



ANNUAL REPORT

2017-2018



Deshbandhu Polymer Limited



Deshbandhu Polymer Limited



CONTENTS



PAGE

Profile of Board of Directors	04-06
Vision, Mission & Objectives	07
Certificates of ISO & BAPLC	08
Letter of Transmittal	09
Notice of the 12th Annual General Meeting	10
Board of Directors'	11
Company Profile	12
Directors' Report [5 Years financial Highlights (Annexure-D), Pattern of shareholding (Annexure-E) Classification of Shareholders by holding as on 30 June, 2018 (Annexure-F) Brief Resume of the Reappointed Directors (Annexure-G)	13-22
Board Meeting and Attendance as on 30 June, 2018 (Annexure-H)	23
Report of the Audit Committee	24-27
Report of the Nomination and Remuneration Committee (NRC)	28-29
CEO & CFO's Declaration to the Board (Annexure-A)	31-32
Compliance Certificate on Corporate Governance Guidelines (Annexure-B)	33
Compliance Status on Corporate Governance Guidelines (Annexure-C)	34-45
Auditors' Report & Audited Financial Statements	48-77
Attendance Slip & Proxy Form	79



Profile of Board of Directors



Golam Mostafa
Chairman

Mr. Golam Mostafa is one of the Sponsor Directors and Chairman of Deshbandhu Polymer Limited. He is one of the most promising and brilliant entrepreneurs that the Bangladesh Corporate World has ever witnessed. Mr. Mostafa, with his vibrant presence in the business arena over a period of three decades, has gathered immense knowledge of business and the know how 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.

Profile of Board of Directors

Mr. Golam Rahman is one of the Sponsor Directors as well as the Managing Director of Deshbandhu Polymer Limited. He is with an array of achievements and recognitions already listed in his name, is one of the most promising and eminent entrepreneurs of current times. Mr. Rahman grew up in an ideal and noble Muslim family. 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.



Golam Rahman
Managing Director

Mr. Md. Mainul Islam Lal is one of the Director, Representative of Deshbandhu Sugar Mills Limited; son of Dr. Abdul Waseque Ahmed and Mrs. Shahera Begum. Mr. Mainul Islam Lal grew up in an ideal and eminent Muslim family of Nagweshari, Kurigram. Mr. Mainul Islam Lal, from his early life after completing graduation started social activities which by has become visible by turning into a successful attempt to inspire the local youths. He is also a Director of Deshbandhu Sugar Mills Limited and Consultant of Sahera Auto Rice Mills Limited.



Md. Mainul Islam Lal
Director, Representative of
Deshbandhu Sugar Mills Ltd.



Profile of Board of Directors



Md. Akheruzaman
Director, Representative of
Deshbandhu Distilleries Ltd.

Mr. Md. Akheruzaman is one of the Director, Representative of Deshbandhu Distilleries Limited; son of Dr. Abdul Waseque Ahmed and Mrs. Shahera Begum. Mr. Md. Akheruzaman grew up in an ideal and noble Muslim family of Nagweshari, Kurigram. Mr. Md. Akheruzaman from his early life, after completing graduation engaged himself in various social activities. He is also a Director of Deshbandhu Sugar Mills Limited.



Md. Mofiz Uddin Chowdhury
Independent Director

Mr. Md. Mofiz Uddin Chowdhury; son of Sultan Ahmed and Mahmuda Khatun is an Independent Director of Deshbandhu Polymer Limited. 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, Managing Director of FAS Finance & Investment Limited and the Executive Director of HNS Group. He has total 38 years working experiences and his job responsibilities were Accounts and Budgeting Department, policy framing, supervision and inspection of Bank and non Banking financial institutions, Human Resources and Foreign exchange policy Department.



Our vision is to create material and social wellbeing of the shareholders, 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.



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



Our objectives are to conduct transparent business operation based on market mechanism within the legal & social frame work with the aim 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, 2018**

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, 2018 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 12th ANNUAL GENERAL MEETING

Notice is hereby given that the **12th ANNUAL GENERAL MEETING** of Deshbandhu Polymer Limited will be held on Monday, 24 December, 2018 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 receive, consider and adopt the Audited Financial Statements of the Company for the year ended 30 June 2018 together with the Auditors' Report and the Directors Report thereon.
2. To approve the dividend as recommended by the Board of Directors.
3. To elect Directors in place of retiring ones.
4. To appoint statutory Auditors for the year 2018-2019 and to fix of their remuneration.
5. To appoint Compliance Auditor for the year 2018-2019.

Dated, Dhaka
28 October, 2018

Sd/-
Md. Liakat Ali Khan
Company Secretary

Notes :

1. The Record Date of the Company is Thursday, 22 November, 2018. 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।



BOARD OF DIRECTORS

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

BOARD 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

STATUTORY 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	: 613,651,500 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, 2017
Business Line	: Manufacturing and Marketing of PP woven bag and liner

CORPORATE OFFICE :


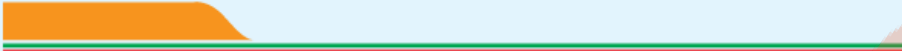
Mostafa Center
House # 59, Road # 27
Block # k, Banani, Dhaka-1213
Tel.: +88 02 58816731
Fax: +88 02 8815571
Email: dplshare@dbg.com.bd
Web: www.deshbandhupolymer.com

SHARE OFFICE :

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

REGISTERED OFFICE & FACTORY:

Kawadi, Charsindur
Palash, Narsingdi
Bangladesh



Directors' Report To the Shareholders for the year ended 30 June, 2018

Bismillahir Rahmanir Rahim

Distinguished Shareholders,

Assalamu Alaikum Wa Rahmatullah

On behalf of the Board of Directors of the Deshbandhu Polymer Limited, I am delighted to welcome you to the 12th Annual General Meeting of your company and have the pleasure of presenting the Annual Report along with Audited Financial statements for the year ended 30 June, 2018.

The Board of Directors has the pleasure in presenting the Annual Report for the year ended on 30th June 2018. 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.

Management's Discussion and Analysis:

Due to new enactment on using pp woven bags, the market demand has drastically further fallen down, despite that, our challenge in the financial year 2017-2018 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 is 29,000,108 pcs, while it was 28,718,495 pcs, during the last financial year.

The company made a net sale Tk.945,699,450.00 in the financial year 2017-2018 while it was Tk. 733,827,609.00 during the last financial year and the total comprehensive income Tk.34,418,853.00 in the financial year 2017-2018 while it was Tk. 20, 493,759.00 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 for 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.

Industry outlook and possible future developments in the industry:

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

Production-wise Performance:

We produced PP woven bags 29,000,108 pcs. against total capacity of 46,200,000 pcs. which is 63% of production capacity. We earned gross profit of Tk. 126,826,134.00 and net profit of Tk.34, 418,853.00.

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. 818,873,316.00 in 2017-2018 and Tk. 655,108,570.00 was in 2016-2017.
2. The gross profit ratio is in 13.41% 2017-2018 and was 10.73% in 2016-2017.
3. The net profit margin in 3.64% 2017-2018 and 2.87% in 2016-2017.



CONTINUITY OF ANY EXTRA-ORDINARY GAIN OR LOSS:

During the year 2017-2018 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	2017-2018 Taka	2016-2017 Taka
Deshbandhu Sugar Mills Ltd.	Share Holder	Short Term Funding	Dr. 1,57,71,297	Dr. 3,25,61,255
		Account Receivables	Dr. 1,41,98,893	Dr. 2,71,02,799
Deshbandhu Cement Mills Ltd.	Common Directors	Short Term Funding	Dr. 2,32,36,676	Dr. 3,25,61,255
	Common Directors	Account Receivables	Dr. 1,26,50,531	Nil
Fertilizer Marketing Corp.	Common Directors	Short Term Funding	Dr. 3,72,487	Dr. 5,16,700
		Account Receivables	Nil	Dr. 16,512,400
Northern Shipping & Trading Co.	Common Directors	Short Term Funding	Dr. 1,22,577	Nil
		Account Receivables	Nil	Dr.28,043,081
M R Trading	Common Directors	Short Term Funding	Dr. 12,93,65,774	Dr. 6,44,87,002
Sahera Auto Rice Mills Ltd.	Common Directors	Short Term Funding	Dr. 1,18,67,080	Dr. 2,11,94,259
		Account Receivables	Dr. 6,77,867	Dr. 6,75,247

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

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

Significant 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 2018.



2. Production during this year has significantly increased compared to the last financial year (the production of PP woven bags during the year are 29,000,108 pcs while it was 28,718,495 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 Board of directors & Independent Director.

Corporate And Financial Reporting Framework :

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

- 
- 
01. 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.
 02. Proper books of account of the company have been maintained.
 03. 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.
 04. 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 therefrom has been adequately disclosed.
 05. The system of internal control is sound in design and has been effectively implemented and monitored.
 06. 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.
 07. Significant deviations from the last year's operating results of the issuer company shall be highlighted and the reasons thereof should be explained (Stated in the Annual Report, Page No. 16).
 08. Key operating and financial data of at least preceding 5 (five) years shall be Summarized (**Annexed-D**).
 09. The number of Board meetings held during the year and attendance by each director shall be disclosed in the Directors' Report (**Annexure-H**).
 10. The pattern of shareholding shall be reported to disclose the aggregate number of shares (along with name wise details) (**Annexure-E**).
 11. In case of the appointment/re-appointment of a director the company shall disclose the following information to the shareholders (**Annexure-G**).
 12. A Management's Discussion and Analysis signed by CEO or MD presenting detailed analysis of the company's position and operations along with a brief discussion of changes in the financial statements, among others, focusing on:
 13. Declaration or certification by the CEO and the CFO to the Board as required under condition No. 3(3) shall be disclosed as per **Annexure-A**; and
 14. The report as well as certificate regarding compliance of conditions of this Code as required under condition No. 9 shall be disclosed as per **Annexure-B** and **Annexure-C**.

Going Concern:

The company has adequate resources to continue 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 5% cash dividend for all shareholders for the year ended 30 June, 2018 to those, whose name will appear in the share register of the company or in the depository register on the record date 22 November, 2018 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 125 & 127 of the Articles of Association of the Company Mr. Md. Mainul Islam Lal, Director Representative of Deshbandhu Sugar Mills Limited & Mr. Md. Akheruzaman Director Representative of Deshbandhu Distilleries Limited will retire by rotation in this Annual General Meeting and being eligible offer themselves for re-appointment. They are recommended for re-appointment.

Auditor:

As per condition under clause (b) of the order No. SEC/CMRRCD/2009-193/104/Admin..... Dated July 27, 2011 imposed by Securities and Exchange Commission, the retiring auditor M/s. Islam Quazi Shafique & Co, Chartered Accountants, are not being eligible for reappointment as auditors since they have already completed their assignment as auditors for 3 (Three) consecutive years.

Therefore, as per Order No. SEC/CMRRCD/2009-193/104/Admin..... Dated July 27, 2011 of Bangladesh Securities and Exchange Commission, the new Auditors Mahefi Huq & Co. Chartered Accountants expressed their willingness to carry out audit for the year ending 30 June, 2019. Their offer may be accepted at the forthcoming 12th Annual General Meeting of the Company at a fee of Tk.1,25,000.00 (One lac twenty five thousand Only).

Shareholding Pattern :

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



ANNEXURE - D
05 (Five) Year's Financial Highlights

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

Particulars	2018	2017	2016	2015	2014
Revenue	945,699,450	733,827,609	562,355,995	614,632,078	636,598,964
Cost of Sales	(818,873,316)	(655,108,570)	(483,963,773)	(543,452,848)	(523,532,264)
Gross Profit	126,826,134	78,719,039	78,392,222	71,179,229	113,066,701
Administrative Expenses	(20,622,257)	(15,370,935)	(12,184,197)	(15,788,604)	(14,053,099)
Selling and Distribution Expenses	(13,510,565)	(8,982,100)	(5,895,421)	(8,099,434)	(6,610,960)
Operating Profit	92,693,312	54,366,004	60,312,604	47,291,191	92,402,642
Financing cost	(58,227,847)	(43,922,447)	(42,347,348)	(35,035,103)	(31,821,667)
Financing income	11,497,138	11,174,830	10,757,075	9,507,470	24,515,110
Net profit/ (Loss) before WPPF and income tax	45,962,603	21,618,387	28,722,331	21,763,558	85,096,085
Provision for Contribution to WPPF	(2,188,695)	(1,029,447)	(1,367,730)	(1,036,360)	(4,052,195)
Net profit / (Loss) before income tax	43,773,907	20,588,940	27,354,601	20,727,198	81,043,890
Current tax	(10,943,477)	(5,147,235)	(1,687,068)	(1,843,896)	(7,934,248)
Deferred tax	1,588,423	4,940,565	(15,257,559)	4,159,873	(19,875,950)
Net Profit after tax for the year	34,418,853	20,382,270	10,409,975	23,043,175	53,233,693
Increase/Diminution in the value of investment in share	-	111,489	(59,067)	(13,426)	(36,138)
Total Comprehensive Income for the year	34,418,853	20,493,759	10,350,907	23,029,749	53,197,554
Earning Per Share of Tk. 10 each (2018-restated)	0.56	0.37	0.19	0.41	0.95



ANNEXURE - E Pattern of Shareholding as on 30 June, 2018

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

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

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

Sl. No.	Shareholding position	No. of Share	Remarks
01.	Deshbandhu Sugar Mills Limited	14,726,866	Mentioned in the Sl.No.3 of Annexure-E

ANNEXURE - F**Classification of Shareholders by Holding 61,365,150 Shares as on 30 June, 2018**

Sl. No.	Range of Shareholding	No. of holders	Holding	Percentage %
1.	Less than 500 shares	2,944	435,269	0.709%
2.	500 to 5,000 shares	5,679	8,218,012	13.392%
3.	5,001 to 10,000 shares	642	4,752,314	7.744%
4.	10,001 to 20,000 shares	390	5,552,925	9.049%
5.	20,001 to 30,000 shares	134	3,343,095	5.448%
6.	30,001 to 40,000 shares	78	2,736,115	4.459%
7.	40,001 to 50,000 shares	42	1,900,783	3.098%
8.	50,001 to 1,00,000 share	64	4,576,837	7.458%
9.	1,00,001 to 10,00,000 share	39	7,820,517	12.744%
10.	10,00,001 to 100,00,00,000 shares	7	22,029,283	35.899%
Total		10,019	61,365,150	100%

Category wise shareholding as on 30th June, 2018 is summarized as follows :

Category	Total Shareholders	Total Shareholding	Percentage%
Sponsor and Director	10	20,583,388	33.54%
General Public (Including Financial Institute)	10,009	40,781,762	66.46%
Total	10,019	61,365,150	100%



ANNEXURE - G

Brief Resume of the Reappointed Directors

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

MR. MD. MAINUL ISLAM LAL:

Mr. Md. Mainul Islam Lal is one of the Directors, Representative of Deshbandhu Sugar Mills Limited; son of Dr. Abdul Waseque Ahmed and Mrs. Shahera Begum. Mr. Mainul Islam Lal grew up in an ideal and eminent Muslim family of Nagweshari, Kurigram. Mr. Mainul Islam Lal, from his early life after completing graduation started social activities which by has become visible by turning into a successful attempt to inspire the local youths. He is also a Director of Deshbandhu Sugar Mills Limited and Consultant of Sahera Auto Rice Mills Limited.

MR. MD. AKHERUZAMAN:

Mr. Md. Akheruzaman is one of the Directors, Representative of the Deshbandhu Distilleries Limited; son of Dr. Abdul Waseque Ahmed and Mrs. Shahera Begum. Mr. Md. Akheruzaman grew up in an ideal and noble Muslim family of Nagweshari, Kurigram. Mr. Md. Akheruzaman from his early life, after completing graduation engaged himself in various social activities. He is also a Director of Deshbandhu Sugar Mills Limited.

Conclusion:

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

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

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

Looking forward for a bright future for all of us.

Thanking you,
On behalf of the Board of Directors,

Golam Mostafa
Chairman

ANNEXURE - H

Board Meeting and Attendance as on June 30, 2018:

[As per condition No. 1(6)]

During the year under report, 08(eight) Board Meetings were held. The attendance records of the Directors were as follows:

Sl	Name of Directors	Position	Meeting Held	Attendance	Remarks
1.	Mr. Golam Mostafa	Chairman	8	7	
2.	Mr. Golam Rahman	Managing Director	8	8	
3.	Mr. Md. Mainul Islam Lal Director, Representative of Deshbandhu Sugar Mills	Director	8	7	
4.	Mr. Md. Akheruzaman Director, Representative of Deshbandhu Distilleries Ltd.	Director	8	8	
5.	Mr. Md. Mofiz Uddin Chowdhury	Independent Director	8	4	

Governance of Board of Directors of Subsidiary Company:

There is no Subsidiary Company of the issuer Company

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

The Board of Directors has designated Md. Rafiqul Islam, Chief Financial Officer, moreover Khandoker Alauddin Al Kowser is Head of Internal Audit and Md. Liakat Ali khan is continuing as Company Secretary of the company.

Role of the Chief Financial Officer, Company secretary and Head of internal Audit & Compliance:

The chief financial officer, the company secretary and the head of internal audit & compliance of the company are the three separate persons as per BSEC'S corporate governance code. The chief financial officer and the company secretary regularly advise and assist the board on financial strategy and compliance issues of the regulatory bodies respectively. The chief financial officer and the company secretary are also attending the board meetings as per corporate governance code of BSEC.

Requirement to attend Board of Directors' Meetings:

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

Duties of Managing Director (MD) or Chief Executive Officer (CEO) and Chief Financial Officer (CFO):

The MD and CFO shall certify to the Board of Directors that, they have reviewed financial statements for the year 30 June, 2018 and that to the best of their knowledge and belief.

Separate Role of the Chairman and Managing Director:

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



Chairman's core responsibilities:

- Determines board strategic director;
- Provides leadership of the Board;
- Encouraging a culture of openness to foster a high-performing team of Directors that operates effectively;
- Facilitating the relationship between the Board and the Managing Director;
- Maintains effective communication between the Board, management of the company and shareholders generally.

Managing Director's core responsibilities:

- Provides leadership for the management;
- Oversees the realization by the company of the objectives determined by the Board;
- Provides information to the Board as is necessary to enable the Board to monitor the performance of management;
- Leads the management of the company's relationship with its stakeholders;
- Puts in place programs for management development and succession;
- Establishes and maintains proper internal control and risk mitigation;
- Discharge such duties and authorities as may be delegated in writing to him by the board.

Board of Director's Committee:

- (i) Subcommittee of Board of Directors for good governance of the Company;
- (ii) Nomination and Remuneration Committee (NRC);

Report of the Audit Committee:

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

AUDIT COMMITTEE:

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

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

SI. No.	Name of the Members of the Audit Committee	Position of the Audit Committee
01.	Mr. Md. Mofiz Uddin Chowdhury	Chairman
02.	Mr. Golam Mostafa	Member
03.	Mr. Golam Rahman	Member
04.	Mr. Md. Liakat Ali Khan	Company Secretary

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

Meeting And Attendance by the Members:

During the financial year ended on 30 June, 2018 the Audit Committee had sat in 04 nos. of meetings and the proceedings of the meetings of the Audit Committee were reported regularly to the Board of Directors. The number of the Audit Committee meetings held and attendance of each member during the year 2017-2018 are mentioned below:

Name of the Members	Position of the Audit Committee	No. of Meetings held during the year ended 30 June, 2018.	Meetings attended
Mr. Md. Mofiz Uddin Chowdhury	Chairman	4	4
Mr. Golam Mostafa	Member	4	4
Mr. Golam Rahman	Member	4	4
Mr. Md. Liakat Ali Khan	Company Secretary	4	4

Qualification of Members of the Audit Committee:

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

Roles and Responsibilities of the Audit Committee:

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

During the financial year ended 30 June, 2018 the Audit Committee of the company accomplished the following:

- Oversee the financial reporting process
- Monitored and reviewed the quarterly, half yearly and periodic financial statements, other financial results of the company and basis of its review and recommendation the Board of Directors considered those and given its approval.
- Reviewed and recommended various issues preparation the quarterly and Annual Financial statements.
- Submitted reports to the Board of Directors on internal control issues and deviations on the basis of internal audit reports.
- Reviewed and monitored compliance issues with laws, rules, regulations, code of conducts etc. with a view to safeguard the interest of all stakeholders of this company.



- Reviewed the performance of the external auditors of the company and assessed their independence;
- Reviewed the statements of significant related party transaction submitted by the management from time to time.
- Overseen other issues within the terms of the code of conduct of the audit committee.
- Recommended to the Board of directors to consider the appointment of the statutory auditors of the company for the next financial year 2018-2019 in place of the new auditors consideration the proposal of the stakeholders.

Activities of the Audit Committee during the period ended on 30 June 2018:

During the period ended on 30 June 2018, the Audit committee had discharged the responsibilities as mentioned below:

Financial Reporting:

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

Internal Control:

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

Audit Committee Reports:

The Audit Committee has prepared the annual audit committee report and submitting it to the Board which includes the composition of the audit Committee, its terms of reference, number of meetings held, summary of its activities during the financial year 2017-2018 and the existence of the internal audit services and summary of the activities for its inclusion in the audit report.

Internal Audit:

During the period under review the Audit Committee had also overseen and reviewed the procedure and tasks of the internal audit department. The Committee has been satisfied that the Internal Audit Team has the competency and qualifications to complete its mandates and accomplish according to the approved audit plans. It observed that the internal audit has full, free and unrestricted access to all activities, records, property and other issues necessary to perform its responsibilities. The audit committee also got the co-operation of the internal audit team in carrying out its duties and responsibilities during the financial year 2017-2018.

External Audit:

The Committee has forwarded the draft financial statements (which were placed to it by the management earlier) to the external auditors after its review. The Board has to approve the audited financial statements and place to before the members of the company for their discussion and consideration in the forthcoming 12th Annual General Meeting. It also reviewed the matters concerning the appointment and re-appointment, audit fee of the external auditors.

Related Party Transaction:

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



Reporting to the Authorities:

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

Reporting to the Share holders and General Investors:

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

Dated: October 28, 2018

Md. Mofiz Uddin Chowdhury
Chairman of the Audit Committee





Report of the Nomination and Remuneration Committee (NRC):

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

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

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

Qualification of the NRC Committee Members:

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

Roles and Responsibilities:

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

The Committee discharged its responsibility by holding a meeting in the financial year 2017-2018 and provided required advises and suggestions to the Board of Directors management to execute those duly.

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

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

During the year under review the committee has evaluated for recommendation of 02(two) non-executive Director-(i) Mr. Md. Mainul Islam Lal, Director Representative of the Deshbandhu Sugar Mills Limited (ii) Mr. Md. Akheruzaman, Director Representative of the Deshbandhu Distilleries Limited who were to resign by rotation and eligible for their re-elections/appointments as per the provisions of the Article of association of the company.

Meeting attendance by the Members:

The committee held 01 (one) no. of meeting during the period ended on 30 June, 2018. The committee has placed its report to the Board of Directors in due course.

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

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

During the financial year 2017-2018 the NRC accomplished the following:

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



Mr. Md. Mofiz Uddin Chowdhury

Chairman
Nomination and Remuneration Committee (NRC)
&
Independent Director



Maintaining a Website of the Company

[As per condition No. 8]

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



ANNEXURE –A

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

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

Dated: 28 October, 2018

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

Sub.: Declaration on Financial Statements for the year ended on 30 June, 2018

Dear Sirs,

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

- (1) The Financial Statements of Deshbandhu Polymer Limited for the year ended on 30 June, 2018 have been prepared in compliance with International Accounting Standards (IAS) or International Financial Reporting Standards (IFRS), as applicable in the Bangladesh and any departure there from has been adequately disclosed;
- (2) The estimates and judgments related to the financial statements were made on a prudent and reasonable basis, in order for the financial statements to reveal a true and fair view;
- (3) The form and substance of transactions and the Company's state of affairs have been reasonably and fairly presented in its financial statements;
- (4) To ensure above, the Company has taken proper and adequate care in installing a system of internal control and maintenance of accounting records;
- (5) Our internal auditors have conducted periodic audits to provide reasonable assurance that the established policies and procedures of the Company were consistently followed; and
- (6) The management's use of the going concern basis of accounting in preparing the financial statements is appropriate and there exists no material uncertainty related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern.



In this regard, we also certify that: -

- (i) We have reviewed the financial statements for the year ended on 30 June, 2018 and that to the best of our knowledge and belief:
 - (a) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - (b) These statements collectively present true and fair view of the Company's affairs and are in compliance with existing accounting standards and applicable laws.
- (ii) There are, to the best of knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or in violation of the code of conduct for the company's Board of Directors or its members.

Sincerely yours,

Md. Rofiqul Islam
Chief Financial Officer

Golam Rahman
Managing Director



Annexure-B

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

REPORT TO THE SHAREHOLDERS OF
DESHBANDHU POLYMER LIMITED
On
Compliance on the Corporate Governance Code

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

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

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

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

- The Company has complied with the conditions of the Corporate Governance Code as stipulated in the above mentioned Corporate Governance Code issued by the Commission or not complied (if not complied, specify non-compliances);
- The company has complied with the provisions of the relevant Bangladesh Secretarial Standards (BSS) as adopted by the Institute of Chartered Secretaries of Bangladesh (ICSB) as required by this Code or not complied (if not complied, specify non-compliances);
- Proper books and records have been kept by the company as required under the Companies Act, 1994, the securities laws and other relevant laws or not complied (if not complied, specify non-compliances); and
- The governance of the company is highly satisfactory or satisfactory or not satisfactory.

For, S.R. Islam & Co,



S. R. Islam

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

Place: Dhaka
Date: November 08, 2018



Annexure-C

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

Corporate Governance Compliance Status Report

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

(Report under Condition No. 9)

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

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



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

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
1(5)(x)	A statement of remuneration paid to the directors including independent directors;	✓		
1(5)(xi)	A statement that the financial statements prepared by the management of the issuer company present fairly its state of affairs, the result of its operations, cash flows and changes in equity;	✓		
1(5)(xii)	A statement that proper books of account of the issuer company have been maintained;	✓		
1(5)(xiii)	A statement that appropriate accounting policies have been consistently applied in preparation of the financial statements and that the accounting estimates are based on reasonable and prudent judgment;	✓		
1(5)(xiv)	A statement that International Accounting Standards (IAS) or International Financial Reporting Standards (IFRS), as applicable in Bangladesh, have been followed in preparation of the financial statements and any departure there from has been adequately disclosed;	✓		
1(5)(xv)	A statement that the system of internal control is sound in design and has been effectively implemented and monitored;	✓		
1(5)(xvi)	A statement that minority shareholders have been protected from abusive actions by, or in the interest of, controlling shareholders acting either directly or indirectly and have effective means of redress;	✓		
1(5)(xvii)	A statement that there is no significant doubt upon the issuer company's ability to continue as a going concern, if the issuer company is not considered to be a going concern, the fact along with reasons thereof shall be disclosed;			Not Applicable
1(5)(xviii)	An explanation that significant deviations from the last year's operating results of the issuer company shall be highlighted and the reasons thereof shall be explained;	✓		Not Applicable
1(5)(xix)	A statement where key operating and financial data of at least preceding 05 (five) years shall be summarized;	✓		(Annexure-D)
1(5)(xx)	An explanation on the reasons if the issuer company has not declared dividend (cash or stock) for the year;	✓		Stated in the annual Report
1(5)(xxi)	Board's statement to the effect that no bonus share or stock dividend has been or shall be declared as interim dividend;	✓		0% cash dividend declared
1(5)(xxii)	The total number of Board meetings held during the year and attendance by each director;	✓		(Annexure-H)
1(5)(xxiii)	A report on the pattern of shareholding disclosing the aggregate number of shares (along with name-wise details where stated below) held by:-	✓		(Annexure-E)
1(5)(xxiii)(a)	Parent or Subsidiary or Associated Companies and other related parties (name-wise details);	✓		Sl. No. 3, 4 & 5 of annexure-E are associate companies
1(5)(xxiii)(b)	Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer, Head of Internal Audit and Compliance and their spouses and minor children (name-wise details);	✓		(Annexure-E)
1(5)(xxiii)(c)	Executives; and	✓		(Annexure-E)
1(5)(xxiii)(d)	Shareholders holding ten percent (10%) or more voting interest in the company (name-wise details); Explanation: For the purpose of this clause, the expression "executive" means top 5 (five) salaried employees of the company, other than the Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer and Head of Internal Audit and Compliance.	✓		(Annexure-E)



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

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



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

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



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

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

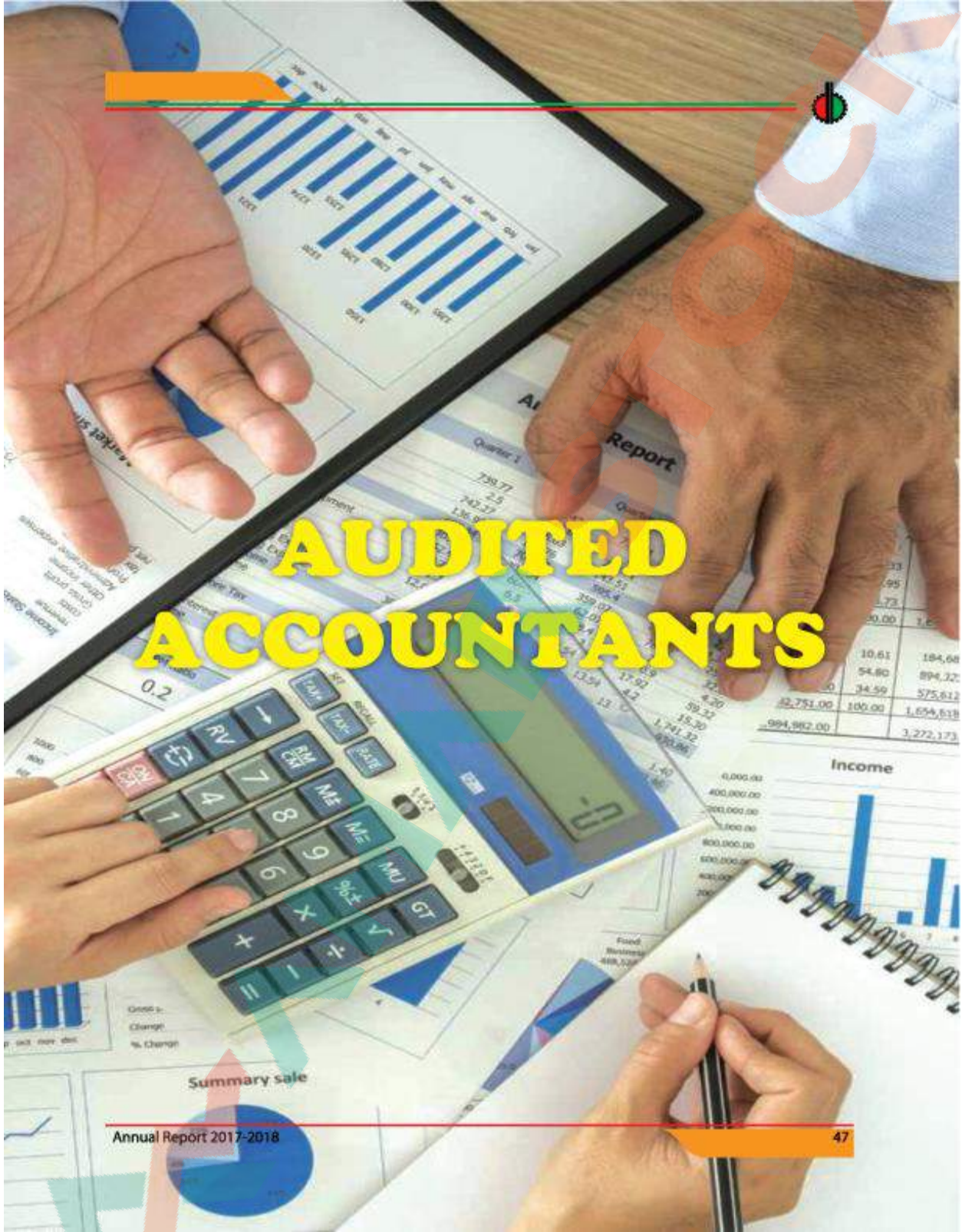


Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
6(5)(b)(i)	devising a policy on Board's diversity taking into consideration age, gender, experience, ethnicity, educational background and nationality;	✓		
6(5)(b)(ii)	identifying persons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

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
9.	Reporting and Compliance of Corporate Governance:-			
9(1)	<p>The company shall obtain a certificate from a practicing Professional Accountant or Secretary (Chartered Accountant or Cost and Management Accountant or Chartered Secretary) other than its statutory auditors or audit firm on yearly basis regarding compliance of conditions of Corporate Governance Code of the Commission and shall such certificate shall be disclosed in the Annual Report.</p> <p>Explanation: "Chartered Accountant" means Chartered Accountant as defined in the Bangladesh Chartered Accountants Order, 1973 (President's Order No. 2 of 1973); "Cost and Management Accountant" means Cost and Management Accountant as defined in the Cost and Management Accountants Ordinance, 1977 (Ordinance No. LIII of 1977); "Chartered Secretary" means Chartered Secretary as defined in the সিআইসিএস আইন, ২০১০ (২০১০ সনের ২৫ নং আইন) (Chartered Secretaries Act, 2010). The company shall obtain a certificate from a practicing Professional Accountant or Secretary (Chartered Accountant or Cost and Management Accountant or Chartered Secretary) other than its statutory auditors or audit firm on yearly basis regarding compliance of conditions of Corporate Governance Code of the Commission and shall such certificate shall be disclosed in the Annual Report.</p> <p>Explanation: "Chartered Accountant" means Chartered Accountant as defined in the Bangladesh Chartered Accountants Order, 1973 (President's Order No. 2 of 1973); "Cost and Management Accountant" means Cost and Management Accountant as defined in the Cost and Management Accountants Ordinance, 1977 (Ordinance No. LIII of 1977); "Chartered Secretary" means Chartered Secretary as defined in the সিআইসিএস আইন, ২০১০ (২০১০ সনের ২৫ নং আইন) (Chartered Secretaries Act, 2010).</p>	✓		
9(2)	The professional who will provide the certificate on compliance of this Corporate Governance Code shall be appointed by the shareholders in the annual general meeting.	✓		A Separate Agenda to be provided in the ensuing 12th AGM
9(3)	The directors of the company shall state, in accordance with the Annexure-C attached, in the directors' report whether the company has complied with these conditions or not.	✓		


Golam Rahman
 Managing Director







ISLAM QUAZI SHAFIQUE & CO.

Chartered Accountants

AL-HAJ SHAMSUDDIN MANSION

4TH FLOOR, ROOM # C, 17, NEW ESKATON ROAD

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PARTNERS:

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

Biplab Hossain FCA

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS of Deshbandhu Polymer Limited.

Report on the Financial Statements

We have audited the accompanying financial statements of Deshbandhu Polymer Limited, which comprise the statement of financial position as at 30 June 2018, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Bangladesh Financial Reporting Standards (BFRS), the Companies Act 1994, the Securities and Exchange Rules 1987, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility:

Our responsibility is to express an 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 comply with relevant ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of the risk of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion:

In our opinion, the financial statements give a true and fair view of the financial position of the company as at 30 June 2018 and of its financial performance and its cash flows for the year ended in accordance with Bangladesh Financial Reporting Standards (BFRS).

Report on Other Legal and Regulatory Requirements

In accordance with the Companies Act 1994 and the Securities and Exchange Rules 1987, we also report the following:

- 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;
- 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;
- the statement of financial position and the statement of profit or loss and other comprehensive income dealt with by the report are in agreement with the books of account and returns; and
- the expenditure incurred was for the purposes of the company's business.

Dhaka
28 October, 2018.


ISLAM QUAZI SHAFIQUE & CO.
CHARTERED ACCOUNTANTS

Deshbandhu Polymer Limited
Statement of Financial Position
as at 30 June 2018

	Notes	2018 Taka	2017 Taka
Assets			
Non-Current Assets			
Property, Plant & Equipment At Cost/revaluation	4	514,937,045	499,373,269
Accumulated depreciation		(160,511,475)	(138,444,168)
		354,425,570	360,929,101
Investment	5	716,928	716,928
		355,142,498	361,646,029
Current Assets			
Inventory	6	143,522,703	117,596,205
Inventory in Transit	7	373,854,439	336,932,180
Accounts Receivable	8	300,323,635	353,547,200
Inter Company Receivable	9	178,987,434	146,843,968
Advance, Deposit and Prepayments	10	169,892,545	92,997,781
Advance Income Tax	11	223,311,071	189,090,822
Cash and Cash Equivalent	12	15,844,062	34,199,542
		1,405,735,889	1,271,207,697
Total Assets		1,760,878,386	1,632,853,731
Equity and Liabilities			
Shareholders' Equity			
Share Capital	14	613,651,500	557,865,000
Retained Earnings		45,845,539	67,213,186
		659,497,039	625,078,186
Non-Current Liabilities			
Deferred Tax Liability	13	70,797,650	72,386,073
Current Liabilities			
Bank Overdraft	15	240,658,591	214,637,190
Short Term Loan	16	717,600,546	660,786,774
Accounts Payable	17	7,587,964	7,545,858
Other Payables	18	8,039,454	7,820,235
Share Money Refundable	20	14,924,500	14,929,500
Worker's Profit Participation Fund	21	2,188,695	1,029,447
Provision for Income Tax	22	39,583,946	28,640,469
		1,030,583,697	935,389,473
Total Equity and Liabilities		1,760,878,386	1,632,853,731
Net Asset Value (NAV) per share		10.75	11.20

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
28 October, 2018




ISLAM QUAZI SHAFIQUE & CO.
CHARTERED ACCOUNTANTS



ISLAM QUAZI SHAFIQUE & CO.
CHARTERED ACCOUNTANTS

Deshbandhu Polymer Limited

Statement of Profit or Loss and Other Comprehensive Income for the year ended 30 June 2018

	Notes	2018 Taka	2017 Taka
Revenue	23	945,699,450	733,827,609
Cost of revenue	24	(818,873,316)	(655,108,570)
Gross profit		126,826,134	78,719,039
Administrative Expenses	27	(20,622,257)	(15,370,935)
Selling & Distribution Expenses	28	(13,510,565)	(8,982,100)
Operating profit		92,693,312	54,366,004
Financing cost	29	(58,227,847)	(43,922,447)
Financing income	30	11,497,138	11,174,830
Net profit/(loss) before WPPF and income tax		45,962,603	21,618,387
Provision for Contribution to WPPF	21	(2,188,695)	(1,029,447)
Net profit/(loss) before income tax		43,773,907	20,588,940
Provision for income tax:			
Current Tax	22	(10,943,477)	(5,147,235)
Deferred Tax	13	1,588,423	4,940,565
Net profit after tax for the year		34,418,853	20,382,270
Other Comprehensive income:			
Increase/Diminution in the value of investment in share	5	-	111,489
Total Comprehensive income for the year		34,418,853	20,493,759
Earning per share of Tk. 10.00 each (2018-restated)	31	0.56	0.37

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
28 October, 2018




ISLAM QUAZI SHAFIQUE & CO.
CHARTERED ACCOUNTANTS



ISLAM QUAZI SHAFIQUE & CO.
CHARTERED ACCOUNTANTS

Deshbandhu Polymer Limited
Statement of Changes in Shareholders Equity
For the year ended 30 June, 2018

Particulars	Share Capital Taka	Retained earnings Taka	Total Taka
Balance as at 30 June 2017	557,865,000	67,213,186	625,078,186
Stock Dividend	55,786,500	(55,786,500)	-
Net profit after tax for the year	-	34,418,853	34,418,853
Balance as at 30 June 2018	613,651,500	45,845,539	659,497,039

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
Balance as at 30 June 2017	557,865,000	67,213,186	625,078,186

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
28 October, 2018




ISLAM QUAZI SHAFIQUE & CO.
CHARTERED ACCOUNTANTS



ISLAM QUAZI SHAFIQUE & CO.
CHARTERED ACCOUNTANTS

Deshbandhu Polymer Limited
Statement of Cash Flows
for the year ended 30 June, 2018

Assets	Notes	2018 Taka	2017 Taka
A. Cash flows from operating activities:			
Cash received from customer	32	998,923,016	605,425,503
Cash paid to suppliers, employees and others	33	(971,450,470)	(907,023,353)
Cash generated/used in operations		27,472,546	(301,597,850)
Cash received from Financing income		11,497,138	11,174,830
Financing cost paid		(58,227,847)	(43,922,447)
Income Tax Paid		(34,220,249)	(59,921,657)
Net cash used in operating activities	34	(53,478,412)	(394,267,124)
B. Cash flow from investing activities:			
Purchase of property, plant and equipment		(15,563,775)	(24,264,518)
Disposal of shares		-	-
Net cash used in investing activities		(15,563,775)	(24,264,518)
C. Cash flow from financing activities:			
Short term loan repaid		56,813,772	497,866,979
Bank Overdraft		26,021,401	(2,091,931)
Share money refund		(5,000)	-
Other finance- Inter company		(32,143,466)	(54,128,484)
Net cash from financing activities		50,686,707	441,646,563
Net cash inflow / (outflow) (A+B+C)		(18,355,480)	23,114,921
Cash and cash equivalent at the beginning		34,199,542	11,084,622
Cash and cash equivalent at the closing		15,844,062	34,199,542
Cash and cash equivalent at the closing:			
Cash in hand		3,977,459	2,628,234
Cash at Banks		11,866,603	31,571,308
		15,844,062	34,199,542
Net Operating Cash flow per share		(0.87)	(7.07)

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
28 October, 2018




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, 2018

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 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.

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:



ISLAM QUAZI SHAFIQUE & CO.
CHARTERED ACCOUNTANTS

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 Expense

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 2017-2018

Types of assets	Cost		Addition during the Year	Cost as at 30.06.18	Rate	Depreciation		Written down value 30.06.18
	Cost as at 01.07.17	Cost as at 30.06.18				Cumulative as at 01.07.17	Charged during the month	
Land & land development	70,860,737	70,860,737			-	-		70,860,737
Building	70,125,993	70,125,993			2.5%	1,753,150	13,686,255	56,239,738
Plant & machinery	321,592,566	330,514,843	8,922,277		5%	16,302,685	118,352,118	212,162,725
Furniture & fixtures	554,456	563,956	9,500		10%	55,921	338,493	225,463
Electric & other appliances	32,164,399	38,239,437	6,075,038		10%	22,023,533	25,543,724	12,695,713
Office machinery and equipment	1,553,235	2,063,696	510,461		10%	820,678	1,001,524	1,062,172
Vehicles	2,521,883	2,566,383	46,500		10%	1,134,847	1,389,361	1,179,022
Total	499,373,269	514,937,045	15,563,776			22,067,307	160,511,475	354,425,570

Depreciation charged to

	2018	2017
	Taka	Taka
Manufacturing expenses	20,963,942	20,005,270
Administrative Expenses	1,103,365	1,052,909
	22,067,307	21,058,179





ISLAM QUAZI SHAIQUE & CO.
CHARTERED ACCOUNTANTS

	2018 Taka	2017 Taka
5.0 Investment in Shares		
EXIM Bank Ltd. (Note : 5.01)		
Opening Balance	716,928	605,439
Decrease/Increase of Share price	-	111,489
Closing balance	716,928	716,928

5.1 EXIM Bank Ltd.

Number of Share	Cost per share	Total cost	Market price as on 30.06.2018	Total market value 30.6.18	Total market value 30.6.17	Increased
73,834	9.71	716,928	11.90	878,625	716,928	161,697

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	6,08,013 Kgs	70,304,304	44,732,997
Work in process (WIP)	1,65,349.3 Kgs	22,912,718	12,062,153
Finished goods	7,68,300 Pcs	16,780,066	17,275,440
Stock of spare parts		33,525,615	43,525,615
		143,522,703	117,596,205

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

7.0 Inventory in Transit

Raw materials-in-transit	335,008,579	333,080,301
Spare parts-in-transit	38,845,860	3,851,879
	373,854,439	336,932,180

8.0 Accounts Receivable

First Party	48,111,078	82,642,535
Third party	167,721,654	148,928,879
Inhouse Party	43,361,388	74,978,429
Corporate party	41,129,515	46,997,357
	300,323,635	353,547,200

Analysis of Accounts Receivable:

Receivable due below six months	210,226,545	247,483,040
Receivable due over six months	90,097,091	106,064,160
	300,323,635	353,547,200

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	2,018	2017
Deshbandhu Sugar Mills Ltd.	29,970,190	27,192,799
Deshbandhu Consumer & Agro Products Ltd.	62,800	264,490
Deshbandhu Cement Mills Ltd.	12,650,531	-
Fertilizer Marketing Corp.	-	165,124,000
Northern Shipping & Trading Co.	-	280,430,811
Sahera Auto Rice Mills Ltd.	677,867	675,247
	43,361,388	74,978,429

9.0 Inter company receivable

Deshbandhu Cement Mills Ltd.	23,236,676	32,561,255
Ajkaler Khabar	559,500	559,500
M R Trading	129,365,774	64,487,002
Comodities Trading Company	1,697,000	1,347,000
FMC	372,488	372,488
NSTC	122,578	122,578
Deshbandhu Shipping	356,805	356,805
Deshbandhu Food & Beverage Ltd.	11,066,700	516,700
Sahera Auto Rice Mills Ltd.	11,867,080	21,194,259
Deshbandhu Sugar Mills Ltd.	-	25,136,548
Shahera Wasek Foundation	189,833	189,833
Deshbandhu Packaging Ltd.	153,000	-
	178,987,434	146,843,968

9.1 The above inter company receivable bears interest at the rate 07.00% per year.





ISLAM QUAZI SHAFIQUE & CO.
CHARTERED ACCOUNTANTS

	2018 Taka	2017 Taka
10.0 Advance, deposit and prepayment		
Advance, deposit and prepayment (Note:10.1)	143,776,554	68,184,106
Advance, deposit and prepayment (Note:10.2)	26,115,991	24,813,675
	169,892,545	92,997,781
10.1 Advances		
Advance VAT against purchase (Note:10.1.1)	8,193,679	4,894,737
Deshbandhu C & F	18,749,089	25,156,078
Others VAT on source	-	323,202
S K Mahmud & Sons	15,821,356	15,821,356
Capital Work-in- Progress	65,635,138	7,800,000
Salary and other advance	24,321,159	10,521,326
	132,720,421	64,516,699
Deposits		
Bank guarantee (margin)	1,782,008	1,723,465
Security deposit	20,000	20,000
Other advance	9,254,125	1,923,942
	11,056,133	3,667,407
	143,776,554	68,184,106

10.1.1 Advance VAT Against purchase

Year wise Advance VAT:	Opening Balance	VAT Paid against purchase	VAT adjustment during the year	Closing Balance
FY 2007-2008	-	12,869,992	10,853,495	2,016,497
FY 2008-2009	2,016,497	26,734,699	26,941,025	1,810,171
FY 2009-2010	1,810,171	36,674,411	32,034,454	6,450,128
FY 2010-2011	6,450,128	29,738,109	22,587,772	13,600,465
FY 2011-2012	13,600,465	44,233,040	38,498,674	19,334,832
FY 2012-2013	19,334,832	60,495,273	66,163,640	13,666,465
FY 2013-2014	13,666,465	71,674,380	73,742,488	11,598,357
FY 2014-2015	11,598,357	86,173,368	75,863,701	21,908,024
FY 2015-2016	21,908,024	66,357,794	66,481,645	21,784,173
FY 2016-2017	21,784,173	90,248,336	107,137,772	4,894,737
FY 2017-2018	4,894,737	131,391,200	128,092,258	8,193,679

10.2 Letter of credit margin

Mercantile Bank Ltd.	1,440,465	13,085,468
Meghna Bank Ltd.	-	76,207
Dhaka Bank Ltd.	24,675,526	11,652,000
	26,115,991	24,813,675

All advances and deposits amount are considered good and recoverable.
An amount of Tk. 1,00,70,500 had subsequently adjusted till 15 September 2018.

11.0 Advance income tax

TDS on interest	153,867	131,716
AIT on raw materials	142,519,331	122,831,894
AIT on sales	68,553,857	54,178,595
Tax deduction on FDR	4,429,355	4,416,066
Tax deduction on STD	7,274,398	7,261,489
AIT on Office rent	133,308	133,308
AIT on Spare Parts	246,955	137,754
	223,311,071	189,090,822

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	23,419,853
FY 2016-2017	45,634,789	45,634,789
FY 2017-2018	34,220,249	0
	223,311,071	189,090,822



2018
Taka

2017
Taka

12.0 Cash and Cash Equivalent

Cash in hand	3,977,459	2,628,234
Cash at banks (Note: 12.1)	9,142,438	28,963,044
Fixed Deposit Receipts (Note: 12.2)	2,724,165	2,608,264
	15,844,062	34,199,542

12.1 Cash at Banks

Name of banks	A/C No.	Branch	Amount	Amount
Agrani bank	STD-292/3	Principal	83,426	82,103
Bank Asia Ltd.	STD 967	Principal	3,598	4,080
Dhaka Bank Ltd.	STD- 1004	F.Exchange	3,656	3,606
Dhaka Bank Ltd.	STD- 2292	Local Office	84,285	14,714,472
Habib Bank Ltd.	STD-1944	Motjheel	2,811	741
Islami Bank Ltd.	SND-87	F.Exchange	361,792	3,339,523
Janata Bank Ltd.	STD-1312	Corporate	128,757	125,955
Mercantile Bank Ltd.-	ERQ 054 (\$)	Motjheel	110,941	110,941
Meghna Bank Ltd.	CD-415	Gulshan	59,887	197,057
Mercantile Bank Ltd.	STD - 404	Motjheel	-	3,962
Mutual Trust Bank Ltd.	STD-342	Banani	9,618	315,526
NRB Commercial Bank Ltd.	STD -0047	Principal	317,762	636,340
Pubali Bank Ltd.	STD-75-0	Gulshan	155,308	1,751,871
Sonali Bank Ltd.	STD-627	Shipa Vhaban	123,518	119,665
Southeast Bank Ltd.	SND-2133	Principal	26,079	26,533
Southeast Bank Ltd.	SND-2153	Principal	1,267,755	1,263,138
Southeast Bank Ltd.	SND-2108	Principal	1,029,880	1,026,936
Southeast Bank Ltd.	STD-2083	Principal	1,214,262	1,197,002
Southeast Bank Ltd.	STD-2079	Principal	88,032	75,303
Southeast Bank Ltd.-	FC-Dollar-8568	Principal	789,734	775,913
Southeast Bank Ltd.-	FC-Euro-7736	Principal	15,203	9,901
Southeast Bank Ltd.-	FC-Pound-7525	Principal	66,195	64,108
Social Islami Bank Ltd.	CD-8444	Banani	145,377	-
Islami Bank Ltd.	SND-3910	Paltan	3,850	-
Trust Bank Ltd.	CD-2078	Mohakhali	222,877	-
Dhaka Bank Ltd.	CD-17442	Local Office	699,332	6,855
United Commercial Bank Ltd.	CD-00477	Banani	784,730	1,998,414
Uttara Bank Ltd.	CD-11587	Uttara BS	1,343,773	1,113,099
			9,142,438	28,963,044

12.2 Fixed Deposit Receipts

	Branch	Interest rate		
Mercantile Bank Ltd.	Motjheel	3.0%	960,393	934,857
Mercantile Bank Ltd.	Motjheel	9.0%	1,763,772	1,673,407
			2,724,165	2,608,264

13.0 Deferred tax Liability

Property ,Plant & Equipments other than Land and Land Development	Carrying amount	Tax base	Difference
	283,564,833	374,231	283,190,602
Applicable Rate			25.00%
Deferred tax Liability			70,797,650
Deferred tax liability as on 30 June 2017			72,386,073
Deferred tax income for current year			(1,588,423)
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)

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
FY 2017-2018	1,588,423
	(70,797,651)





ISLAM QUAZI SHAFIQUE & CO.
CHARTERED ACCOUNTANTS

	2017-2018 Taka	2016-2017 Taka
14.0 Share capital		
14.1 Authorized capital		
300,000,000 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
5,578,650 Bonus shares of Tk 10/- for the year 2016-2017	55,786,500	-
	613,651,500	557,865,000

14.3 Category wise Shareholding position of the Company

Name of the shareholders	Nationality	2018		2017	
		Number of Shares	Holding %	Number of Shares	Holding %
A. Sponsors					
Mr. Golam Mostafa	Bangladeshi	1,227,303	2.000	1,115,730	2.000
Mr. Golam Rahman	Bangladeshi	2,173,858	3.542	1,976,235	3.540
B. Director					
Deshbandhu Sugar Mills Ltd.	Bangladeshi	14,726,866	23.998	13,388,061	24.000
Deshbandhu Distilleries Ltd.	Bangladeshi	1,227,303	2.000	1,115,730	2.000
C. Shareholders'					
Deshbandhu Shipping Ltd.	Bangladeshi	1,227,303	2.000	1,115,730	2.000
Provas Chakrobarty	Bangladeshi	151	0.0002	138	0.0002
Md. Mainul Islam	Bangladeshi	151	0.0002	138	0.0002
Md. Akheruzzaman	Bangladeshi	151	0.0002	138	0.0002
Abdul Khaleque	Bangladeshi	151	0.0002	138	0.0002
Late Golam Rasul Putul	Bangladeshi	151	0.0002	138	0.0002
D. Financial Institution	Bangladeshi	5,145,486	8.385	4,031,942	7.2275
E. General shareholders	Bangladeshi, NRB & others	35,636,276	58.074	33,042,382	59.2301
		61,365,150	100.00	55,786,500	100.00



14.4 Category wise Number of Share and Share Holders

Particulars	2018		2017	
	Number of Shares	Holding %	Number of Shares	Holding %
Sponsors and Directors	20,583,388	33.542	18,712,176	33.54
Financial Institution	5,145,486	8.385	4,031,942	7.23
General Public	35,636,276	58.073	33,042,382	59.23
	61,365,150	100	55,786,500	100

14.5 Classification of shares by holding

Particulars	2018		2017	
	Number of Shareholders	Holding %	Number of Shareholders	Holding %
Less than 500 Shares	2,944	0.71	2,849	0.74
500 to 5,000 Shares	5,679	13.39	5,273	11.88
5,001 to 10,000 Shares	642	7.74	404	5.51
10,001 to 20,000 Shares	390	9.05	246	6.40
20,001 to 30,000 Shares	134	5.45	86	3.99
30,001 to 40,000 Shares	78	4.46	58	3.63
40,001 to 50,000 Shares	42	3.10	28	2.30
50,001 to 100,000 Shares	64	7.46	65	8.36
100,001 to 1,000,000 Shares	39	12.74	40	18.33
Over 1,000,000 Shares	7	35.90	8	38.88
	10,019	100.00	9,057	100.00
	61,365,150		55,786,500	





ISLAM QUAZI SHAFIQUE & CO.
CHARTERED ACCOUNTANTS

	2018 Taka	2017 Taka
15.0 Bank overdraft		
Dhaka Bank Ltd. Local office (Note-15.1)	61,992,880	55,855,540
Mercantile Bank Ltd. Motijheel Branch (Note-15.2)	178,665,711	158,781,630
	240,658,591	214,637,170
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 (1single storied factory-cum-office, 1 single storied warehouse, 1 single storied shed) at Kawadi, Palash, Narshingdi.	
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 guarantee.	
16.0 Short term loan		
Loan against trust receipts(LTR) (Note-16.1)	540,603,749	172,950,321
Acceptance liabilities under letter of credit (Note-16.2)	176,996,797	487,836,453
	717,600,546	660,786,774
16.1 Loan against trust receipts(LTR)		
Dhaka Bank Ltd.	130,998,707	79,776,179
Mercantile Bank Ltd.	322,773,000	-
Islamic Finance & Investment Ltd. (Note-16.1.1)	86,832,042	93,174,142
	540,603,749	172,950,321
16.1.1 Islamic Finance & Investment Limited		
Facility :	Term Loan	
Facility limit :	Tk.100,000,000	
Interest Rate :	13% which is subject to change from time to time.	
Security :	Hypothecation of the stocks in trade. Corporate guarantee of Deshbandhu Group. Directors Personal guarantee.	
16.2 Acceptance liabilities under letter of credit		
Mercantile Bank Ltd. (Note-16.2.1)		
Capital Machinery L/C		
Spare Parts L/C	2,996,000	297,153,609
Raw Material L/C		
Dhaka Bank Ltd. (Note-16.2.2)		
Capital Machinery L/C	57,613,132	95,631,500
Spare Parts L/C	-	176,664
Raw Material L/C	116,387,665	93,350,533
Meghna bank Ltd.		
Capital Machinery L/C	-	1,524,147
	176,996,797	487,836,453
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.300,000,000	
Purposes :	Import Capital machinery, Raw Materials and Spare Parts by Letter of Credit(L/C).	
Security :	Registered mortgage of total 129.125 decimal land with 3 factory shade (1single storied factory-cum-office, 1 single storied warehouse, 1 single storied shed) at Kawadi, Palash, Narshingdi.	





ISLAM QUAZI SHAFIQUE & CO.
CHARTERED ACCOUNTANTS

	2018	2017
	Taka	Taka
17.0 Accounts payable		
Aryan Enterprise	1,870,950	118,730
Aureen Enterprise	141,718	-
Bandhan Power & electric	246,400	246,400
Continental Insurance	116,528	26,105
Danish Industries (PVT)	30,442	967,425
Diamond Bearing & Machinery	164,020	576,040
Dynamic Trade Link	157,173	122,788
Frontline Communication	341,800	341,800
G K Enetprise	185,050	185,050
Global Insurance Ltd.	69,068	-
Green Delta Insurance Company Ltd.	76,940	76,940
H T Traders	198,513	-
Industrial Electric Power Equipment Co.	35,050	35,050
J. B. Rubber Manufacturing	-	627,464
Helal Electric	2,590,010	483,966
Nisan Paint & Auto lacquer Co.	-	3,077,678
Ornab Electric Co.	1,212,812	426,286
Park Trading	151,490	151,490
Rassco Computers	-	82,646
	7,987,964	7,545,858
Analysis of Accounts Payable:		
Payable due below six months	5,691,348	5,659,393
Payable due over six months	1,897,116	1,886,464
	7,588,464	7,545,858

- 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
Computer Source	5,310	-
Chan Traders	854,840	377,140
M/S Joy Paribahan Shangstha	855,802	555,802
M/S Mams Trading	19,980	-
M/S Sudipta Enterprise	1,871,150	1,871,150
Pioneer Insurance Company Ltd.	526,882	526,662
RBP Woven Industries	375,780	375,760
Security Deposit from transport Co.	308,517	308,517
Security deposit-employee	22,800	22,800
Setcom IT Ltd.	1,129,747	1,129,747
SS Engineering	638,154	316,559
Tax deduction at source	296,838	274,188
Tushar Enterprise	1,444,294	1,354,762
VAT deduction at source	-	587,149
	8,039,454	7,820,235

All accrued expenses are paid on regular basis;

	10.75	11.20
19.0 NAV Per Share		
Net Asset Value	659,497,039	625,078,186
Weight average number of ordinary shares	61,365,150	55,786,500





ISLAM QUAZI SHAFIQUE & CO.
CHARTERED ACCOUNTANTS

	2018 Taka	2017 Taka
20.0 Share money refundable		
Opening Balance	14,929,500	14,929,500
Refund during the year	(5,000)	-
Closing Balance	<u>14,924,500</u>	<u>14,929,500</u>
21.0 Workers Profit Participation Fund		
Opening balance	1,029,447	1,367,730
Disburse to beneficiary	(1,029,447)	(1,367,730)
	(0.00)	(0.00)
Provision made during the year	2,188,695	1,029,447
Closing Balance	<u>2,188,695</u>	<u>1,029,447</u>
22.0 Provision for income tax		
Opening Balance	28,640,469	23,493,234
Provision made for the year	-	-
Minimum tax provision 25% on Net Profit or .06% on gross revenue (Note-22.1)	10,943,477	5,147,235
Closing Balance	<u>39,583,946</u>	<u>28,640,469</u>
22.1 Year wise provision for income tax		
FY 2010-2011		
FY 2011-2012		
FY 2012-2013	12,028,022	12,028,022
FY 2013-2014	7,934,248	7,934,248
FY 2014-2015	1,843,896	1,843,896
FY 2015-2016	1,687,068	1,687,068
FY 2016-2017	5,147,235	5,147,235
FY 2017-2018	10,943,477	-
	<u>39,583,946</u>	<u>28,640,469</u>
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 25% on Net Profit as per law.		
23.0 Revenue	Quantity	
Gross Local Sales		982,040,645
Less: VAT		(128,092,258)
Net Local Sales	2,80,79,051 pcs	714,251,814
Export Sales (Note-23.1)	37,02,632 pcs	19,575,795
		<u>945,699,450</u>
		<u>733,827,609</u>

23.1 Export Sales

	2016-2017 USD	2016-2017 BDT	2017-2018 USD	2017-2018 BDT
	246,546	19,575,795	1,118,915	91,751,063





ISLAM QUAZI SHAFTIQUE & CO.
CHARTERED ACCOUNTANTS

	2018 Taka	2017 Taka
24.0 Cost of revenue		
Raw materials:		
Opening stock	44,732,997	100,601,705
Purchase (Note-25)	735,015,901	432,567,352
Closing stock	(70,304,304)	(44,732,997)
	709,444,594	488,436,060
Manufacturing expenses (Note-26)	119,783,913	116,923,205
	829,228,507	605,359,265
Opening work-in-process	12,062,153	47,125,326
Closing work-in-process	(22,912,718)	(12,062,153)
Cost of goods manufactured:	818,377,942	640,422,438
Finished goods:		
Opening stock	17,275,440	31,961,572
Closing stock	(16,780,066)	(17,275,440)
	818,873,316	655,108,570
25.0 Purchase		
Direct Materials		
Purchase of raw materials (Note:25.1)	718,084,093	354,835,001
Indirect Materials		
Production materials - Ink	16,931,808	7,883,975
	735,015,901	362,718,976
25.1 Purchase of raw materials		
Imported	629,012,671	354,835,001
Local	89,071,422	7,883,975
	718,084,093	362,718,976
26.0 Manufacturing expenses		
Salary and wages and other benefits	63,145,115	55,237,961
Traveling & conveyance	252,765	268,900
Carriage inwards	-	4,564,412
Electricity bill	22,727,174	17,206,120
Rent & rates	10,000	205,980
Repair & maintenance	10,049,567	13,596,229
Fuel and power	2,015,430	3,483,628
Postage & telephone	42,156	217,112
Printing & stationery	332,085	254,789
Food allowance	163,320	195,462
Insurance premium	-	1,450,312
Safety & security	-	-
License, registration & renewal	25,000	58,524
Staff welfare	57,359	178,506
Depreciation	20,963,942	20,005,270
	119,783,913	116,923,205





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CHARTERED ACCOUNTANTS

	2018 Taka	2017 Taka
27.0 Administrative Expenses		
Salary and Allowances	11,423,993	8,783,919
Rent & rates	542,105	347,918
Repair & maintenance	647,331	438,035
Conveyance	98,961	77,026
Audit fee	180,000	273,000
Business Promotion Expenses	2,159,223	-
Corporate social responsibility	521,543	175,036
Printing & stationery	605,191	994,408
Postage & telephone	67,775	105,720
AGM expenses	561,829	552,328
Entertainment	286,328	41,362
Legal and professional charge	996,500	672,000
License, registration & renewal	145,879	297,999
Annual Return fee RJSC	28,000	108,538
Share department expenses	298,103	1,246,290
Staff welfare	49,487	47,047
Telephone & Mobile Purchase	16,200	124,400
Tender schedules purchase	-	33,000
Expenses of Share Issue	890,444	-
Depreciation	1,103,365	1,052,909
	20,622,257	15,370,935
28.0 Selling & Distribution Expenses		
Publicity & advertisement	971,973	669,343
Carriage outward	9,516,973	6,095,946
Fuel and power	32,240	189,561
Sales promotion expenses	2,979,379	2,027,250
Traveling & Daily Allowance	10,000	-
	13,510,565	8,982,100
29.0 Financing cost		
Bank charges	1,137,266	754,396
Interest on overdraft, time & term loans	57,090,581	43,168,051
	58,227,847	43,922,447
30.0 Financing income		
Intercompany interest	10,999,983	9,543,531
Dividend Income	110,751	-
Short term deposit	259,920	408,623
Fixed deposit receipts	126,484	1,222,676
	11,497,138	11,174,830
31.0 Earning per share		
Net profit after tax for the year	34,418,853	20,382,270
Weighted average number of shares outstanding during the year	61,365,150	55,786,500
Earning Per Share of Tk. 10.00 each	0.56	0.37



	2018 Taka	2017 Taka
32.0 Cash Receipts from Customers		
Revenue	945,699,450	733,827,609
Add: Opening Trade Debtors	(353,547,200)	(225,145,094)
	1,299,246,650	958,972,703
Less: Closing Trade Debtors	(300,323,634)	(353,547,200)
	998,923,016	605,425,503
33.0 Cash paid to suppliers, employees and others		
Cost of Goods Sold	818,873,312	655,108,570
WPPF paid to beneficiary	1,029,447	1,367,730
Add: Administrative Expenses	20,622,257	15,370,935
Add: Selling & Distribution Expenses	13,510,565	8,982,100
Less: Depreciation	(22,067,307)	(21,058,179)
	831,968,274	659,771,156
Increase/(Decrease) in Inventories	25,926,498	(74,311,369)
	857,894,772	585,459,787
(Increase)/Decrease in Current Liabilities	(261,325)	4,055,666
Increase/(Decrease) in Current Assets	113,817,023	317,507,900
	971,450,470	907,023,353
34.0 Cash Flows from Operating Activities under indirect method		
Profit before WPPF and Tax	45,962,603	21,618,387
Add Expenses Not Requiring Cash:		
Depreciation	22,067,307	21,058,179
Other Adjustments:		
(Increase)/Decrease in Accounts Receivable	53,223,565	(128,402,106)
(Increase)/Decrease in Inventory	(25,926,498)	74,311,369
(Increase)/Decrease in Advances, Deposits and Prepayments	(76,894,764)	(15,022,659)
(Increase)/Decrease in Advances Tax paid	(34,220,249)	(59,921,657)
(Increase)/Decrease in Inventory in transit	(36,922,259)	(302,485,241)
Increase/(Decrease) in Accounts Payable	42,106	(1,728,067)
Increase/(Decrease) WPPF Disburse to beneficiary	(1,029,447)	(1,367,730)
Increase/(Decrease) in Other Payables	219,219	(2,327,599)
Cash flows from operating activities	(53,478,417)	(394,267,124)





ISLAM QUAZI SHAFIQUE & CO.
CHARTERED ACCOUNTANTS

	2018	2017
	Taka	Taka
35.0 Contingent liabilities		
Mercantile Bank Ltd. (Performance Bank Guarantee)	-	2,113,800
Tax Liability (Note 35.1)	-	-
	<u>-</u>	<u>2,113,800</u>

36.0 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.

37.0 Capacity Utilization

BOI approved capacity (pcs)	65,045,000	62,045,000
Installed capacity (pcs)	46,200,000	43,200,000
Actual production (pcs)	29,000,108	28,718,495
Capacity utilization	63%	66%

38.0 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	2017-2018 Taka	2016-2017 Taka
Deshbandhu Sugar Mills Ltd.	Share Holder	Short Term Funding	Dr. 1,57,71,297	Dr. 3,25,61,255
		Account Receivables	Dr. 1,41,98,893	Dr. 2,71,02,799
Deshbandhu Cement Mills Ltd.	Common Directors	Short Term Funding	Dr. 2,32,36,676	Dr. 3,25,61,255
	Common Directors	Account Receivables	Dr. 1,26,50,531	Nil
Fertilizer Marketing Corp.	Common Directors	Short Term Funding	Dr. 3,72,487	Dr. 5,16,700
		Account Receivables	Nil	Dr. 16,512,400
Northern Shipping & Trading Co.	Common Directors	Short Term Funding	Dr. 1,22,577	Nil
		Account Receivables	Nil	Dr.28,043,081
M R Trading	Common Directors	Short Term Funding	Dr. 12,93,65,774	Dr. 6,44,87,002
Sahera Auto Rice Mills Ltd.	Common Directors	Short Term Funding	Dr. 1,18,67,080	Dr. 2,11,94,259
		Account Receivables	Dr. 6,77,867	Dr. 6,75,247

39.0 Number of employees

Number of employees	497	486
Salary range		
Monthly Taka 5,000 or above	497	486
Monthly below Taka 5,000	Nil	Nil

40.0 Capital expenditure commitment

There was no capital expenditure contracted but not incurred or provided for as on June 30, 2018.

41.0 Contingent liabilities

There was no sums for which the company is contingently liable as on June 30, 2018.

42.0 Claims not acknowledged

There was no claims against the company not acknowledged as debt as on June 30, 2018.

43.0 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, 2018.

44.0 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.





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CHARTERED ACCOUNTANTS

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.





Schedule of Quantity-wise Raw Materials
1-Jul-2017 to 30-Jun-2018

Particulars	Opening Balance (Including Recycle)			Purchased (Excluding Recycle)			Consumed (Including Recycle)			Closing Balance (Including Recycle)		
	Quantity (Kg.)	Rate	Amount (Taka)	Quantity (Kg.)	Rate	Amount (Taka)	Quantity (Kg.)	Rate	Amount (Taka)	Quantity (Kg.)	Rate	Amount (Taka)
Direct Materials												
01. PP Yarn Grade	18,050	100.54	1,814,747	3,587,863	123.00	440,569,130	3,374,763	122.88	414,690,427	225,150	123.00	27,693,450
02. Polycam	26,125	89.52	2,338,710	277,406	74.00	20,528,062	251,381	75.51	19,044,672	51,650	74.00	3,822,100
03. CarCo3 & TPT	152,400	64.83	9,880,092	345,999	49.57	17,151,690	477,824	54.44	26,011,849	20,575	49.57	1,019,933
04. M.B White	26,700	166.38	4,442,346	119,344	166.38	19,856,380	91,104	166.38	15,172,783	54,850	166.38	9,125,943
05. H.D.P.E	875	119.98	104,983	193,350	160.93	31,115,886	192,325	160.74	30,915,102	1,900	160.93	305,767
06. L.D.P.E	-	-	-	152,209	115.23	17,539,001	125,309	115.23	14,462,360	26,700	115.23	3,076,641
07. L.L.D.P.E	66,750	122.61	8,250,968	525,393	110.64	58,129,313	515,443	112.32	57,894,393	76,700	110.64	8,486,088
08. PP (Lamin.G)	28,275	125.03	3,535,223	243,134	160.00	38,901,497	263,194	156.24	41,112,720	8,275	160.00	1,324,000
09. Sack Kraft Paper	-	-	-	273,648	49.50	13,545,598	253,142	49.50	12,530,551	20,506	49.50	1,015,047
Indirect Materials												
Ink												
1. Red Ink	855	360.00	307,800	18,050	360.00	6,498,000	18,905	360.00	6,805,800	-	-	-
2. Black Ink	450	355.00	159,750	12,970	355.00	4,604,350	13,175	355.00	4,677,125	245	355.00	86,975
3. Green Ink	900	365.00	328,500	11,360	365.00	4,137,400	11,950	365.00	4,361,750	310	365.00	113,150
4. Orange Ink	175	365.00	63,875	11,775	365.00	4,297,875	11,360	365.00	4,146,400	590	365.00	215,350
5. Blue Ink	665	385.00	256,025	4,655	398.00	1,852,690	4,105	395.89	1,625,145	1,215	398.00	483,570
6. Yellow Ink	325	355.00	116,138	12,000	355.00	4,277,250	12,075	355.00	4,287,380	300	355.00	106,500
7. Flexo Thinner/block	1,120	189.59	212,341	189,540	189.59	35,859,221	140,140	202.44	28,410,893	320	189.59	60,669
8. Cotton Yarn	985	208.00	204,680	115,740	208.00	24,051,710	115,605	208.00	24,045,270	1,220	208.00	253,320
9. White Ink	50	330.00	16,500	1,350	330.00	445,500	1,300	330.00	429,974	100	330.00	33,000
10. Gennium Ink	100	360.00	36,000	100	360.00	36,000	100	360.00	36,000	100	360.00	36,000
11. Violet Ink	175	456.00	79,800	-	456.00	-	50	456.00	22,800	125	456.00	57,000
12. Magenta Ink	300	475.00	142,500	-	475.00	-	275	475.00	1,306,225	25	475.00	11,875
M.B Badge	225	440.00	99,000	13,500	440.00	5,940,000	11,575	440.00	5,093,000	2,150	440.00	946,000
M.B Green	800	460.00	368,000	11,500	460.00	5,290,000	11,650	460.00	5,359,000	650	460.00	299,000
M.B Blue	350	440.00	154,000	11,240	420.00	4,720,884	10,990	420.00	4,622,884	600	420.00	252,000
M.B Red	175	440.00	77,000	200	440.00	88,000	75	440.00	33,000	300	440.00	132,000
M.B Orange	300	440.00	132,000	500	440.00	219,996	450	439.98	197,996	350	440.00	154,000
M.B Yellow	-	440.00	-	2,000	440.00	880,000	1,175	440.00	517,000	825	440.00	363,000
M.B Brown	-	-	-	750	440.00	330,000	-	-	-	575	440.00	253,000
Additive Ink	-	-	-	50	401.00	20,050	-	-	-	25	401.00	10,025
Medium Ink	175	300.00	52,500	300	300.00	90,000	275	300.00	82,500	200	300.00	60,000
PP Multifilament Yarn	4,690	218.00	1,022,420	6,976	218.00	1,520,768	10,459	218.00	2,280,062	1,207	218.00	263,128
PP Recycle	113,300	93.00	10,536,900	-	-	-	3,025	95.58	289,125	110,275	92.93	10,247,775
Total	445,290		44,732,997	6,088,953		735,015,901	5,926,230		709,444,594	608,013		70,304,304



Annexure-A-2

Schedule of Quantity-wise Finished Goods

1-Jul-2017 to 30-Jun-2018

Particulars	Opening		Production		Cost of Revenue		Closing	
	Quantity Pcs	rate	Quantity Pcs	rate	Quantity Pcs	rate	Quantity Pcs	rate
PP woven bag and liner	754,400	22.60	31,785,583	25.75	31,781,683	25.77	756,300	21.84
		17,275,440				818,873,316		
								16,780,066

Calculation of Finished Goods Including new product Cement Bag

Stock of spare parts 33,535,615

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



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