	**27,354,601**
Provision for income tax:		
Current tax	(5,147,235)	(1,687,068)
Deferred tax	4,940,565	(15,257,559)
Net Profit after tax for the year	**20,382,270**	**10,409,975**
Diminution in the value of investment in share	111,489	(59,067)
Total Comprehensive income for the year	**20,493,759**	**10,350,907**
Earning Per Share of Tk. 10 each (2017-restated)	**0.37**	**0.19**

Industry outlook and possible future developments in the industry :

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

Production Performance :

We produced PP woven bags 28,718,495 pcs against total capacity of 43,200,000 pcs which is 66% of production capacity. We earned gross profit of Tk. 78,719,039/- and net profit after tax of Tk. 20,382,270/-

Risk Factors & Management's Perception about the Risks :

Bangladesh Financial Reporting Standard (BFRS) 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.

The management has overall responsibility for the establishment and oversight of the company's risk management framework. The company's risk management policies are established to identify and analyze the risks faced by the company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies, procedures and systems are reviewed regularly to reflect changes in market conditions and the company's activities. This note presents information about the company's exposure to each of the following risks, the company's objectives, policies and processes for measuring and managing risk, and its management of capital.

Credit Risk :

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

Management Perception:

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

Interest Rate Risk:

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

Management Perception:

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

Exchange Rate Risk :

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

Management Perception:

The management is always alert in minimizing the negative impact of currency fluctuation cost by identifying new sources of raw materials and constantly negotiating with suppliers for reducing price.

Furthermore by intensifying of export, the company enjoys the benefits of any further devaluation of BDT against foreign currency.

Industry Risks :

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

Market and Technology Related Risks :

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

Management Perception:

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

Potential or Existing Government Regulations:

The Company operates under the Company's Act 1994 and other related regulations, Income Tax Ordinance 1984, Income Tax Rules 1984, Customs Act, 1969, Value Added Tax (VAT) Act 1991 and Value Added Tax (VAT) Rules 1991. 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.

Potential Change in Global or National Policy:

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

Management Perception:

All the market players in this industry operate based on mainly imported raw materials and in compliance with national as well as global policies/practices. Any changes in policies will affect all

the competitors almost equally. DPL's market standing, brand image and groups behind the company will put it in a comparatively better position to handle any adverse policy.

Non-operating History:

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

Management Perception:

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

Operational Risk:

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

Management Perception:

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

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

1. The cost of goods sold is Tk. 655,108,570 in 2016-2017 and Tk. 483,963,773 was in 2015-2016.
2. The gross profit ratio is 10.73% 2016-2017 and was 13.94% in 2015-2016
3. The net profit margin 2.78% 2016-2017 and was 1.84% in 2015-2016

Continuity of any Extra-Ordinary gain or loss :

During the year 2016-2017 there was no such income.

Related party transactions :

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

Name	Nature of relationship	Nature of transactions	2016-2017 Taka	2015-2016 Taka
Deshbandhu Sugar Mills Ltd.	Share Holder	Short Term Funding	Dr. 3,25,61,255	Dr. 3,235,016
		Account Receivables	Dr. 2,71,02,799	Dr. 26,387,628
Deshbandhu Distilleries Ltd.	Share Holder	Short Term Funding	Nil	Nil
Deshbandhu Cement Mills Ltd.	Common Directors	Short Term Funding	Dr. 3,25,61,255	Dr. 23,236,677
Fertilizer Marketing Corp.	Common Directors	Short Term Funding	Dr. 5,16,700	Dr. 326,176
		Account Receivables	Dr. 16,512,400	Dr. 16,512,400
Northern Shipping & Trading Co.	Common Directors	Short Term Funding	Nil	Nil
		Account Receivables	Dr.28,043,081	Dr.28,043,081
M R Trading	Common Directors	Short Term Funding	Dr. 6,44,87,002	Dr. 54,723,356
Sahera Auto Rice Mills Ltd.	Common Directors	Short Term Funding	Dr. 2,11,94,259	Dr. 11,194,259
		Account Receivables	Dr. 6,75,247	Dr. 437,747
Deshbandhu Group Ltd.	Common Directors	Short Term Funding	-	-

Utilization of proceeds from public issues, right issues and/or through any others instruments :

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

Significant variance occurs :

1. Sales volume extensively increased this year under review compared to the last year due to product diversification for consumer demand fulfill. Thus the Net Profit margin has also been gained compared to financial statements for the year ended on 30 June 2016.

2. Production during this year has significantly increased compared to the last financial year (the production of PP woven bags during the year under review are 2,87,18,495 pcs while it was 2,13,18,485 pcs during the last year) mainly due to partially installed new machineries and partial BMRE.

Remuneration to Directors including Independent Director :

No remuneration is received by the Directors & Independent Director.

Corporate And Financial Reporting Framework :

The Law requires that the financial statements of our company follow international financial reporting standards (IFRS) and Bangladesh financial standers (BFRS).This has been done with by to presenting the financial position and performance of the company fairly. In compliance with the requirements of the BSEC's notification of 7th August 2012 the Directors are pleased to make the following declarations in their report:

1. The financial statements prepared by the management of the issuer company present fairly its state of affairs, the result of its operations, cash flows and changes in equity.
2. Proper books of account of the company have been maintained.
3. Appropriate accounting policies have been consistently applied in preparation of the financial statements and that the accounting estimates are based on reasonable and prudent judgment.
4. International Accounting Standards (IAS)/Bangladesh Accounting Standards (BAS) /International Financial Reporting Standards (IFRS)/Bangladesh Financial Reporting Standards (BFRS), as applicable in Bangladesh, have been followed in preparation of the financial statements and any departure there-from has been adequately disclosed.
5. The system of internal control is sound in design and has been effectively implemented and monitored.
6. There are no significant doubts upon the Company's ability to continue as a going concern. If the issuer company is not considered to be a going concern, the fact along with reasons thereof should be disclosed.
7. Significant deviations from the last year's operating results of the issuer company shall be highlighted and the reasons thereof should be explained.
8. Key operating and financial data of at least preceding 5 (five) years shall be Summarized (Annexed- i).
9. If the issuer company has not declared dividend (cash or stock) for the year, the reasons thereof shall be given.
10. The number of Board meetings held during the year and attendance by each director shall be disclosed in the Directors' Report.
11. The pattern of shareholding shall be reported to disclose the aggregate number of shares (along with name wise details) (Annexure – ii).
12. In case of the appointment/re-appointment of a director the company shall disclose the following information to the shareholders.

Going Concern:

The company has adequate resources to continue its operation for foreseeable future. For this reason the Directors continued to adopt going concern basis in preparing the Financial Statements. The current credit facilities and resources of the company provide sufficient fund to meet the present requirements of its existing businesses and operations.

Dividend:

The Board of Directors is pleased to recommend 10% stock dividend for all shareholders for the year ended 30 June, 2017 to those, whose name will appear in the share register of the company or in the depository register on the record date 21 November, 2017 will be eligible to attend the Annual General Meeting and to receive the dividend.

Future Plan :

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

Retire and Reappointment of Director :

As per Article 152,153 & 127 of the Articles of Association of the Company Mr. Golam Mostafa, Chairman & Director and Mr. Golam Rahman, Managing Director & Director will retire by rotation in this Annual General Meeting and being eligible offer themselves for re-appointment. They are recommended for re-appointment.

Auditor :

The existing Auditors Islam Quazi Shafique & Co. Chartered Accountants expressed their willingness to carry out audit for the year ending 30 June, 2017. Their offer may be accepted at the forthcoming 11th Annual General Meeting of the Company at a fee of Tk.180,000.00 (One Lac Eighty Thousand Only).

Shareholding Pattern :

The shareholding combination as per Clause-1.5(xxi) of Bangladesh Securities and Exchange Commission Notification No. SEC/CMRRCD/2006-158/134/Admin/44, dated August 07, 2012 has been shown separately at Annexure: - ii.

Corporate Governance :

We have taken effective stand for best practice of corporate governance. We persistently work for strengthening all sorts of operational policies and procedures and adopting new standards for the time being in force. We are committed to becoming more transparent with our stakeholders.

Reporting on Corporate Governance Compliance :

Pursuant to Clause 7.00 of Bangladesh Securities and Exchange Commission Notification No-SEC/CMRRCD/2006-158/134/Admin/44, dated August 07, 2012 the Company's compliance status is shown separately in (Annexure-vi).

Board Meeting and Attendance as on June 30, 2017 :

During the year under report, 17(Seventeen) Board Meetings were held. The attendance records of the Directors were as follows:

SL#	Name of Directors	Position	Number of Meeting Held	Attendance	Remarks
1.	**Mr. Golam Mostafa**	Chairman	17	14	
2.	**Mr. Golam Rahman**	Managing Director	17	17	
3.	**Mr. Md. Mainul Islam Lal** Director, Representative by Deshbandhu Sugar Mills	Director	17	15	
4.	**Mr. Md. Akheruzaman** Director, Representative by Deshbandhu Distilleries Ltd.	Director	17	17	
05	**Mr. Syed Anisul Huq**	Independent Director	17	05	Retired on 30 May, 2017
6.	**Mr. Md. Mofiz Uddin Chowdhury**	Independent Director	-	-	Appointed on 1st July, 2017

Annexure-i
05 (Five) Year's Financial Highlights

Particulars	2016	2016	2015	2014	2013
Revenue	733,827,609	562,355,995	614,632,078	636,598,964	576,283,277
Cost of Sales	(655,108,570)	(483,963,773)	(543,452,848)	(523,532,264)	(505,635,364)
Gross Profit	**78,719,039**	**78,392,222**	**71,179,229**	**113,066,701**	**70,647,913**
Administrative Expenses	(15,370,935)	(12,184,197)	(15,788,604)	(14,053,099)	(15,426,953)
Selling and Distribution Expenses	(8,982,100)	(5,895,421)	(8,099,434)	(6,610,960)	(7,204,371)
Operating Profit	**54,366,004**	**60,312,604**	**47,291,191**	**92,402,642**	**48,016,589**
Financing cost	(43,922,447)	(42,347,348)	(35,035,103)	(31,821,667)	(33,424,833)
Financing income	11,174,830	10,757,075	9,507,470	24,515,110	31,448,520
Net profit/ (Loss) before WPPF and income tax	**21,618,387**	**28,722,331**	**21,763,558**	**85,096,085**	**46,040,276**
Provision for Contribution to WPPF	(1,029,447)	(1,367,730)	(1,036,360)	(4,052,195)	(2,302,014)
Net profit / (Loss) before income tax	**20,588,940**	**27,354,601**	**20,727,198**	**81,043,890**	**43,738,262**
Provision for income tax:					
Current tax	(5,147,235)	(1,687,068)	(1,843,896)	(7,934,248)	(12,028,022)
Deferred tax	4,940,565	(15,257,559)	4,159,873	(19,875,950)	(19,159,066)
Net Profit after tax for the year	**20,382,270**	**10,409,975**	**23,043,175**	**53,233,693**	**12,551,174**
Diminution in the value of investment in share	111,489	(59,067)	(13,426)	(36,138)	-
Total Comprehensive income for the year	**20,493,759**	**10,350,907**	**23,029,749**	**53,197,554**	**12,551,174**
Earning Per Share of Tk. 10 each (2017-restated)	**0.37**	**0.19**	**0.41**	**0.95**	**0.22**

Annexure-ii
Pattern of Shareholding as on 30 June, 2017

Sl. No.	Shareholder's Group		No. of Share held
1.	Mr. Golam Mostafa	Chairman	1,115,730
2.	Mr.Golam Rahman	Managing Director	1,976,235
3.	Deshbandhu Sugar Mills Limited (Represented By Mr. Md. Mainul Islam Lal)	Director	13,388,061
4.	Deshbandhu Distilleries Limited (Represented By Mr. Md. Akheruzaman)	Director	1,115,730
5.	Deshbandhu Shipping Limited	Shareholder	1,115,730
6.	Mr. Md. Mainul Islam Lal	Shareholder	138
7.	Mr. Md. Akheruzaman	Shareholder	138
8.	Mr. Provash Chokrobarti	Shareholder	138
9.	Mr. Md. Abdul Khaleque	Shareholder	138
10.	Late Golam Rasul Putul	Shareholder	138
12.	Mr. Syed Anisul Huq	Independent Director	Nill
13.	Chief Financial Officer and his spouse and minor children	-	Nil
14.	Company Secretary and his spouse and minor children	-	Nil
15.	Head of Internal Audit and his spouse and minor children	-	Nil
16.	Executive (Top five salaried person other than CEO, CFO, CS.)	-	Nil
		TOTAL	**18,712,176**

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

Sl.No.	Shareholding position	No.of Share	Remarks
01.	Deshbandhu Sugar Mills Limited	13,388,061	Mentioned in the Sl.No.3 of Annexure-ii

Classification of Shareholders by Holding 55,786,500 Shares as on 30 June, 2017

Sl. No.	Range of Shareholding	No. of holders	Holding	Percentage %
1.	Less than 500 shares	2,849	413,377	0.741%
2.	500 to 5,000 shares	5,273	6,626,685	11.879%
3.	5,001 to 10,000 shares	404	3,071,361	5.506%
4.	10,001 to 20,000 shares	246	3,570,443	6.400%
5.	20,001 to 30,000 shares	86	2,226,477	3.991%
6.	30,001 to 40,000 shares	58	2,022,385	3.625%
7.	40,001 to 50,000 shares	28	1,280,523	2.295%
8.	50,001 to 1,00,000 share	65	4,661,414	8.356%
9.	1,00,001 to 10,00,000 share	40	10,224,884	18.329%
10.	10,00,001 to 100,00,00,000 shares	8	21,688,951	38.879%
	Total	**9,057**	**55,786,500**	**100**

Category wise shareholding as on 30th June, 2017 is summarized as follows :

Category	Total Shareholders	Total Shareholding	Percentage%
Sponsor and Director	10	18,712,176	33.54248 %
General Public (Including Financial Institute)	9,047	37,074,324	66.45752 %
Total	**9,057**	**55,786,500**	**100 %**

Mr. Golam Mostafa :

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

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

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

Mr. Golam Rahman :

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

From the very beginning of his promising career as an entrepreneur, he had made his presence felt ever since he has entered the business scene right after graduation. Being an integral part of sought after institutions like Bangladesh Chamber of Commerce and Industries (BCCI), Bangladesh Fertilizer Association (BFA), and Uttara Dharla Students Welfare Association Dhaka. He is also a Director of Deshbandhu Sugar Mills Limited, Deshbandhu Cement Mills Limited. Sahera Auto Rice Mills Limited,

Deshbandhu Fiber Limited, Deshbandhu Food & Beverage Limited etc. Mr. Golam Rahman was recognized as a Commercially Important Person (CIP) of Bangladesh in 2013.

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

MR. MD. MOFIZ UDDIN CHOWDHURY :

Mr. Md. Mofiz Uddin Chowdhury; son of Sultan Ahmed and Mahmuda Khatun. He did his MA in International Relations from University of Dhaka. He received various training from USA, Singapore, Australia, New Zealand and Malaysia. In his colorful career of decades, he held many important positions including the Executive Director of Bangladesh Bank and Managing Director of FAS Finance & Investment Limited, and Executive Director of HNS Group. He has total 38 years working experiences and his job responsibilities were Accounts and Budgeting Department, policy framing, supervision and inspection of Bank and non Bank financial institutions, Human Resources and Foreign exchange policy Department. He was appointed as an Independent Director of Deshbandhu Polymer Limited with effect from 1st July, 2017.

Conclusion :

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

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

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

Looking forward for a bright future for all of us.

Thanking you,
On behalf of the Board of Directors,

Golam Mostafa
Chairman

CHIEF FINANCIAL OFFICER (CFO), HEAD OF INTERNAL AUDIT AND COMPANY SECRETARY (CS) :

The Board of Directors has designated to Md. Rafiqul Islam as Chief Financial Officer, moreover Iqbal Mahmood Mohiuddin is Head of Internal Audit and Md. Liakat Ali khan is continuing as Company Secretary of the company. The Chief Financial Officer regularly advises and assists the Board on financial strategy.

AUDIT COMMITTEE:

During 1st July 2016 to 30th June 2017

Sl. No.	Name of the Director	Position
01.	Mr. Syed Anisul Huq	Chairman of the Audit Committee
02.	Mr. Golam Mostafa	Member of the Audit Committee
03.	Mr. Golam Rahman	Member of the Audit Committee

MEETING AND ATTENDANCE:

During 1st July 2016 to 30th June 2017

The Committee meets four (04) times during the year. All the members were present in all the meeting of the committee.

Name of the Members	Position	No. of Meetings held during the year ended 30 June, 2017.	Meetings attended
Mr. Syed Anisul Huq	Chairman of the Audit Committee	04	04
Mr. Golam Mostafa,	Member of the Audit Committee	04	04
Mr. Golam Rahman	Member of the Audit Committee	04	04

Role of the Audit Committee:

1. Oversee the financial reporting process.
2. Monitor choice of accounting policies and principles.
3. Oversee hiring and performance of external auditors.
4. Reviewed the risk management process and discuss with management how they would continue to driver high-quality oversight and risk evaluation against the background of the current economic climate.
5. Reviewed the draft audit report before recommending the same to the Board. The Committee discussed with the Chief Financial Officer and external auditor the significant accounting policies, estimates and judgments applied in preparing these reports.
6. Reviewed, among other issues, the quarterly and half yearly financial statements of the company and recommended to the board for their adoption and circulation as per requirement of Bangladesh Securities and Exchange Commission.
7. Reviewed the effectiveness of the internal financial control and the internal audit procedures.
8. Recommended M/S. Islam Quazi Shafique & Co Charted Accountants for appointment as the external auditors for the company for the year ending on 30 June, 2018.
9. Reviewed statement of significant related party transactions submitted by the management.

Activities during the year ended 30 June, 2017:

a. Reviewe and recommended to the board to approve the quarterly, half yearly and Annual financial statements prepared for statutory purpose.
b. Monitor and oversee choice of accounting policies and principles, Internal Control Risk management process, auditing matter, hiring and performance of external auditors;
c. Reviewe statement of significant related party transactions submitted by the management.
d. Carry on a supervising role to safeguard the system of governance and independence of statutory auditors; and
e. Review and consider the report of internal auditors and statutory auditor's observations on internal control.

Reporting of The Audit Committee to the Board of Directors:

The committee reviewed the integrity to the quarterly, half yearly and annual financial statements and recommended to the Board of consideration. The Committee had overseen, reviewed and approved the procedure and task to the internal audit, financial report preparation and external audit reports. The committee found adequate arrangements to present a true and fair view of the activities and the financial status of the company and didn't find any material deviation, discrepancies or any adverse finding/observation in the areas of reporting.

Dated: 26 October, 2017

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

Sub.: CEO AND CFO'S Declaration to the Board.

Dear Sirs,

Compliance with the conditions no. 6 imposed by the Bangladesh Securities and Exchange Commission (BSEC) vide Notification No. SEC/CMRRCD/2006-158/134/Admin/44 dated August 07, 2012 issued under section 2cc of the Securities and Exchange Ordinance, 1969.

We do hereby certify to the Board that:

1. We have reviewed financial statements for the year ended 30 June, 2017 and that to the best of our knowledge and belief:
   a) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
   b) These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards and applicable laws.

2. There are, to the best of knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violation of the company's code of conduct

Thanking You

Md. Rafiqul Islam
Chief Financial Officer

Golam Rahman
Managing Director

Annexure-vi

Status of Compliance Report under Condition No. 7.00

Status of compliance with the conditions imposed by the Bangladesh Securities and Exchange Commission's Notification No. SEC/CMRRCD/2006-158/134/Admin/44, dated August 07, 2012. Issued under section 2CC of the Securities and Exchange Ordinance, 1969.

(Report under Condition No.7.00)

Condition No.	Title	Compliance Status (Put √ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
1.	**BOARD OF DIRECTORS:**			
1.1	**BOARD Size:** The number of the board members of the company shall not be less than 5 (five) and more than 20 (twenty):	√		
1.2	**Independent Directors :**			
1.2(i)	At least one fifth (1/5) of the total number of directors in the company's board shall be independent directors.	√		
1.2(ii)a	who either does not hold any share in the company or holds less than one percent (1%) shares of the total paid-up shares of the company;	√		
1.2(ii)b	Who is not a sponsor of the company and is not connected with the company's any sponsor or director or shareholder who holds one percent (1%) or more shares of the company.	√		
1.2(ii)c	who does not have any other relationship, whether pecuniary or otherwise, with the company or its subsidiary/associated companies;	√		
1.2(ii)d	who is not a member, director or officer of any stock exchange;	√		
1.2(ii)e	who is not a shareholder, director or officer of any member of stock exchange or an intermediary of the capital market;	√		
1.2(ii)f	who is not a partner or an executive or was not a partner or an executive during the preceding 3 (three) years of the concerned company's statutory audit firm;	√		
1.2(ii)g	who shall not be an independent director in more than 3 (three) listed companies;	√		
1.2(ii)h	who has not been convicted by a court of competent jurisdiction as a defaulter in payment of any loan to a bank or a Non-Bank Financial Institution (NBFI);	√		
1.2(ii)(i)	Who has not been convicted for a criminal offence involving moral turpitude?	√		
1.2(iii)	The independent director(s) shall be appointed by the board of directors and approved by the shareholders in the Annual General Meeting (AGM).	√		
1.(iv)	The post of independent director(s) can not remain vacant for more than 90 (ninety) days.			No such incidence occurred
1.2(v)	the Board shall lay down a code of conduct of all Board members and annual compliance of the code to be recorded.	√		
1.2(vi)	The tenure of office of an independent director shall be for a period of 3 (three) years, which may be extended for 1 (one) term only.	√		
1.3	**Qualification of Independent Director(ID):**			
1.3(i)	Independent Director shall be a knowledgeable individual with integrity who is able to ensure compliance with financial, regulatory and corporate laws and can make meaningful contribution to business.	√		
1.3(ii)	The person should be a Business Leader/ Corporate Leader /Bureaucrat /University Teacher with Economics or Business Studies or Law background/ Professionals like Chartered Accountants, Cost & Management Accountants, Chartered Secretaries. The independent director must have at least 12 (twelve) years of corporate management / professional experiences.	√		
1.3(iii)	In special cases the above qualifications may be relaxed subject to prior approval of the Commission.			No such incidence occurred
1.4	**Chairman of the Board and Chief Executive Officer :** The positions of the Chairman of the Board and the Chief Executive Officer of the Companies shall be filled by different individuals. The Chairman of the company shall be elected from among the directors of the company. The Board of Directors shall clearly define respective roles and responsibilities of the Chairman and the Chief Executive Officer.	√		

Condition No.	Title	Compliance Status (Put √ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
1.5	**Directors Report to Shareholders :** Directors' Report to Shareholders shall include following additional on			
1.5(i)	Industry outlook and possible future developments in the industry	√		
1.5(ii)	Segment-wise or product -wise performance	√		
1.5(iii)	Risks and concerns	√		
1.5(iv)	A discussion on cost of goods sold, Gross profit Margin and Net Profit Margin.	√		
1.5(v)	Discussion on continuity of any Extra-Ordinary gain or loss	√		
1.5(vi)	Basis for related party transactions-a statement of all related party transactions should be disclosed in the annual report.	√		
1.5(vii)	Utilization of proceeds from public issues, right issues and/or through any others instruments.	Not Applicable		
1.5(viii)	An explanation if the financial results deteriorate after the company goes for Initial Public Offering (IPO), Repeat Public Offering (RPO), Right Offer, Direct Listing etc.	Not applicable		
1.5(ix)	If significant variance occurs between quarterly Financial performance and Annual Financial Statements the management shall explain about the variance on their Annual Report.	√		
1.5(x)	Remuneration to Directors including Independent Director	Not applicable		
1.5(xi)	The financial statements prepared by the management of the issuer company present fairly its state of affairs, the result of its operations, cash flows and changes in equity	√		
1.5(xii)	Proper books of account of the issuer company have been maintained.	√		
1.5(xiii)	Appropriate accounting policies have been consistently applied in preparation of the financial statements and that the accounting estimates are based on reasonable and prudent judgment.	√		
1.5(xiv)	International Accounting Standards (IAS)/ Bangladesh Accounting Standards (BAS)/International Financial Reporting Standards (IFRS)/Bangladesh Financial Reporting Standards (BFRS), as applicable in Bangladesh, have been followed in preparation of the financial statements and any departure there - from has been adequately disclosed.	√		
1.5(xv)	The system of internal control is sound in design and has been effectively implemented and monitored.	√		
1.5(xvi)	There are no significant doubts upon the issuer company's ability to continue as a going concern. If the issuer company is not considered to be a going concern, the fact along with reasons thereof should be disclosed.	√		
1.5(xvii)	Significant deviations from the last year's operating results of the issuer company shall be highlighted and the reasons thereof should be explained.	√		
1.5(xviii)	Key operating and financial data of at least preceding 5(five) years shall be summarized.	√		Stated in **Annexure - i**
1.5(xix)	If the issuer company has not declared dividend (cash or stock) for the year, the reasons thereof shall be given.	√		10% Dividend declared
1.5(xx)	The number of Board Meetings held during the year and attendance by each Director shall be disclosed.	√		Stated in Annual Report, Page No.-17
1.5(xxi)	The pattern of shareholding shall be reported to disclose the aggregate number of shares.	√		Stated in **Annexure – ii**
1.5(xxi)a)	Parent /Subsidiary/Associated Companies and other related parties (name wise details).	√		Sl.No. 3,4 & 5 of Annexure ii are associate Companies
1.5(xxi)b)	Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer, Head of Internal Audit and their spouses and minor children (name wise details).	√		Stated in **Annexure – ii**
1.5(xxi)c)	Executive	√		"
1.5(xxi)d)	Shareholding ten percent (10%) or more voting interest in the company (name wise details).	√		"

Condition No.	Title	Compliance Status (Put √ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
1.5(xxii)	**In case of the appointment/re - appointment of a Director the company shall disclose the following information to the shareholders:**			
1.5(xxii)a)	A brief resume of the Director	√		Stated in the Annual Report
1.5(xxii)b)	Nature of his/her expertise in specific functional areas	√		"
1.5(xxii)c)	Names of companies in which the person also holds the Directorship and the membership of committees of the board.	√		"
2.	**CHIEF FINANCIAL OFFICER (CFO), HEAD OF INTERNAL AUDIT AND COMPANY SECRETARY (CS):**			
2.1	Appointment: The company shall appoint a Chief Financial Officer (CFO), a Head of Internal Audit (Internal Control and Compliance) and a Company Secretary (CS). The Board of Directors should clearly define respective roles, responsibilities and duties of the CFO, the Head of Internal Audit and the CS.	√		
2.2	**Requirement to attend the Board Meetings:** The CFO and the Company Secretary of the companies shall attend the meetings of the Board of Directors, provided that the CFO and/or the Company Secretary shall not attend such part of a meeting of the Board of Directors which involves consideration of an agenda item relating to their personal matters.	√		
3.	**AUDIT COMMITTEE:**			
3.(i)	The company shall have an Audit Committee as a sub-committee of the Board of Directors.	√		Stated in the Annual Report
3.(ii)	The Audit Committee shall assist the Board of Directors in ensuring that the financial statements reflect true and fair view of the state of affairs of the company and in ensuring a good monitoring system within the business.	√		"
3.(iii)	The Audit Committee shall be responsible to the Board of Directors. The duties of the Audit Committee shall be clearly set forth in writing.	√		"
3.1	**Constitution of the Audit Committee:**			
3.1(i)	The Audit Committee shall be composed of at least 3 (three) members.	√		
3.1(ii)	The Board of Directors shall appoint members of the Audit Committee who shall be directors of the company and shall include at least 1 (one) independent director.	√		
3.1(iii)	All members of the audit committee should be "financially literate" and at least 1 (one) member shall have accounting or related financial management experience	√		
3.1(iv)	Filling of casual vacancy in the Audit committee.	Not Applicable		
3.1(v)	The company secretary shall act as the secretary of the Committee.	√		
3.1(vi)	The quorum of the Audit Committee meeting shall not constitute without independent director.	√		
3.2	**Chairman of the Audit committee:**			
3.2(i)	The Board of Directors shall select 1 (one) member of the Audit Committee to be Chairman of the Audit Committee, who shall be an independent director.	√		
3.2(ii)	Chairman of the audit committee shall remain present in the Annual General Meeting (AGM).	√		
3.3	**Role of Audit Committee:**			
3.3(i)	Oversee the financial reporting process.	√		Stated in Annexure – iv
3.3(ii)	Monitor choice of accounting policies and principles.	√		"
3.3(iii)	Monitor Internal Control Risk management process.	√		"
3.3(iv)	Oversee hiring and performance of external auditors.	√		"
3.3(v)	Review along with the management, the annual financial statements before submission to the board for approval.	√		"
3.3(vi)	Review along with the management, the quarterly and half yearly financial statements before submission to the board for approval.	√		"
3.3(vii)	Review the adequacy of internal audit function.	√		"

Condition No.	Title	Compliance Status (Put √ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
3.3(viii)	Review statement of significant related party transactions submitted by the management.	√		"
3.3(ix)	Review Management Letters/ Letter of Internal Control weakness issued by statutory auditors.	√		"
3.3(x)	Declaration to Audit Committee by the Company regarding utilization of IPO/RPO, Right issue money.	Not applicable		
3.4	**Reporting of the Audit committee:**			
3.4.1(i)	The Audit Committee shall report on its activities to the Board of Directors.	√		Stated in Annexure-iv
3.4.1(ii)	The Audit Committee shall immediately report to the Board of Directors on the following findings, if any:-			
3.4.1(ii)a	report on conflicts of interests :			No such incidence occurred
3.4.1(ii)b	suspected or presumed fraud or irregularity or material defect in the internal control system;			"
3.4.1(ii)c	suspected infringement of laws, including securities related laws, rules and regulations;			"
3.4.1(ii)d	Any other matter which shall be disclosed to the Board of Directors immediately.			"
3.4.2	Reporting to the Authorities: Reporting to the Authorities			
3.5	**Reporting to the Shareholders and General Investors:** Report on activities carried out by the Audit Committee, including any report made to the Board of Directors under condition 3.4.1	Not applicable		
4.	**External/Statutory Auditors :** The issuer company should not engage its external/statutory auditors to perform the following services of the company; namely:-			
4.(i)	Appraisal or valuation services or fairness opinions.	√		
4.(ii)	Financial information systems design and implementation.	√		
4.(iii)	Book-keeping or other services related to the accounting records or financial statements.	√		
4.(iv)	Broker-dealer services.	√		
4.(v)	Actuarial services.	√		
4.(vi)	Internal audit services.	√		
4.(vii)	Any other service that the Audit Committee determines.	√		
4.(viii)	No partner or employees of the external audit firms shall possess any share of the company they audit at least during the tenure of their audit assignment of that company.	√		
4.(ix)	Audit/Certification services on compliance of corporate governance as required under clause(i) of condition No.7	√		
5.	**Subsidiary Company :**			
5.(i)	Provisions relating to the composition of the Board of Directors of the holding company shall be made applicable to the composition of the Board of Directors of the subsidiary company.	Not applicable		There are no subsidiary company
5.(ii)	At least 1 (one) independent director on the Board of Directors of the holding company shall be a director on the Board of Directors of the subsidiary company.	"		
5.(iii)	The minutes of the Board meeting of the subsidiary company shall be placed for review at the following Board meeting of the holding company.	"		
5.(iv)	The minutes of the respective Board meeting of the holding company shall state that they have reviewed the affairs of the subsidiary company also.	"		
5.(v)	The Audit Committee of the holding company shall also review the financial statements, in particular the investments made by the subsidiary company.	"		

Condition No.	Title	Compliance status (Put √ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
6.	**DUTIES OF CHIEF EXECUTIVE OFFICER (CEO) AND CHIEF FINANCIAL OFFICER (CFO):** The CEO and CFO shall certify to the Board that:-			
6.(i)	They have reviewed financial statements for the and that to the best of their knowledge and belief:			
6(i)a)	These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.	√		Stated in Annexure - v
6(i)b)	These statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards and applicable laws.	√		"
6(ii)	There are, to the best of knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violation of the company's code of conduct.	√		"
7.	**REPORTING AND COMPLIANCE OF CORPORATE GOVERNANCE:**			
7(i)	The company shall obtain a certificate from a practicing Professional Accountant/Secretary (Chartered Accountant/Cost and Management Accountant/Chartered Secretary) regarding compliance of conditions of Corporate Governance Guidelines of the Commission and shall send the same to the shareholders along with the Annual Report on a yearly basis.	√		Stated in Annexure -vii
7(ii)	The Directors of the company shall state, in accordance with the Annexure attached, in the Directors' report whether the company has complied with these conditions.	√		Stated in the Annual Report

Golam Rahman
Managing Director

S.R. ISLAM & CO.
Established in 1978

S.R. ISLAM & CO.
Chartered Accountants

3B, Purana Paltan, (2nd Floor) Navana Mukhles
Monarch Shopping Complex, Dhaka-1000.
Phone : +88-02-57160573, +88-02-57160574
Cell : 01814 644444, 01670 044444, 01964 888111

Compliance Certificate
On
Corporate Governance Guidelines
To the Shareholders of
DESHBANDHU POLYMER LIMITED

We have reviewed the compliance of conditions of the Corporate Governance Guidelines of the Bangladesh Securities and Exchange Commission ("BSEC") by DESHBANDHU POLYMER LIMITED as stipulated in clause 7(i) of the BSEC notification no SEC/CMRRCD/2006 -158/ 134/ Admin/44 dated 7 August, 2012 and subsequent amendment dated July 21, 2013

The compliance of conditions of the Corporate Governance Guidelines as stated in the aforesaid notification and reporting of the status of compliance is the responsibility of the management of the company. Our review for the purpose of issuing this certificate was limited to the verification of procedures and implementations thereof adopted by the company for ensuring the compliance of conditions of Corporate Governance Guidelines and proper reporting of compliance status on the attached statement on the basis of evidences obtained and representation received thereon from the management of the company. It is neither an audit nor expression of opinion on the financial statements of the company.

To the best of our information and according to the explanations given to us, we certify that the company has complied with the conditions of the Corporate Governance Guidelines as stipulated in the above mentioned notification dated 7 August, 2012 and applicable to the company for the year ended 30 June, 2017.

Shaiful Alam FCA
Partner
S.R. Islam & Co
Chartered Accountant

Place: Dhaka
Date: October 26, 2017

S.R. ISLAM & CO. Chartered Accountants

E-mail : srislamnco@gmail.com, audit_bg@yahoo.com

ISLAM QUAZI SHAFIQUE & CO.
Chartered Accountants
AL-HAJ SHAMSUDDIN MANSION
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MOGBAZAR, DHAKA-1000.
Phone: 8312349 Mobile: 01707-870798.
E-mail: qsi.esk@gmail.com

PARTNERS:

Quazi Shafiqul Islam FCA, FCS
Former Finance Director & Company Secretary
of Reckitt & Colman Bangladesh Ltd.

Mohammad Abu Taher FCA
Former Controller of Accounts (General Manager)
Biman Bangladesh Airlines

Biplab Hossain ACA

AUDITOR'S REPORT

We have audited the accompanying Financial Statements which comprise the Statement of Financial Position of **DESHBANDHU POLYMER LIMITED** as at June 30, 2017 and the related Statement of Profit or Loss and Other Comprehensive Income, Statement of Changes in Shareholders Equity and Statement of Cash Flows and a Summary of Significant Accounting Policies and explanatory notes for the year ended on that date with the books of account.

Management's Responsibility for the Financial Statements:
Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with Bangladesh Financial Reporting Standards (BFRS), the Companies Act 1994 Securities and Exchange Rules, 1987 and other applicable laws and regulations. This responsibility includes; designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' Responsibility:
Our responsibility is to express an independent opinion on these financial statements based on our audit. We conducted our audit in accordance with Bangladesh Standards on Auditing (BSA). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

Opinion:
In our opinion, the financial statements prepared in accordance with Bangladesh Financial Reporting Standards (BFRS), give a true and fair view of the state of the Company's affairs as at June 30, 2017 and of the results of its operations for the year then ended and comply with the Companies Act, 1994, the Securities and Exchange Rules, 1987 and other applicable laws and regulations.

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 account as required by law have been kept by the Company so far as it appeared from our examination of those books ;

c the company's Statements of Financial Position and the Comprehensive Income dealt with by the report are in agreement with the books of account; and

d the expenditures incurred were for the purpose of the company's business.

Dhaka
26 October, 2017

ISLAM QUAZI SHAFIQ & CO.
CHARTERED ACCOUNTANTS

Deshbandhu Polymer Limited

Statement of Financial Position

as at 30 June, 2017

	Notes	2017 Taka	2016 Taka
Assets			
Non-Current Assets			
Property, Plant & Equipment			
At Cost/revaluation	4	499,373,269	475,108,751
Accumulated depreciation		(138,444,168)	(117,385,989)
		360,929,101	357,722,762
Investment	5	716,928	605,439
		361,646,029	358,328,201
Current Assets			
Inventory	6	117,596,205	191,907,574
Inventory in Transit	7	336,932,180	34,446,939
Accounts Receivable	8	353,547,200	225,145,094
Inter Company Receivable	9	146,843,968	92,715,484
Advance, Deposit and Prepayments	10	92,997,781	77,975,122
Advance Income Tax	11	189,090,822	129,169,165
Cash and Cash Equivalent	12	34,199,542	11,084,622
		1,271,207,697	762,444,000
Total Assets		1,632,853,731	1,120,772,201
Equity and Liabilities			
Shareholders' Equity			
Share Capital	14	557,865,000	557,865,000
Retained Earnings		67,213,186	46,719,426
		625,078,186	604,584,426
Non-Current Liabilities			
Deferred Tax Liability	13	72,386,073	77,326,638
Current Liabilities			
Bank Overdraft	15	214,637,190	216,729,121
Short Term Loan	16	660,786,774	162,919,793
Accounts Payable	17	7,545,858	9,273,925
Other Payables	18	7,820,235	10,147,834
Share Money Refundable	20	14,929,500	14,929,500
Worker's Profit Participation Fund	21	1,029,447	1,367,730
Provision for Income Tax	22	28,640,469	23,493,234
		935,389,473	438,861,137
Total Equity and Liabilities		1,632,853,731	1,120,772,201

The annexed notes form an integral part of these financial statements

Chief Financial Officer | Company Secretary | Director | Managing Director

As per our annexed report of even date.

Dhaka
26 October, 2017

ISLAM QUAZI SHAFIQUE & CO.
CHARTERED ACCOUNTANTS

Deshbandhu Polymer Limited

Statement of Profit or Loss and Other Comprehensive Income

for the year ended 30 June, 2017

	Notes	2017 Taka	2016 Taka
Revenue	23	733,827,609	562,355,995
Cost of revenue	24	(655,108,570)	(483,963,773)
Gross profit		78,719,039	78,392,222
Administrative Expenses	27	(15,370,935)	(12,184,197)
Selling & Distribution Expenses	28	(8,982,100)	(5,895,421)
Operating profit		54,366,004	60,312,604
Financing cost	29	(43,922,447)	(42,347,348)
Financing income	30	11,174,830	10,757,075
Net profit/(loss) before WPPF and income tax		21,618,387	28,722,331
Provision for contribution to WPPF	21	(1,029,447)	(1,367,730)
Net profit/(loss) before income tax		20,588,940	27,354,601
Provision for income tax:			
Current Tax	22	(5,147,235)	(1,687,068)
Deferred Tax	13	4,940,565	(15,257,559)
Net profit after tax for the year		**20,382,270**	**10,409,975**
Other Comprehensive income:			
Increase/Diminution in the value of investment in share	5	111,489	(59,067)
Total Comprehensive income for the year		**20,493,759**	**10,350,907**
Earning per share of Tk. 10.00 each (2017-restated)	31	**0.37**	**0.19**

The annexed notes form an integral part of these financial statements.

Chief Financial Officer | Company Secretary | Director | Managing Director

As per our annexed report of even date.

Dhaka
26 October, 2017

ISLAM QUAZI SHAFIQUE & CO.
CHARTERED ACCOUNTANTS

Deshbandhu Polymer Limited

Statement of Changes in Shareholders Equity

For the year ended 30 June, 2017

Particulars	Share Capital Taka	Retained earnings Taka	Total Taka
Balance as at 30 June 2016	557,865,000	46,719,426	604,584,426
Cash Dividend	-	-	-
Net profit after tax for the year	-	20,493,759	20,493,759
Other comprehensive income for the year:			
Diminution in the value of investment in share	-	-	-
Balance as at 30 June 2017	**557,865,000**	**67,213,186**	**625,078,186**

For the year ended 30 June, 2016

Particulars	Share Capital Taka	Retained earnings Taka	Total Taka
Balance as at 30 June 2015	557,865,000	33,747,399	591,612,399
Cash Dividend	-	-	-
Net profit after tax for the year	-	10,409,975	10,409,975
Over provision of tax return back, up to 2011-2012 assesment year (Note-22.3)	-	2,621,120	2,621,120
Other comprehensive income for the year:			
Diminution in the value of investment in share	-	(59,067)	(59,067)
Balance as at 30 June 2016	**557,865,000**	**46,719,426**	**604,584,426**

Chief Financial Officer | Company Secretary | Director | Managing Director

As per our annexed report of even date.

ISLAM QUAZI SHAFIQUE & CO.
CHARTERED ACCOUNTANTS

Dhaka
26 October, 2017

Deshbandhu Polymer Limited

Statement of Cash Flows

for the year ended 30 June, 2017

		Note	2017 Taka	2016 Taka
A.	**Cash flows from operating activities:**			
	Cash received from customer	32	605,425,503	582,926,864
	Cash paid to suppliers, employees and others	33	(907,023,353)	(414,030,664)
	Cash generated/used in operations		(301,597,850)	168,896,200
	Cash received from Financing income		11,174,830	10,757,075
	Financing cost paid		(43,922,447)	(42,347,348)
	Income Tax Paid		(59,921,657)	(24,429,228)
	Net cash used in operating activities	34	(394,267,124)	112,876,699
B.	**Cash flow from investing activities:**			
	Purchase of property, plant and equipment		(24,264,518)	(10,607,854)
	Disposal of shares		-	-
	Net cash used in investing activities		(24,264,518)	(10,607,854)
C.	**Cash flow from financing activities:**			
	Short term loan repaid		497,866,979	(152,838,790)
	Bank Overdraft		(2,091,931)	3,371,937
	Share money refund		-	(35,000)
	Other finance- Inter company		(54,128,484)	36,920,561
	Net cash from financing activities		441,646,563	(112,581,291)
	Net cash inflow / (outflow) (A+B+C)		23,114,921	(10,312,447)
	Cash and cash equivalent at the beginning		11,084,622	21,397,069
	Cash and cash equivalent at the closing		**34,199,542**	**11,084,622**
	Cash and cash equivalent at the closing:			
	Cash in hand		2,628,234	2,244,543
	Cash at Banks		31,571,308	8,840,079
			34,199,542	**11,084,622**

Chief Financial Officer | Company Secretary | Director | Managing Director

As per our annexed report of even date.

Dhaka
26 October, 2017

ISLAM QUAZI SHAFIQUE & CO.
CHARTERED ACCOUNTANTS

DESHBANDHU POLYMER LIMITED
Notes comprising a summary of significant
accounting policies and explanatory information.
For the year ended 30 June, 2017

1. Status of the Reporting Entity

1.1. Legal Status

Deshbandhu Polymer Ltd. was incorporated in Bangladesh on 03 December, 2006 as a private limited company under the Companies Act, 1994 which has been converted into public limited company on 05 August, 2009 having registered office in Dhaka. This company was listed with DSE and CSE as on January 17, 2011.

1.2. Nature of Business

The principal activities of the company are manufacturing and marketing of PP woven bag and liner.

2. Basis of Preparation

2.1. Statement of Compliance

These financial statements have been prepared in accordance with Bangladesh Accounting Standard (BAS), Bangladesh Financial Reporting Standards (BFRSs), Companies Act 1994, and other applicable laws and regulations.

2.2. Other Regulatory Compliances

The company is also required to comply with the following major laws and regulation in addition to the Companies Act, 1994:
The Income Tax Ordinance, 1984
The Income Tax Rules, 1984
The Value Added Tax Act, 1991
The Value Added Tax Rules, 1991
The Customs Act, 1969
Bangladesh Labor Act, 2006 as amended in 2013.
Bangladesh Securities and Exchange Rules, 1987

2.3. Measurement Bases Used in Preparing the Financial Statements/ Going Concern

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

The company has adequate resources to continue it's operation for foreseeable future. For this reason the Directors continued to adopt going concern basis in preparing the Financial Statements. The current credit facilities and resources of the company provide sufficient fund to meet the present requirements of its existing businesses and operations.

2.4. Components of the Financial Statements

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

i. Statement of Financial Position
ii. Statement of Profit or Loss and Other Comprehensive Income
iii. Statement of Changes in Equity
iv. Statement of Cash Flows
v. Notes comprising a summary of significant accounting policies and explanatory information.

2.5. Applicable Accounting Standards

The following BASs are applicable for preparation and reporting of the Financial Statements for the year under review:

BAS - 1 Presentation of Financial Statements
BAS - 2 Inventories
BAS - 7 Statements of Cash Flows
BAS - 8 Accounting Policies, Changes in Accounting Estimates and Errors
BAS - 10 Events after the Reporting Date
BAS - 12 Income Taxes
BAS - 16 Property, Plant and Equipment
BAS - 18 Revenue
BAS - 19 Employee Benefits
BAS - 21 The Effects of Changes in Foreign Exchange Rates
BAS - 23 Borrowing Costs
BAS - 24 Related Party Disclosures
BAS - 32 Financial Instrument: Presentation
BAS - 33 Earnings Per Share
BAS - 37 Provisions, Contingent Liabilities and Contingent Assets
BAS - 39 Financial Instruments: Recognition and Measurement
BFRS - 1 First Time Adoption of International Financial Reporting Standards
BFRS - 7 Financial Instruments: Disclosures
BFRS - 13 Fair value measurements

2.6. Use of Estimates and Judgments

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

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

2.7. Functional and Presentational Currency and Level of Precision

The financial statements are prepared and presented in Bangladesh Currency (Taka), which is the company's functional currency. All financial information presented has been rounded off to the nearest Taka except where indicated otherwise.

2.8. Reporting Period

The financial period of the company covers one year from 1 July to 30 June 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 BAS-1 "Presentation of Financial Statements", in preparation and presentation of financial statements have been consistently applied throughout the year and were also consistent with those used in earlier years.

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

3.1. Property, Plant and Equipment

3.1.1. Recognition and Measurement

Property, plant and equipment are measured at cost less accumulated depreciation. Capital work in progress (if any) 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.

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 accounted for as separate items of property, plant and equipment.

3.1.2. Depreciation on Fixed Assets

Depreciation on fixed assets is charged based on straight-line method. No depreciation is charged on land & land development and capital work in progress. On addition of assets, depreciation is charged from the month of acquisition and no depreciation is charged in the year of disposal.

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.

After considering the useful life of assets as per BAS-16, the annual depreciation rates have been applied as under which is considered 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 Equipments	10%
Vehicles	10%

3.1.3 Capitalization of borrowing costs

Borrowing cost relating to acquisition of fixed assets is capitalized as per Bangladesh Accounting Standard (BAS) - 23, Borrowing costs at the weighted average cost of borrowings. However, capitalization of borrowing costs is ceased when acquisition of relevant asset is completed.

3.1.4 Impairment

The carrying amount of the entity's non-financial assets, other than inventories and deferred tax assets (considered as 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

3.2. Inventories

Inventories comprise of raw materials, work-in-process, finished goods, stores & spares, which are valued lower of cost or net realizable value in accordance with BAS-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

3.3. Financial Assets

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 the company becomes a party to the contractual provisions of the instrument.

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.

Financial assets include Investment; Accounts Receivable; Advances, Deposits and Prepayments; Cash and Cash Equivalents etc.

3.3.1. 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 recognized.

3.3.2. 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.

Prepayments are initially measured at cost. After initial recognition, prepayments are carried at cost less charges to statement of Profit or Loss and Other comprehensive income.

3.3.3. Cash and Cash Equivalents

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

3.4. Financial Liabilities

The company recognizes all financial liabilities on the trade date which is the date the company becomes a party to the contractual provisions 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.

3.4.1. 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.

3.4.2. 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.

3.5. Impairment

3.5.1. Financial Assets

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

3.5.2. 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 then 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.

3.6. Cash flow statement

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

3.7. Provisions, Contingent Liabilities and Contingent Assets

A provision is recognized in the Statement of Financial Position as stated in BAS-37 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.

3.8. Taxation

3.8.1. 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.

3.8.2. Deferred tax:

Deferred tax is recognized using the Statement of Financial Position method as stated in BAS 12. Deferred tax arises due to temporary difference deductible or taxable 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 amount 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.

3.9. Employee benefit

3.9.1. Short Term Employee Benefits

Salaries, bonuses and allowances are accrued in the financial year in which the associated services are rendered by the employees of the Company as stated in BAS-19.

3.9.2. Workers' Profit Participation & Welfare Fund

Appropriate provision has been made for Workers' Profit Participation and Welfare Fund as per Bangladesh Labour Act, 2006 as amended in 2013.

3.10. Revenue Recognition

Revenue from sale of goods is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts and rebates, if any. Revenue is recognized when the significant risks and rewards of ownership have been transferred to the buyer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably and there is no continuing management involvement with the goods as stated in BAS-18. Sales revenue is recognized when the goods are delivered.

3.11. Finance Income and Expenses

3.11.1. Finance Income

Interest income 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.

3.11.2. Finance Expenses

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 BAS-23 Borrowing cost.

3.12. 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 Bangladesh 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 BAS 21 "The effects of Changes in Foreign Currency Rates."

3.13. Earnings Per Share (EPS)

The Company calculates Earning per Share (EPS) in accordance with BAS 33: Earning 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.

3.14. 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 are reflected in the Financial Statements. Events after the reporting period that are not adjusting events are disclosed in the notes when material.

3.15. Comparative Information

Comparative information has been disclosed in respect of the year 2013 in accordance with BAS-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.

3.16. Related Party Transactions

The objective of Related Party Disclosure BAS 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 recognize as per BAS 24 'Related Party Disclosures'.

3.17. General

i. Figures appearing in these Financial Statements have been rounded off to the nearest taka.

ii. Prior year's figures have been rearranged, wherever considered necessary, to ensure comparability with the current year.

iii. Bracket figures denote negative.

4.0 Property, Plant & Equipment 2016-2017

Types of assets	Cost as at 01.07.16	Addition during the Year	Cost as at 30.06.17	Rate	Depreciation: Cumulative as at 01.07.16	Depreciation: Charged during the year	Depreciation: Cumulative as at 30.06.17	Written down value 30.06.17
Land & land development	64,689,257	6,171,480	70,860,737	-	-	-	-	70,860,737
Building	70,125,993		70,125,993	2.5%	10,379,955	1,753,150	12,133,105	57,992,888
Plant & machinery	303,566,354	18,026,212	321,592,566	5%	86,420,460	15,628,973	102,049,433	219,543,133
Furniture & fixtures	554,456		554,456	10%	227,127	55,446	282,573	271,883
Electric & other appliances	32,132,973	31,426	32,164,399	10%	18,808,664	3,214,869	22,023,533	10,140,866
Office machinery and equipment	1,517,835	35,400	1,553,235	10%	667,124	153,554	820,678	732,558
Vehicles	2,521,883		2,521,883	10%	882,659	252,188	1,134,847	1,387,036
Total	**475,108,751**	**24,264,518**	**499,373,269**		**117,385,989**	**21,058,179**	**138,444,168**	**360,929,101**

	2017	2016
	Taka	Taka
Manufacturing expenses	20,005,270	19,335,466
Administrative Expenses	1,052,909	1,017,656
	21,058,179	**20,353,122**

		2017 Taka	2016 Taka
5.0	**Investment in Shares**		
	EXIM Bank Ltd. (Note : 5.01)		
	Opening Balance	605,439	664,506
	Decrease/Increase of Share price	**111,489**	**(59,067)**
	Closing balance	**716,928**	**605,439**

5.1 EXIM Bank Ltd.

Number of Share	Cost per	Total cost	Market price as	Total market	Total market value	Increased
73,834	9.71	716,928	12.20	900,775	605,439	183,847

Investment in share valued at cost price.Though the market price of the share were higher then the cost,the unrealized gain on share investment not considered as income.

		Quantity		
6.0	**Inventory**			
	Raw materials	4,45,290 Kgs	44,732,997	100,601,705
	Work in process (WIP)	1,22,334 Kgs	12,062,153	47,125,326
	Finished goods	7,64,400 Pcs	17,275,440	31,961,572
	Stock of spare parts		43,525,615	12,218,971
			117,596,205	**191,907,574**

a Quantity wise break up is given in Annexure: A 1 & A 2.

7.0	**Inventory in Transit**		
	Raw materials-in-transit	333,080,301	26,599,782
	Spare parts-in-transit	3,851,879	7,847,157
		336,932,180	**34,446,939**
8.0	**Accounts Receivable**		
	First Party	82,642,535	49,731,499
	Third party	148,928,879	84,758,756
	Inhouse Party	74,978,429	72,667,484
	Corporate party	46,997,357	17,987,354
		353,547,200	**225,145,094**
	Analysis of Accounts Receivable:		
	Receivable due below six months	247,483,040	157,601,565
	Receivable due over six months	106,064,160	67,543,528
		353,547,200	**225,145,094**

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	2,017	2016
Deshbandhu Sugar Mills Ltd.	27,102,799	26,423,056
Deshbandhu Consumer & Agro Products Ltd.	2,644,902	1,251,200
Fertilizer Marketing Corp.	16,512,400	16,512,400
Northern Shipping & Trading Co.	28,043,081	28,043,081
Sahera Auto Rice Mills Ltd.	675,247	437,747

9.0	**Inter company receivable**		
	Deshbandhu Cement Mills Ltd.	32,561,255	23,236,677
	Ajkaler Khabar Limited	559,500	
	M R Trading	64,487,002	54,723,356
	Comodities Trading Company	1,347,000	-
	FMC	372,488	-
	NSTC	122,578	-
	Deshbandhu Shiping	356,805	-
	Deshbandhu Food & Bevarage Ltd.	516,700	326,176
	Sahera Auto Rice Mills Ltd.	21,194,259	11,194,259
	Deshbandhu Sugar Mills Ltd.	25,136,548	3,235,016
	Shahera Wasek Foundation	189,833	-
		146,843,968	**92,715,484**

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

		2017 Taka	2016 Taka
10.0	**Advance, deposit and prepayment**		
	Advance, deposit and prepayment (Note:10.1)	68,184,106	57,551,300
		24,813,675	20,423,822
		92,997,781	**77,975,122**
10.1	**Advances**		
	Advance VAT against purchase (Note:10.1.1)	4,894,737	21,784,173
	Advance Tax	-	-
	Deshbandhu C & F	25,156,078	13,339,515
	Others VAT on source	323,202	323,202
	S K Mahmud & Sons	15,821,356	572,963
	Capital Work-in- Progress	7,800,000	
	Salary and other advance	10,521,326	11,212,910
		64,516,699	47,232,763
	Deposits		
	Bank guarantee (margin)	1,723,465	10,262,477
	Security deposit	20,000	20,000
	Other advance	1,923,942	36,060
		3,667,407	10,318,537
		68,184,106	**57,551,300**

10.1.1 Advance VAT Against purchase

Year wise Advance VAT:	Opening Balance	VAT Paid against	VAT adjustment	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

10.2	**Letter of credit margin**		
	Mercantile Bank Ltd.	13,085,468	14,637,298
	Meghna Bank Ltd.	76,207	177,251
	Dhaka Bank Ltd.	11,652,000	5,609,273
		24,813,675	**20,423,822**

All advances and deposits amount are considered good and recoverable.
An amount of Tk. 1,44,10,000 had subsequently adjusted till 11 September 2017.

11.0	**Advance income tax**		
	AIT on interest	131,716	131,716
	AIT on raw materials	122,831,894	68,077,255
	AIT on sales	54,178,595	49,148,888
	AIT on FDR	4,416,066	4,399,207
	AIT on STD	7,261,489	7,220,621
	AIT on Office rent	133,308	133,308
	AIT on Spare Parts	137,754	58,170
		189,090,822	**129,169,165**
11.1	**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	9,132,985
	FY 2016-2017	45,634,789	
		189,090,822	129,169,165

		2017 Taka	2016 Taka
12.0	**Cash and Cash Equivalent**		
	Cash in hand	2,628,234	2,244,543
	Cash at banks (Note: 12.1)	28,963,044	6,326,703
	Fixed Deposit Receipts (Note: 12.2)	2,608,264	2,513,376
		34,199,542	**11,084,622**

12.1 Cash at Banks

Name of banks	A/C No.	Branch	Amount	Amount
Agrani bank	STD-292/3	Principal	82,103	87,954
Bank Alfalah	STD -745	Dhanmandi	-	78,878
Bank Asia Ltd	STD 967	Principal	4,080	3,988
Dhaka Bank Ltd.	STD- 1004	F.Exchange	3,606	3,411
Dhaka Dank Ltd.	STD- 2292	Local Office	14,714,472	146,886
Habib Bank Ltd.	STD-1944	Motijheel	741	2,351
Islami Bank Ltd.	SND-87	F.Exchange	3,339,523	(7,308)
Janata Bank Ltd.	STD-1312	Corporate	125,955	123,152
Mercantile Bank Ltd.-	ERQ 054 ($)	Motijheel	110,941	108,167
Meghna Bank Ltd	CD-415	Gulshan	197,057	129,142
Mercantile Bank Ltd.	STD - 404	Motijheel	3,962	24,916
Mutual Trust Bank Ltd.	STD-342	Banani	315,526	346,663
NRB Commercial Bank Ltd.	STD -0047	Principal	636,340	238,643
Pubali Bank Ltd.	STD-75-0	Gulshan	1,751,871	(76,307)
Sonali Bank Ltd.	STD-627	Shilpa Vhaban	119,665	113,585
Southeast Bank Ltd.	SND-2133	Principal	26,533	27,518
Southeast Bank Ltd.	SND-2153	Principal	1,263,138	1,266,790
Southeast Bank Ltd.	SND-2108	Principal	1,026,936	1,004,916
Southeast Bank Ltd.	STD-2083	Principal	1,197,002	1,170,903
Southeast Bank Ltd.	STD-2079	Principal	75,303	171,497
Southeast Bank Ltd.-	FC-Dollar-8568	Principal	775,913	775,913
Southeast Bank Ltd.-	FC-Euro-7736	Principal	9,901	9,901
Southeast Bank Ltd.-	FC-Pound-7525	Principal	64,108	64,108
Dhaka Bank Ltd.	CD-17442	Local Office	6,855	24,304
United Commercial Bank Ltd.	CD-00477	Banani	1,998,414	418,479
Uttara Bank Ltd.	CD-11587	Uttara BS	1,113,099	68,253
			28,963,044	6,326,703

12.2 Fixed Deposit Receipts

	Branch	Interest		
Mercantile Bank Ltd.	Motijheel	6.0%	934,857	
Mercantile Bank Ltd.	Motijheel	3.5%	1,673,407	2,513,376
			2,608,264	**2,513,376**

13.0 Deferred tax Liability

Property ,Plant & Equipments other than Land and Land Development	Carrying amount	Tax base	Difference
	290,068,364	524,072	289,544,292
Applicable Rate			25.00%
Deferred tax Liability			**72,386,073**
Deferred tax liability as on 30 June 2016			77,326,638
Deferred tax income for current year			**(4,940,565)**

Property ,Plant & Equipments other than Land and Land Development	Carrying amount	Tax base	Difference
	312,874,788	3,568,238	309,306,550
Applicable Rate			25.00%
Deferred tax Liability			**77,326,638**
Deferred tax liability as on 30 June 2015			62,069,079
Deferred tax income for current year			**15,257,559**

Year wise Deferred tax Liability:

FY 2012-2013	(46,353,002)
FY 2013-2014	(19,875,950)
FY 2014-2015	4,159,873
FY 2015-2016	(15,257,559)
FY 2016-2017	4,940,565
	(72,386,073)

		2017 Taka	2016 Taka
14.0	**Share capital**		
14.1	**Authorized capital**		
	30,000,000 ordinary shares of Tk 10/- each.	3,000,000,000	3,000,000,000
14.2	**Issued, subscribed and paid-up capital**		
	40,000,000 ordinary shares of Tk 10/- each fully paid.	400,000,000	400,000,000
	6,000,000 Bonus shares of Tk 10/-for the year 2011-2012	60,000,000	60,000,000
	2,300,000 Bonus shares of Tk 10/- for the year 2012-2013	23,000,000	23,000,000
	2,415,000 Bonus shares of Tk 10/- for the year 2013-2014	24,150,000	24,150,000
	5,071,500 Bonus shares of Tk 10/- for the year 2014-2015	50,715,000	50,715,000
		557,865,000	557,865,000

14.3 Category wise Shareholding position of the Company

	Name of the shareholders	Nationality	2017		2016	
			Number of Shares	Holding %	Number of Shares	Holding %
A.	**Sponsors**					
	Mr. Golam Mostafa	Bangladeshi	1,115,730	2.00	1,115,730	2.00
	Mr. Golam Rahman	Bangladeshi	1,976,235	3.54	1,976,235	3.54
B.	Director					
	Deshbandhu Sugar Mills Ltd.	Bangladeshi	13,388,061	24.00	13,388,061	24.00
	Deshbandhu Distilleries Ltd.	Bangladeshi	1,115,730	2.00	1,115,730	2.00
C.	**Shareholders'**					
	Deshbandhu Shipping Ltd.	Bangladeshi	1,115,730	2.00	1,115,730	2.00
	Provash Chakrobarty	Bangladeshi	138	0.0002	138	0.0002
	Md. Mainul Islam	Bangladeshi	138	0.0002	138	0.0002
	Md. Akheruzzaman	Bangladeshi	138	0.0002	138	0.0002
	Abdul Khaleque	Bangladeshi	138	0.0002	138	0.0002
	Late Golam Rasul Putul	Bangladeshi	138	0.0002	138	0.0002
D.	Financial Institution	Bangladeshi	4,031,942	7.2275	2,212,070	3.9652
E.	General shareholders	Bangladeshi & NRB	33,042,382	59.2301	34,862,254	62.4923
			55,786,500	100.00	55,786,500	100.00

14.4 Category wise Number of Share and Share Holders

Particulars	2017		2016	
	Number of Shares	Holding %	Number of Shares	Holding %
Sponsors and Directors	18,712,176	33.54	18,712,176	33.54
Financial Institution	4,031,942	7.23	2,212,070	3.97
General Public	33,042,382	59.23	34,862,254	62.49
	55,786,500	100	55,786,500	100

14.5 Classification of shares by holding

Particulars	2017			2016	
	Number of Shareholders	Number of Shares	Holding %	Number of Shareholders	Number of Shares
Less than 500 Shares	2,849	413,377	0.74	3,338	495,785
500 to 5,000 Shares	5,273	6,626,685	11.88	7,616	10,109,187
5,001 to 10,000 Shares	404	3,071,361	5.51	628	4,683,725
10,001 to 20,000 Shares	246	3,570,443	6.40	347	5,009,500
20,001 to 30,000 Shares	86	2,226,477	3.99	106	2,681,638
30,001 to 40,000 Shares	58	2,022,385	3.63	46	1,620,971
40,001 to 50,000 Shares	28	1,280,523	2.30	26	1,177,959
50,001 to 100,000 Shares	65	4,661,414	8.36	39	2,726,386
100,001 to 1,000,000 Shares	40	10,224,884	18.33	28	6,947,363
Over 1,000,000 Shares	8	21,688,951	38.88	7	20,333,986
	9,057	55,786,500	100.00	12,181	55,786,500

		2017 Taka	2016 Taka
15.0	**Bank overdraft**		
	Dhaka Bank Ltd. Local office (Note-15.1)	55,855,540	61,951,812
	Mercantile Bank Ltd. Motijheel Branch (Note-15.2)	158,781,650	154,777,309
		214,637,190	**216,729,121**

15.1 Dhaka Bank Ltd.

Facility	:	Overdraft
Facility limit	:	Tk.60,000,000
Interest Rate	:	11.00% which is subject to change from time to time.
Security	:	Registered mortgage of total 129.125 decimal land with 3 factory shade (1singale storied factory-cum-

15.2 Mercantile Bank Ltd.

Facility	:	Overdraft
Facility limit	:	Tk.150,000,000
Interest Rate	:	11.5% which is subject to change from time to time.
Security	:	Hypothecation of the stocks in trade. Corporate guarantee of Deshbandhu Group. Directors Personal

16.0	**Short term loan**		
	Loan against trust receipts(LTR) (Note-16.1)	172,950,321	2,257,455
	Acceptance liabilities under letter of credit (Note-16.2)	487,836,453	160,662,338
		660,786,774	**162,919,793**
16.1	**Loan against trust receipts(LTR)**		
	Dhaka Bnak Ltd. (Note- 16.1.1)	79,776,179	2,257,455
	Mercantile Bank Ltd. (Note-16.1.2)	-	-
	Islamic fnance & investment Ltd. (Note-16.1.3)	93,174,142	-
		172,950,321	**2,257,455**

16.1.1 Dhaka Bank Ltd.

Facility	:	LTR
Facility limit	:	Tk.50,000,000
Interest Rate	:	11.00% which is subject to change from time to time.
Security	:	Registered mortgage of total 129.125 decimal land with 3 factory shade (1singale storied factory-cum-

16.1.2 Mercantile Bank Ltd.

Facility	:	LTR
Facility limit	:	Tk.20,000,000
Interest Rate	:	11.5% which is subject to change from time to time.
Security	:	Hypothecation of the stocks in trade. Corporate guarantee of Deshbandhu Group. Directors Personal

16.1.3 Islamic fnance & 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

16.2	**Acceptance liabilities under letter of credit**		
	Mercantile Bank Ltd. (Note-16.2.1)		
	Capital Machinery L/C		
	Spare Parts L/C		7,458,477
	Raw Material L/C	297,153,609	71,621,141
	Dhaka Bank Ltd. (Note-16.2.2)		
	Capital Machinery L/C	95,631,500	
	Spare Parts L/C	176,664	
	Raw Material L/C	93,350,533	79,561,845
	Meghna bank Ltd.		
	Capital Machinery L/C	1,524,147	2,020,875
		487,836,453	**160,662,338**

		2017 Taka	2016 Taka

16.2.1 Mercantile 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	:	Hypothecation of the stocks in trade. Corporate guarantee of Deshbandhu Group. Directors Personal guarantee.

16.2.2 Dhaka Bank Ltd.

Facility	:	Letter of Credit (L/C)
Facility limit	:	Tk.240,000,000
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 (1singale storied factory-cum-office, 1 single storied warehouse, 1 single storied shed) at Kawadi, Palash, Narshingdi.

17.0 Accounts payable

A M & sons	-	59,640
Abdul Gaffar @ Co.	-	-
Aryan Enterprise	118,730	410,120
Aureen Enterprise	-	147,719
Badhan Power & electric	246,400	278,800
Chittagong Hardware Mills	-	91,384
Continental Insurance	26,105	22,356
Danish Industries (PVT)	967,425	967,425
Diamond Bearing & Machinery	576,040	248,150
Dynamic Trade Link	122,788	122,088
Frontline Communication	341,800	107,300
G K Enetrprise	185,050	185,050
Global Insurance Ltd.	-	-
Green Delta Insurance Company Ltd.	76,940	76,940
H T Traders	-	157,966
Industrial Electric Power Equipment Co.	35,050	-
J. B. Rubber Manufacturing	627,464	665,128
Helal Electric	483,966	504,285
Nisan Paint & Auto lacquer Co.	3,077,678	4,800,427
Ornab Electric Co.	426,286	244,660
Park Trading	151,490	151,490
Rassco Computers	82,646	32,997
	7,545,858	**9,273,925**

Analysis of Accounts Payable:

Payable due below six months	5,659,393	6,955,444
Payable due over six months	1,886,464	2,318,481
	7,545,858	**9,273,925**

a This represent amount payable to regular suppliers of Raw material, chemicals, pacing materials etc.

b All suppliers are paid on a regular basis.

18.0 Other payable

Bengal Sack Corporation	120,000	120,000
Computer Source	-	-
Chan Traders	377,140	-
M/S Joy Paribahan Shangstha	555,802	555,802
M/S Mams Trading	-	-
M/S Sudipta Enterprise	1,871,150	1,871,150
Pioneer Inserance Company Ltd.	526,662	526,663
RBP Woven Industries	375,760	375,760
Security Deposit from transport Co.	308,517	308,517
Security deposit-employee	22,800	22,800
Setcom IT Ltd.	1,129,747	929,746
SS Engineering	316,559	251,745
Tax deduction at source	274,188	286,639
Tushar Enterprise	1,354,762	2,458,964
Unclaimed dividend	-	2,198,748
Islam Quazi Shafiq & Co.	-	180,000
Shafiq Mizan Rahman & Augustine		
VAT deduction at source	587,149	61,300
	7,820,235	**10,147,834**

All accrued expenses are paid on regular basis;

		2017 Taka	2016 Taka
20.0	**Share money refundable**		
	Opening Balance	14,929,500	14,964,500
	Refund during the year	-	(35,000)
	Closing Balance	**14,929,500**	**14,929,500**
21.0	**Workers Profit Participation Fund**		
	Opening balance	1,367,730	1,732,064
	Disburse to beneficiary	(1,367,730)	(1,732,064)
		(0.00)	(0.00)
	Provision made during the year	1,029,447	1,367,730
	Closing Balance	**1,029,447**	**1,367,730**
22.0	**Provision for income tax**		
	Opening Balance	23,493,234	39,723,529
	Provision made for the year	-	-
	Minimum tax provision 25% on Net Profit or .06% on gross revenue (Note-22.1)	5,147,235	1,687,068
	Tax adjustment from AIT asper assessment up to 2011-2012 assesment year	-	(15,296,243)
	Over provision of tax return back up to 2010-2011 income year (Note-22.3)	-	(2,621,120)
	Closing Balance	**28,640,469**	**23,493,234**
22.1	**Year wise provision for income tax**		
	FY 2010-2011		8,238,874
	FY 2011-2012		9,678,489
	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
	Adjustment during the year	-	(17,917,363)
	FY 2015-2016	1,687,068	1,687,068
	FY 2016-2017	5,147,235	
		28,640,469	**23,493,234**

22.2 Minimum tax provision 0.60% on gross revenue or 25% on Net Profit

As per tax calculation taxable income arrived negative figure i.e. taxable loss. Therefore, provision for tax is charged .60% (Minimum Tax) on gross revenue as per law.

22.3 Over provision of tax return back

Tax provision up to 2011-2012 assessment year		17,917,363
Tax adjustment from AIT asper assessment up to 2011-2012 assesment year		(15,296,243)
	-	**2,621,120**

23.0	**Revenue**	**Quantity**		
	Gross Local Sales		821,389,586	646,709,394
	Less: VAT		(107,137,772)	(84,353,399)
	Net Local Sales	3,63,50,000 pcs	714,251,814	562,355,995
	Export Sales (Note-23.1)	9,36,641 pcs	19,575,795	-
			733,827,609	**562,355,995**

23.1 Export Sales

2015-2016 USD	2015-2016 BDT	2016-2017 USD	2016-2017 BDT
-	-	246,546	19,575,795

			2017 Taka	2016 Taka
24.0	**Cost of revenue**			
	Raw materials:			
	Opening stock		100,601,705	111,823,093
	Purchase (Note-25)		432,567,352	362,718,976
	Closing stock		(44,732,997)	(100,601,705)
			488,436,060	**373,940,364**
	Manufacturing expenses (Note-26)		116,923,205	112,667,271
			605,359,265	**486,607,635**
	Opening work-in-process		47,125,326	42,315,461
	Closing work-in-process		(12,062,153)	(47,125,326)
	Cost of goods manufactured:		**640,422,438**	**481,797,770**
	Finished goods:			
	Opening stock		31,961,572	34,127,575
	Closing stock		(17,275,440)	(31,961,572)
			655,108,570	**483,963,773**
25.0	**Purchase**			
	Direct Materials	**Quantity**		
	Purchase of raw materials (Note:25.1)	36,44,598 kgs	424,264,079	354,835,001
	Indirect Materials			
	Production materials - ink	1,41,427 kgs	8,303,273	7,883,975
			432,567,352	**362,718,976**
25.1	**Purchase of raw materials**			
	Imported		373,805,115	354,835,001
	Local		50,458,964	7,883,975
			424,264,079	362,718,976
26.0	**Manufacturing expenses**			
	Salary and wages and other benefits		55,237,961	47,236,020
	Traveling & conveyance		268,900	168,125
	Carriage inwards		4,564,412	5,222,991
	Electricity bill		17,206,120	20,565,780
	Rent & rates		205,980	-
	Repair & maintenance		13,596,229	14,869,272
	Fuel and power		3,483,628	3,744,640
	Postage & telephone		217,112	75,270
	Printing & stationery		254,789	298,960
	Food allowance		195,462	147,383
	Insurance premium		1,450,312	601,902
	Safety & security		-	47,050
	License, registration & renewal		58,524	28,350
	Staff welfare		178,506	326,062
	Depreciation		20,005,270	19,335,466
			116,923,205	**112,667,271**

		2017	2016
		Taka	Taka
27.0	**Administrative Expenses**		
	Salary and wages	8,783,919	7,161,418
	Rent & rates	347,918	-
	Repair & maintenance	438,035	74,850
	Conveyance	77,026	64,854
	Audit fee	273,000	180,000
	Fee for Independent director	-	49,000
	Corporate social responsibility	175,036	65,000
	Printing & stationery	994,408	845,244
	Postage & telephone	105,720	91,503
	AGM expenses	552,328	416,841
	Entertainment	41,362	30,200
	Legal and professional charge	672,000	606,290
	License, registration & renewal	297,999	113,100
	Annual Return fee RJSC	108,538	25,200
	Share department expenses	1,246,290	1,250,360
	Staff welfare	47,047	29,019
	Telephone & Mobile Purchase	124,400	140,662
	Tender schedules purchase	33,000	23,000
	Depreciation	1,052,909	1,017,656
		15,370,935	**12,184,197**
28.0	**Selling & Distribution Expenses**		
	Publicity & advertisement	669,343	583,735
	Carriage outward	6,095,946	3,969,447
	Fuel and power	189,561	125,910
	Sales promotion expenses	2,027,250	1,216,329
	Traveling & Daly Allowance	-	-
		8,982,100	**5,895,421**
29.0	**Financing cost**		
	Bank charges	754,396	240,801
	Interest on overdraft, time & term loans	43,168,051	42,106,547
		43,922,447	**42,347,348**
30.0	**Financing income**		
	Intercompany interest	9,543,531	10,370,807
	Foreign currency gain	-	-
	Short term deposit	408,623	169,177
	Fixed deposit receipts	1,222,676	217,091
		11,174,830	**10,757,075**
31.0	**Earning per share**		
	Net profit after tax for the year	20,382,270	10,409,975
	Weighted average number of shares outstanding during the year	55,786,500	55,786,500
	Earning Per Share of Tk. 10.00 each	**0.37**	**0.19**

		2017 Taka	2016 Taka
32.0	**Cash Receipts from Customers**		
	Revenue	733,827,609	562,355,995
	Add: Opening Trade Debtors	(225,145,094)	245,715,962
		958,972,703	808,071,957
	Less: Closing Trade Debtors	(353,547,200)	(225,145,094)
		605,425,503	**582,926,864**
33.0	**Cash paid to suppliers, employees and others**		
	Cost of Goods Sold	655,108,570	483,963,773
	WPPF paid to beneficiary	1,367,730	1,732,064
	Add: Administrative Expenses	15,370,935	12,184,197
	Add: Selling & Distribution Expenses	8,982,100	5,895,421
	Less: Depreciation	(21,058,179)	(20,353,122)
		659,771,156	483,422,333
	Increase/(Decrease) in Inventories	(74,311,369)	(6,609,755)
		585,459,787	476,812,578
	(Increase)/Decrease in Current Liabilities	4,055,666	4,898,906
	Increase/(Decrease) in Current Assets	317,507,900	(67,680,821)
		907,023,353	**414,030,664**
34.0	**Cash Flows from Operating Activities under indirect method**		
	Profit before WPPF and Tax	21,618,387	28,722,331
	Add Expenses Not Requiring Cash:		
	Depreciation	21,058,179	20,353,122
	Other Adjustments:		
	(Increase)/Decrease in Accounts Receivable	(128,402,106)	20,570,869
	(Increase)/Decrease in Inventory	74,311,369	6,609,755
	(Increase)/Decrease in Advances, Deposits and Prepayments	(15,022,659)	(11,435,857)
	(Increase)/Decrease in Advances Tax paid	(59,921,657)	(24,429,228)
	(Increase)/Decrease in Inventory in transit	(302,485,241)	79,116,678
	Increase/(Decrease) in Accounts Payable	(1,728,067)	(6,526,136)
	Increase/(Decrease) WPPF Disburse to beneficiary	(1,367,730)	(1,732,064)
	Increase/(Decrease) in Other Payables	(2,327,599)	1,627,229
	Cash flows from operating activities	**(394,267,124)**	**112,876,699**

	2017 Taka	2016 Taka
Contingent liabilities		
Mercantile Bank Ltd. (Performance Bank Guarantee)	2,113,800	2,113,800
Tax Liability (Note 35.1)	-	817,419
	2,113,800	**2,931,219**

35.1 Tax Liability

Income Year	Assessment Year	**Liability**		**Status**
2012-2013	2014-2015	817,419		Processing for apply in appellate tribunal
Total		**817,419**		

36. 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.

37. Capacity Utilization

BOI approved capacity (pcs)	62,045,000	43,200,000
Installed capacity (pcs)	43,200,000	36,000,000
Actual production (pcs)	28,718,495	21,318,485
Capacity utilization	**66%**	**59%**

38. 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 BAS-24.

Name	Nature of relationship	Nature of transactions	2016-2017 Taka	2015-2016 Taka
Deshbandhu Sugar Mills Ltd.	Share Holder	Short Term Funding	Dr. 3,25,61,255	Dr. 3,235,016
		Account Receivables	Dr. 2,71,02,799	Dr. 26,387,628
Deshbandhu Distilleries Ltd.	Share Holder	Short Term Funding	Nil	Nil
Deshbandhu Cement Mills Ltd.	Common Directors	Short Term Funding	Dr. 3,25,61,255	Dr. 23,236,677
Fertilizer Marketing Corp.	Common Directors	Short Term Funding	Dr. 5,16,700	Dr. 326,176
		Account Receivables	Dr. 16,512,400	Dr. 16,512,400
Northern Shipping & Trading Co.	Common Directors	Short Term Funding	Nil	Nil
		Account Receivables	Dr.28,043,081	Dr.28,043,081
M R Trading	Common Directors	Short Term Funding	Dr. 6,44,87,002	Dr. 54,723,356
Sahera Auto Rice Mills Ltd.	Common Directors	Short Term Funding	Dr. 2,11,94,259	Dr. 11,194,259
		Account Receivables	Dr. 6,75,247	Dr. 437,747
Deshbandhu Group Ltd.	Common Directors	Short Term Funding	-	-

		2017 Taka	2016 Taka
39.	**Number of employees**		
	Number of employees	486	467
	Salary range		
	Monthly Taka 3,000 or above	486	467
	Monthly below Taka 3,000	Nil	Nil

40. Capital expenditure commitment

There was no capital expenditure contracted but not incurred or provided for as on June 30, 2017.

41. Contingent liabilities

There was no sums for which the company is contingently liable as on June 30, 2017.

42. Claims not acknowledged

There was no claims against the company not acknowledged as debt as on June 30, 2017.

43. 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, 2017.

44. Payment made in foreign currency

Except raw material purchase (Note: 21.5) no expenses including royalty. Technical expert and professional advisory fees, interest etc was incurred or paid in foreign currency.

45.0 Risk Factors & Management's Perception About The Risks

Bangladesh Financial Reporting Standard (BFRS) 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.

The management has overall responsibility for the establishment and oversight of the company's risk management framework. The company's risk management policies are established to identify and analyze the risks faced by the company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies, procedures and systems are reviewed regularly to reflect changes in market conditions and the company's activities. This note presents information about the company's exposure to each of the following risks, the company's objectives, policies and processes for measuring and managing risk, and its management of capital.

45.1 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.

45.2 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.

45.3 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.

45.4 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.

45.5 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 equipments carried out by the company ensures longer service life for the existing equipment and facilities.

45.6 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, Value Added Tax (VAT) Act 1991 and Value Added Tax (VAT) Rules 1991. 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.

45.7 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.

45.8 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.

45.9 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.

46.0 Events after the Reporting Period :

46.1 The Board of Directors in its meeting held on 26 October 2017 approved the financial statements for the year ended 30 June, 2017 and no dividend for the share holders.

46.2 The Board of Directors also authorized the Financial Statements for issue.

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

Chief Financial Officer	Company Secretary	Director	Managing Director

Dhaka
26 October, 2017

Schedule of Quantity-wise Raw Materials

1-Jul-2016 to 30-Jun-2017

Annexure-A-1

Particulars	1-Jul-2016 to 30-Jun-2017											
	Opening Balance (Including Recycle)			Purchased (Including 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	530,625	96.61	51,263,855	1,045,236	100.54	105,088,027	1,557,811	99.20	154,537,135	18,050	100.54	1,814,747
03. Polycom	50,800	88.16	4,478,528	174,600	89.52	15,630,192	199,275	89.17	17,770,010	26,125	89.52	2,338,710
04. CaCo3 & TPT	82,625	47.10	3,891,638	359,500	64.83	23,306,385	289,725	59.77	17,317,931	152,400	64.83	9,880,092
05. M.B White	22,300	171.27	3,819,321	188,201	166.38	31,312,882	183,801	166.97	30,689,857	26,700	166.38	4,442,346
06. H.D.P.E	36,125	124.98	4,514,903	599,071	119.98	71,876,539	634,321	120.26	76,286,459	875	119.98	104,983
07. L.D.P.E	78,250	143.98	11,266,435	498,500	144.69	72,127,965	576,750	144.59	83,394,400	-	144.69	-
08. L.L.D.P.E	65,825	107.31	7,063,681	579,990	123.61	71,684,880	579,065	121.74	70,497,593	66,750	123.61	8,250,968
01. PP Injection	-				85.77	-	-			-		
09. PP (Lami.G)	88,750	130.29	11,562,794	199,500	125.03	24,943,485	259,975	126.82	32,971,056	28,275	125.03	3,535,223
Indirect Materials												
Ink												
1. Red Ink	675	368.63	248,825	590	360.00	212,400	410	374.21	153,425	855	360.00	307,800
2. Black Ink	450	361.75	162,788	470	355.00	166,850	470	361.46	169,888	450	355.00	159,750
3. Green Ink	550	371.50	204,325	360	365.00	131,400	10	722.50	7,225	900	365.00	328,500
4. Orange Ink	350	366.11	128,139	750	365.00	273,750	925	365.42	338,014	175	365.00	63,875
5.Blue Ink	1,375	382.50	525,938	2,000	385.00	770,000	2,710	383.73	1,039,913	665	385.00	256,025
6.Yellow Ink	75	362.50	27,188	260	355.00	92,300	10	334.95	3,350	325	355.00	116,138
7. Flexo Thinner	1,280	184.59	236,275	1,236	189.59	234,333	1,396	185.01	258,268	1,120	189.59	212,341
8. Cotton Yarn	735	208.00	152,880	2,945	208.00	612,560	2,695	208.00	560,560	985	208.00	204,880
9.White Ink	50	340.00	17,000	350	330.00	115,500	350	331.43	116,000	50	330.00	16,500
10. Gerinium Ink	100	367.00	36,700	100	360.00	36,000	100	367.00	36,700	100	360.00	36,000
11. Violet Ink	25	228.00	5,700	350	228.00	79,800	200	28.50	5,700	175	456.00	79,800
12. Magenta Ink	25	475.00	11,875	450	475.00	213,750	175	475.00	83,125	300	475.00	142,500
M.B Beige	250	440.00	110,000	225	440.00	99,000	250	440.00	110,000	225	440.00	99,000
M.B Green	-	-	-	900	460.00	414,000	100	460.00	46,000	800	460.00	368,000
M.B Blue	75	440.00	33,000	775	440.00	341,000	500	440.00	220,000	350	440.00	154,000
M.B Red	200	440.00	88,000	225	440.00	99,000	250	440.00	110,000	175	440.00	77,000
MB Orange	75	440.00	33,000	235	440.00	103,400	10	440.00	4,400	300	440.00	132,000
MB Yellow	75	440.00	33,000	81	440.00	35,640	156	440.00	68,640	-	440.00	-
Medium Ink	150	300.00	45,000	325	300.00	97,500	300	300.00	90,000	175	300.00	52,500
PP Multifilament Yarn	2,940	218.00	640,920	3,700	218.00	806,600	1,950	218.00	425,100	4,690	218.00	1,022,420
PP Recycle Mixed	-	-	-	125,400	93.00	11,662,213	12,100	93.00	1,125,313	113,300	93.00	10,536,900
Total	**964,755**		**100,601,705**	**3,786,325**		**432,567,352**	**4,305,790**		**488,436,060**	**445,290**		**44,732,997**

ISLAM QUAZI SHAFIQ & CO.
CHARTERED ACCOUNTANTS

Schedule of Quantity-wise Finished Goods **Annexure-A-2**
1-Jul-2016 to 30-Jun-2017

Particulars	Opening			Production			Cost of Revenue			Closing		
	Quantity Pcs	rate	amount	Quantity Pcs	rate	amount	Quantity Pcs	rate	amount	Quantity Pcs	rate	amount
PP woven bag and liner.	1,414,228	22.60	31,961,572	28,718,495	22.30	640,422,438	29,368,323	22.31	655,108,570	764,400	22.60	17,275,440

Stock of spare parts **43,525,615**

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

Deshbandhu Polymer Limited

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

PROXY FORM

I/We.....of.....being a shareholder of **DESHBANDHU POLYMER LIMITED** appoint to Mr. / Mrs. / Miss. of..... as my/our proxy to attend and vote for me/us and on my /our behalf at the 11th Annual General Meeting of the Company to be held on Thursday December 21, 2017 at 9.00 A.M, at Factory Premises of the Company at Kawadi, Charsindur, Palash, Narsingdi, Bangladesh and at any adjournment thereof.

As witness my hand this..... day of.....2017

Signature of the Shareholder

Please affix
Revenue Stamp
of Tk. 20.00

Signature of the Proxy

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

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

Date:

Signature Verified

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

ii). A Shareholder entitled to attend and vote at the 11th Annual General Meeting may appoint a Proxy to attend and vote on his/her behalf. Duly stamped and Completed Proxy Form must be deposited at the share office of the Company at Aziz Bhaban (4th floor), 93, Motijheel C/A, Dhaka-1000, not later than 48 hours before the time fixed for the meeting.

.....

DESHBANDHU POLYMER LIMITED

ATTENDANCE SLIP

Name of The shareholder / Proxy																
Registered BO ID:																

I hereby record my attendance at the 11th Annual General Meeting of the Company to be held on Thursday December 21, 2017 at 9.00 A.M, at Factory Premises of the Company at Kawadi, Charsindur, Palash, Narsingdi, Bangladesh.

Signature of the Shareholder/Proxy

Nos. of the shares held (as on Record Date)

N.B.: 1. please present this Slip at the Reception Desk.

2. Please note that, 11th Annual General Meeting can only be attended by the honorable shareholders or properly constituted proxy/Attorney/Representative. Therefore, any friend or children accompanying with honorable shareholder or proxy can not be allowed into the Meeting Hall.

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