

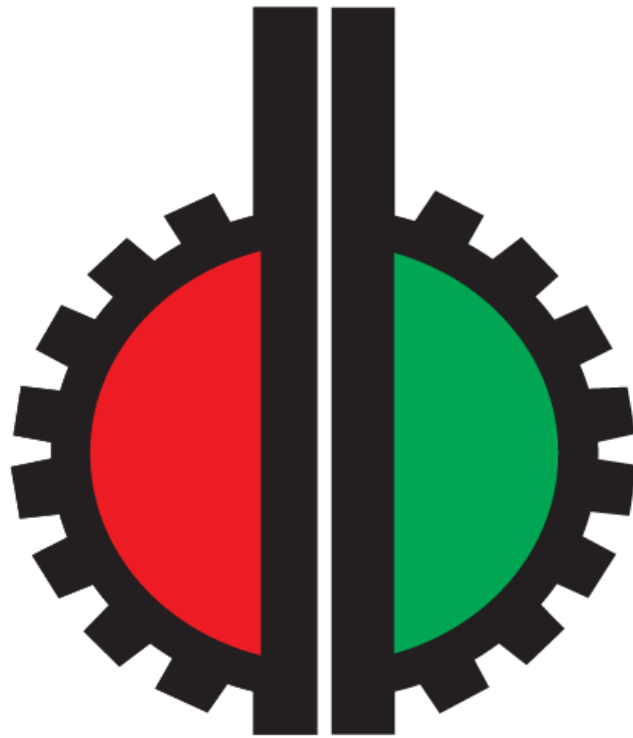


**ANNUAL
REPORT**
2019-2020



Deshbandhu Polymer Limited





Deshbandhu Polymer Limited

BANGLADESH ASSOCIATION OF PUBLICLY LISTED COMPANIES

Ref.No: CM-2020/164

Date of issue : June 11, 2020



Renewed Certificate

This is to certify that

DESHBANDHU POLYMER LIMITED

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

This certificate remains current until 31st December 2020.




Secretary-General

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Profile of Board of Directors



Golam Mostafa
Chairman

Mr. Golam Mostafa is one of the Sponsor Directors and Chairman of Deshbandhu Polymer Limited. He is one of the most promising and brilliant entrepreneurs that the Bangladesh Corporate World. He is a Harvard educated businessman, is an Early Starter, A Curious Individual, Leadership & Analytical to the Core, the very definition of an entrepreneur and a doer.

He is one of the most promising and potent entrepreneurs that the Bangladesh Corporate World has ever witnessed. Mr. Mostafa, with an innate sense of business, has gathered immense knowledge of business and the know-how of it over the last 30 years. Over the process, he has had an immense contribution to the economy of Bangladesh in the genre of import and export of bulk commodities in various extents and scopes.

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 Harvard university Alumni, Dhaka Chamber of Commerce & Industry (DCCI), former Chairman of FBCCI Internal Trade Sub-Committee, Bangladesh Fertilizer Association (BFA), American Chamber of Commerce in Bangladesh (AMCHAM), Dhaka Club, General Secretary of Shopping Complex Owners Association, immediate past president of Bangladesh Sugar Refinery Association and Senior Vice President of Bangladesh Small & Captive Power Producers Association. Mr. Golam Mostafa is recognized as a Commercially Important Person (CIP) of Bangladesh in 2008 and he has also been awarded many times from prestigious organizations in home and abroad.

Mr. Mostafa actively engages in philanthropic, social and CSR activities to help the less fortunate population of the country and hopes to make Bangladesh an active marker in the world, in terms of both economic and social development.

Profile of Board of Directors



Golam Rahman
Managing Director

Mr. Golam Rahman is one of the Sponsor Directors as well as the Managing Director of Deshbandhu Polymer Limited. Mr. Golam Rahman, with an array of achievements and recognitions already listed in his name, is one of the most promising and eminent entrepreneurs of current times. Growing up in an ideal and noble Muslim household, he had overcome many series of struggling events which has lead him to become the man he is today.

Regards running an industry, he contains qualities of a good leader which involves, making regular visits to the factories, having good communicating skills with his employees and adapting to any situation which he faces.

Amidst the very beginning of his career as an entrepreneur, has made his presence prominent with his hard work. Since 1990, after his University Graduation he has entered the business scene with his brother Golam Mostafa and is the Co-founder of Deshbandhu Group.

He has been an internal part of many institutions including; Bangladesh Chamber of Commerce and Industries (BCCI), noshindi Chamber of Commerce and Industries, Bangladesh Fertilizer Association and Uttara Dharla Students Welfare Association Dhaka.

Mr. Rahman now currently holds positions as the Managing Director Deshbandhu Group and has been awarded the Mawlana Bhashani Smrity Padak in 2005. He was recognized as a Commercially important Person (CIP) of Bangladesh by the Govt. of Bangladesh. In 2015 he has achieved Muktijudder Bandhu Indira Gandhi Padak for contributing in business and Trade sector he was being in charge of the trade sector in Bangladesh Business owner, this includes his hard work dedication to the Secretary of Bangladesh of Sugar refinery Association.

These achievements throughout his journey have not been easy but Mr. Rahman, with his vision of developing and improving the company to become one of the most renowned over the world.



Brig. Gen. Sarwar Jahan Talukder (Retd.) Director

Representative of Deshbandhu Distilleries Limited

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



Profile of Board of Directors



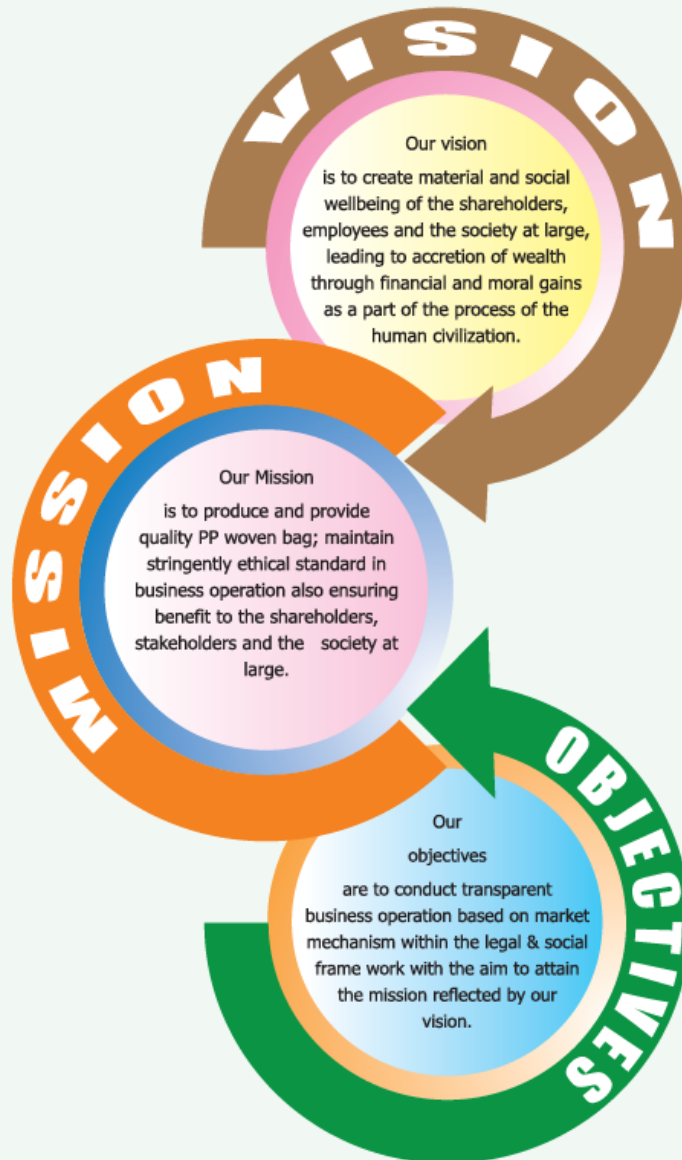
Engr. Md. Shakawat Hossain
Director, Representative of
Deshbandhu Sugar Mills Limited.

Engr. Mr. Shakawat Hossain; son of freedom fighter, Md. Abdul Baten Prodhan, and Monoara Begum. He did his BSC in EEE from Atish Dipankar University of Science & Technology (ADUST), Dhaka. He received verities training from India, China & Korea about WPP machineries & its productivity. In his Bright career of decades, he has total 22 years working experiences in WPP sector. Currently he is the Nominee Director of Deshbandhu Polimer Limited, Nominated By Deshbandhu Sugar Mills Limited.



Md. Mofiz Uddin Chowdhury
Independent Director

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





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, 2020

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, 2020 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 4TH EXTRA-ORDINARY GENERAL MEETING

Notice is hereby given that the 4th EXTRA-ORDINARY GENERAL MEETING of Deshbandhu Polymer Limited will be held on Wednesday, 30 December, 2020 at 9.00 A.M at Digital Platform to transact the following business.

AGENDA

To consider the decision as per Notification no. BSEC/CMRRCD/2009-193/2/Admin/103 dated 5 February 2020 of Bangladesh Securities and Exchange Commission, for selling over 103 decimal of Land of the Company located at, Kawadi, Palash, Narsingdi to its sister concern, Deshbandhu Packaging Limited on payment of consideration amount of Tk. 1,20,00,000.00 (Tk. One Crore twenty lac). Provided that, the aforesaid land selling shall be executed after redemption of its mortgage.

Dated, Dhaka
26 November, 2020

Sd/-
Md. Liakat Ali Khan
Company Secretary

Notes :

- I. The record date is fixed on 17 December 2020. The Shareholders, whose name will be appeared in the share register of the company or in the depository register on the date will be eligible to attend the 4th Extra-ordinary General Meeting.
- II. A member entitled to attend and vote at the Extra-Ordinary 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 House No.-18 (1st floor), Road No -22, Block-K, Banani, Dhaka-1213 not later then 48 hours before the time fixed for the Extra-Ordinary General Meeting.



NOTICE OF THE 14TH ANNUAL GENERAL MEETING

Notice is hereby given that the **14TH ANNUAL GENERAL MEETING** of Deshbandhu Polymer Limited will be held on held on Wednesday, 30 December, 2020 at 9.15 A.M at Digital Platform 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 2020 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/re-elect the Director(s) of the company.
4. Appointment of Auditors and fixation of their remuneration.
5. Miscellaneous.

Dated, Dhaka
27 October, 2020

Sd/-
Md. Liakat Ali Khan
Company Secretary

Notes :

- I. The record date was fixed on 19 November 2020. The Shareholders, whose name were appeared in the share register of the company or in the depository register on the date will be eligible to attend the 14th Annual General Meeting and receive the dividend.
- II. 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 House No.-18 (1st floor), Road No -22, Block-K, Banani, Dhaka-1213 not later then 48 hours before the time fixed for the Annual General Meeting.
- III. Advance Income Tax (AIT) @15 % (instead of 10%) will be deducted from eligible cash dividend if any one fails to update his/her BO account with the 12 digit e-Tin by 5th January 2021.
- IV. The concern Merchant Banks and all depository participants (DP) are requested to provide us a statement with the details (shareholders Names, BO ID Number, Client-wise shareholding position, gross dividend, receivables amounts, applicable Tax rate and net dividend receivable) of their margin loan shareholders. They are also requested to provide us with their Bank Name, Account Number and routing numbers etc. by 5th January 2021 at Companies head office at Mostafa Center, House - 59, Road- 27, Block-K, Banani, Dhaka-1213.
- V. Annual Report, Attendance Slip and Proxy Form along with Notice is being sent to all the members through E-mail ID(s). In case of non- receipt of Annual Report 2019-2020, the members may collect the same from the Share Office of the Company within 21 December, 2020 by submitting written request. Annual Report also available in Company's website at : www.deshbandhupolymer.com



CORPORATE INFORMATION

BOARD OF DIRECTORS

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

AUDIT COMMITTEE

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

Mr. Md. Liakat Ali Khan	Company Secretary
Md. Ashrafuzzaman	Chief Financial Officer

Nomination and Remuneration Committee (NRC):

Mr. Md. Mofiz Uddin Chowdhury	Chairman of the Nomination and Remuneration Committee (NRC)
Mr. Golam Mostafa	Member of the Nomination and Remuneration Committee (NRC)
Mr. Golam Rahman	Member of the Nomination and Remuneration Committee (NRC)

STATUTORY AUDITORS :

M/S. Mahfel Huq & Co.
Chartered Accountants
BGIC Tower(4th floor)
34, Topkhana Road
Dhaka-1000

BANKERS :

DHAKA BANK LIMITED
Local office
115-120, 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 24, 2019
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 41081491-92
Email: dplshare@dbg.com.bd
Web.: www.deshbandhupolymer.com

SHARE OFFICE :

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

REGISTERED OFFICE & FACTORY:

Kawadi, Charsindur
Palash, Narsingdi
Bangladesh



Directors' Report to the Shareholders

Bismillahir Rahmanir Rahim

Distinguished Shareholders,

Assalamu Alaikum Wa Rahmatullah

On behalf of the Board of Directors of the Deshbandhu Polymer Limited, I am delighted to welcome you to the 14th 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, 2020. We present this Annual Report in compliance with the guidelines issued by Bangladesh Securities and Exchange Commission.

Management's Discussion and Analysis:

During the period of last few years, the industry is being suffering from restrictions to use Polymer products in few sectors and therefore, the selling price and profitability has been decreased this year.

The company made a net sale Tk. 824,577,244.00 in the financial year 2019-2020 while it was Tk. 799,252,742.00 during the last financial year and the total comprehensive income Tk. 6,222,074.00 in the financial year 2019-2020 while it was Tk. 28,743,046.00 during the last year.

Net profit decreased as compared to the last year due to import of raw materials was hampered as COVID-19 situation and raw materials were procured from local suppliers in high cost. Therefore, significant decrease in the income was occurred of the Company for the financial year 2019-2020.

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 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. We hope that an encouraging future is waiting for the PP woven bag industry.

Production-wise Performance:

We produced PP woven bags 38,372,165 paces against total capacity of 46,200,000 paces which is 83% of production capacity.

Risk Factors & Management's Perception about the Risks:

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



Credit Risk:

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

Management Perception:

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

Interest Rate Risk:

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

Management Perception:

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

Exchange Rate Risk:

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

Management Perception:

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

Market and Technology Related Risks:

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

Management Perception:

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

**Potential or Existing Government Regulations:**

The Company operates under the Company's Act 1994 and other related regulations, Income Tax Ordinance 1984, Income Tax Rules 1984, Customs Act, 1969, 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. 729,930,375.00 in 2019-2020 and Tk. 682,695,931.00 was in 2018-2019.
2. The gross profit ratio is 11.48% in 2019-2020 and was 14.58% in 2018-2019.
3. The net profit margin in 2019-2020 is 0.75% and it was 3.60% in 2018-2019.



CONTINUITY OF ANY EXTRA-ORDINARY GAIN OR LOSS:

During the year 2019-2020 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	2019-2020 Taka	2018-2019 Taka
Deshbandhu Sugar Mills Ltd.	Share Holder	Short Term Funding	Nil	Nil
		Account Receivables	Dr. 15,109,322	Dr. 25,820,392
Deshbandhu Cement Mills Ltd.	Common Directors	Short Term Funding	Dr. 20,571,752	Dr. 20,936,325
		Account Receivables	Dr. 17,388,641	Dr. 10,420,526
Commodities Trading Company	Common Directors	Short Term Funding	Nil	Nil
		Account Receivables	Dr. 3,237,916	Nil
M R Trading	Common Directors	Short Term Funding	Dr. 105,358,210	Dr. 116,369,321
		Account Receivables	Dr. 1,393,700	Nil
Sahera Auto Rice Mills Ltd.	Common Directors	Short Term Funding	Dr. 7,952,369	Dr. 10,452,369
		Account Receivables	Dr. 3,091,418	Dr. 1,824,917
Deshbandhu Food & Beverage Ltd.	Common Directors	Short Term Funding	Dr. 5,546,325	Dr. 10,836,325
		Account Receivables	Dr. 446,040	Nil

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:

During the period of last few years, the industry is being suffering from restrictions to use Polymer products in few sectors and therefore, the selling price and profitability has been decreased this year.

Moreover, the import of raw materials was hampered due to COVID-19 situation and raw materials were procured from local suppliers in high cost. Therefore, significant decrease in the income was occurred which have also decreased the EPS of the Company for the year ended on 30th June 2020. We have had to pay less for materials received from suppliers this year, as there were many goods both imported and local items in transit in the previous year which have reached us this year. That is why this year NOCFPS is getting positive whereas it was negative in the previous year.

Remuneration to Directors including Independent Director:

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



Corporate and Financial Reporting Framework:

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

1. The financial statements prepared by the management of the issuer company present fairly its state of affairs, the result of its operations, cash flows and changes in equity.
2. Proper books of account of the company have been maintained.
3. Appropriate accounting policies have been consistently applied in preparation of the financial statements and that the accounting estimates are based on reasonable and prudent judgment.
4. International Accounting Standards (IAS)/Bangladesh Accounting Standards (BAS) /International Financial Reporting Standards (IFRS)/Bangladesh Financial Reporting Standards (BFRS), as applicable in Bangladesh, have been followed in preparation of the financial statements and any departure there-from has been adequately disclosed.
5. The system of internal control is sound in design and has been effectively implemented and monitored.
6. There are no significant doubts upon the Company's ability to continue as a going concern. If the issuer company is not considered to be a going concern, the fact along with reasons thereof should be disclosed.
7. Significant deviations from the last year's operating results of the issuer company shall be highlighted and the reasons thereof should be explained.
8. Key operating and financial data of at least preceding 5 (five) years shall be Summarized (Annexed- D).
9. If the issuer company has not declared dividend (cash or stock) for the year, the reasons thereof shall be given.
10. Board's statement to the effect that no bonus share or stock dividend has been or shall be declared as interim dividend.
11. The number of Board meetings held during the year and attendance by each director shall be disclosed in the Directors' Report. (Annexure- H).
12. The pattern of shareholding shall be reported to disclose the aggregate number of shares (along with name wise details) (Annexure – E).
13. In case of the appointment/re-appointment of a director the company shall disclose the following information to the shareholders.
14. A Management's Discussion and Analysis signed by CEO or MD presenting detailed analysis of the company's position and operations along with a brief discussion of changes in the financial statements, among others, focusing on.
15. Declaration or certification by the CEO and the CFO to the Board as required under condition No. 3(3) shall be disclosed as per Annexure-A; and
16. The report as well as certificate regarding compliance of conditions of this Code as required under condition No. 9 shall be disclosed as per Annexure-B and Annexure-C.

Going Concern:

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



Dividend:

The Board of Directors has recommended 5% cash dividend for General Shareholders other than Sponsors/Directors of the company for the year ended 30 June, 2020. The shareholders whose name will appear in the share register of the company or in the depository register on the record date will be eligible to attend the Annual General Meeting and to receive the dividend. The Sponsors/Directors hold 2,05,83,388 shares out of total 6,13,65,150 shares of the Company and the cash dividend to be payable to the General shareholders is Tk. 2,03,90,881.00.

Future Plan:

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

Appointment of Director:

Brig. Gen. Mr. Sarwar Jahan Talukder (Retd.), NDC, PSC has been appointed as Nominee Director of Deshbandhu Distilleries Limited in place of Mr. Md. Akheruzaman on 17 February 2020 and Engr. Mr. Shakhawat Hossain has been appointed as Nominee Director of Deshbandhu Sugar Mills Limited in place of Mr. Md. Mainul Islam Lal on 17 February 2020. The Board requested the shareholders to confirm the appointments at their 14th Annual General Meeting.

Retire and Reappointment of Director:

As per Article 127 of the Article of Association of the Company, Brig. Gen. Mr. Sarwar Jahan Talukder (Retd.), NDC, PSC, Nominee Director of Deshbandhu Distilleries Limited and Engr. Mr. Shakhawat Hossain, Nominee Director of Deshbandhu Sugar Mills Limited will retire by rotation in 14th Annual General Meeting and being eligible, offer themselves for re-appointment. They are recommended for re-appointment.

Pursuant of BSEC'S Corporate Governance code-2018, the tenure of office of an Independent Director shall be a period of three years, which may be extended for another term. Accordingly Mr. Md. Mofiz Uddin Chowdhury, Independent Director of the Company in his second term of office and will place this in the 14th AGM for approval by the shareholders. Brief profiles of the appointed and reappointed Independent Directors/Director are mentioned in the Annual Report "Annexure-G" as well.

Shareholding Pattern:

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



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

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

Particulars	2020	2019	2018	2017	2016
Revenue	824,577,244	799,252,742	945,6	733,827,609	562,355,995
Cost of Sales	(729,930,375)	(682,695,931)	(818,873,316)	(655,108,570)	(483,963,773)
Gross Profit	94,646,869	116,556,811	126,826,134	78,719,039	78,392,222
Administrative Expenses	(15,231,263)	(17,721,315)	(20,622,257)	(15,370,935)	(12,184,197)
Selling and Distribution Expenses	(8,945,103)	(10,219,725)	(13,510,565)	(8,982,100)	(5,895,421)
Operating Profit	70,470,503	88,615,771	92,693,312	54,366,004	60,312,604
Financing cost	(80,562,912)	(70,642,730)	(58,227,847)	(43,922,447)	(42,347,348)
Financing income	22,489,884	16,236,492	11,497,138	11,174,830	10,757,075
Net profit/ (Loss) before WPPF and income tax	12,397,476	34,209,533	45,962,603	21,618,387	28,722,331
Provision for Contribution to WPPF	(590,356)	(1,629,025)	(2,188,695)	(1,029,447)	(1,367,730)
Net profit / (Loss) before income tax	11,807,120	32,580,507	43,773,907	20,588,940	27,354,601
Provision for income tax:					
Current tax	(5,082,403)	(8,145,127)	(10,943,477)	(5,147,235)	(1,687,068)
Deferred tax	(502,643)	4,307,665	1,588,423	4,940,565	(15,257,559)
Net Profit after tax for the year	622,2074	28,743,046	34,418,853	20,382,270	10,409,975
Increase/Diminution in the value of investment in share	-	-	-	111,489	(59,067)
Total Comprehensive income for the year	622,2074	28,743,046	34,418,853	20,493,759	10,350,907
Earning Per Share of Tk. 10 each (2020-restated)	0.10	0.47	0.56	0.37	0.19



ANNEXURE - E PATTERN OF SHAREHOLDING AS ON 30 JUNE, 2020

[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 Distilleries Ltd. (Nominated By Brig. Gen. Sarwar Jahan Talukder (Retd.))	Director	1,227,303
4.	Deshbandhu Sugar Mills Limited (Nominated By Engr. Md. Shakawat Hossain)	Director	14,726,866
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.4 of Annexure-ii



ANNEXURE - F
Classification of Shareholders by Holding 61,365,150 Shares
as on 30 June, 2020

Sl. No.	Range of Shareholding	No. of holders	Holding	Percentage %
1.	Less than 500 shares	2,372	380,127	0.620%
2.	500 to 5,000 shares	4,837	6,910,351	11.261%
3.	5,001 to 10,000 shares	570	4,312,860	7.028%
4.	10,001 to 20,000 shares	303	4,387,331	7.150%
5.	20,001 to 30,000 shares	112	2,785,799	4.540%
6.	30,001 to 40,000 shares	63	2,204,294	3.590%
7.	40,001 to 50,000 shares	36	1,675,177	2.730%
8.	50,001 to 1,00,000 share	59	4,229,675	6.893%
9.	1,00,001 to 10,00,000 share	46	9,915,385	16.158%
10.	10,00,001 to 100,00,00,000 shares	8	24,564,151	40.030%
Total		8,406	61,365,150	100%

Category wise shareholding as on 30th June, 2020 is summarized as follows :

Category	Total Shareholders	Total Shareholding	Percentage%
Sponsor Directors and Shareholders	10	20,583,388	33.542 %
General Public (Including Financial Institute)	8,396	40,781,762	66.458 %
Total	8,406	61,365,150	100 %



ANNEXURE - G

Brief Resume of Appointde/Reappointed Directors

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

Brig. Gen. Sarwar Jahan Talukder (Retd.):

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

Engr. Mr. Md. Shakawat Hossain:

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

Mr. Md. Mofiz Uddin Chowdhury:

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

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, 2020:

[As per condition No. 1(6)]

During the year under report, **11(Eleven)** 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	11	10	
2.	Mr. Golam Rahman	Managing Director	11	11	
3.	Mr. Md. Mainul Islam Lal Director, Representative of Deshbandhu Sugar Mills	Director	11	09	Withdrawn Nominee Director from the Company Dated 17/02/2020
4.	Engr. Mr.Md. Shakawat Hossai Director, Representative of Deshbandhu Sugar Mills	Director	11	01	Appointed as a Nominee Director of the Company on 17/02/2020
5.	Mr. Md. Akheruzaman Director, Representative of Deshbandhu Distilleries Ltd.	Director	11	10	Withdrawn Nominee Director from the Company Dated 17/02/2020
6.	Brig. Gen. Sarwar Jahan Talukder (Retd.) Director, Representative of Deshbandhu Distilleries Ltd.	Director	11	01	Appointed as a Nominee Director of the Company on 17/02/2020
7.	Mr. Md. Mofiz Uddin Chowdhury	Independent Director	11	04	Re-elected for 2nd term.

Code of Conduct:

Deshbandhu Polymer Limited has adopted code of conduct for securing good business ethics and conduct in all aspects of the company's activities. The code of conduct is properly communicated to and with all employees and other activities and is strictly required to abide by it.

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 Mr. Golam Rahman, Managing Director, Md. Ashrafuzzaman, Chief Financial Officer, moreover Md. Abu Yousuf Rasel, CA. CC is Head of Internal Audit and Md. Liakat Ali Khan is continuing as Company Secretary of the company.

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



Role of Chief Financial Officer (CFO):

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

He is to certify to the Board that whether the financial statements and financial transaction of the company have been made in accordance with the corporate governance guidelines as issued by Bangladesh Securities and Exchange Commission (BSEC).

Role of the Head of Internal Audit and Compliance:

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

Role of the Company Secretary:

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

- Advise and assists the members of the Board with respect to their accountabilities and responsibilities as Directors and compliance with their obligations under the Companies Act, Stock Exchange requirements and different rules, ordinance, directives/order and circulars of BSEC, DSE and CSE.
- Ensures proper compliance with all relevant statutory and regulatory requirements.
- Communicates with the regulatory bodies/stakeholders of the company.

Requirement to attend Board of Directors' Meetings:

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

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

- (a) The MD or CEO and CFO shall certify to the Board that they have reviewed financial statements for the year and that to the best of their knowledge and belief:
 - (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading; and
 - (ii) these statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards and applicable laws;
- (b) The MD or CEO and CFO shall also certify that there are, to the best of knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or in violation of the code of conduct for the company's Board or its members;
- (c) The certification of the MD or CEO and CFO shall be disclosed in the Annual Report.

Separate Role of the Chairman and Managing Director:

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



Managing Director's Core responsibilities:

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

Chairman's Core responsibilities:

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

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

Board of Director's Committee:

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

- (i) Audit Committee.
- (ii) Nomination and Remuneration Committee (NRC):

Report of the Audit Committee:

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

AUDIT COMMITTEE:

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

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

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

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



Meeting and Attendance by the Members:

During the financial year ended on 30 June, 2020 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 2019-2020 are mentioned below:

Name of the Members	Position of the Audit Committee	No. of Meetings held during the year ended 30 June, 2020	Meetings attended	Remarks
Mr. Md. Mofiz Uddin Chowdhury	Chairman	4	4	—
Mr. Golam Rahman	Member	4	4	—
Mr. Md. Akheruzaman	Member	4	3	Withdrawn Nominee Director from the Company Dated 17/02/2020
Brig. Gen. Sarwar Jahan Talukder	Member	4	1	Appointed as a Nominee Director of the Company on 17/02/2020

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, 2020 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.

Activities of the Audit Committee during the period ended on 30 June 2020:

During the period ended on 30 June 2020, 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 the opining that the internal control procedures are adequate to present a true and fair view of the activities and financial status of the company.

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 2019-2020 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 2019-2020.

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 14th Annual General Meeting. It is alsoreviewed the 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:

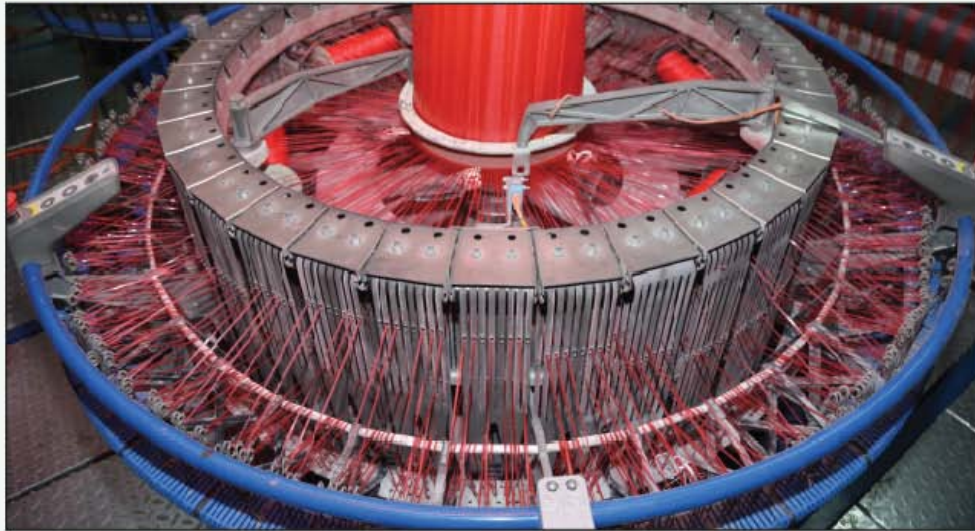
If the Audit Committee has reported to the Board about anything which has material impact on the financial condition and results of operation and has discussed with the Board and the management that any rectification is necessary and if the Audit Committee finds that such rectification has been unreasonably 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 27, 2020

Md. Mofiz Uddin Chowdhury
Chairman of the Audit Committee





ANNEXURE - I

Report of the Nomination and Remuneration Committee (NRC)

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

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

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

Qualification of the NRC Committee Members:

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

Roles and Responsibilities:

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

The Committee discharged its responsibility by holding a meeting in the financial year 2019-2020 and provided required advises and suggestions to the Board of Directors management to execute those duly.

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

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

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

Independent Director

Pursuant to BSEC'S Corporate Governance code-2018, the tenure of office of an independent Director shall be a period of three years, which may be extended for another term. Accordingly Mr. Md. Mofiz Uddin Chowdhury, independent Director of the Company in his second term of office and will place this in the 14th AGM for approval by the shareholders. Brief profiles of the appointed and reappointed independent Director/Directors are mentioned in the Annual Report "Annexure-G" as well.



Meeting attendance by the Members:

The committee held 01 (one) no. of meeting during the period ended on 30 June, 2020. The committee has placed its report to the Board of Directors in due course.

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

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

During the financial year 2019-2020 the NRC accomplished the following:

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

A detailed Terms of Reference (ToR) of the NRC has also been approved by the Board.

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: 27 October, 2020

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, 2020.

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, 2020 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, 2020 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. Ashrafuzzaman
Chief Financial Officer

Golam Rahman
Managing Director





S.R. ISLAM & CO. Chartered Accountants

3B, Purana Paltan, Navana Mukhles Monarch
Shopping Complex (2nd Floor), Suite No. (301
302 & 305), Dhaka, Phone : +88-02-57160573-4
Cell : 01814 644444, 01670 044444, 01964 888111

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, 2020. 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.




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

Place: Dhaka
Date: November 17, 2020

E-mail : sristamco@gmail.com, audit_bg@yahoo.com, Web : www.sristam.com



Annexure-C

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

Corporate Governance Compliance Status Report

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

(Report under Condition No. 9)

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



Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (If any)
		Complied	Not Complied	
1(2)(b)(viii)	Who is not independent director in more than 5 (five) listed companies;	✓		
1(2)(b)(ix)	who has not been convicted by a court of competent jurisdiction as a defaulter in payment of any loan or any advance to a bank or a Non-Bank Financial Institution (NBFI);and	✓		
1(2)(b)(x)	who has not been convicted for a criminal offence involving moral turpitude;	✓		
1(2)(c)	The independent director(s) shall be appointed by the Board and approved by the shareholders in the Annual General Meeting (AGM);	✓		
1(2)(d)	The post of independent director(s) can not remain vacant for more than 90 (ninety) days; and	✓		
1(2)(e)	The tenure of office of an independent director shall be for a period of 3 (three) years, which may be extended for 1 (one) tenure only; Provided that a former independent director may be considered for reappointment for another tenure after a time gap of one tenure, i.e., three years from his or her completion of consecutive two tenures [i.e. six years]; Provided further that the independent director shall not be subject to retirement by rotation as per the কোম্পানী আইন, ১৯৯৪ (১৯৯৪ সনের ১৮ নং আইন) companies Act, 1994 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.	✓		
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;	✓		
	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.	✓		
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.	✓		
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;			Stated in the annual Report
1(5)(xi)	A statement that the financial statements prepared by the management of the issuer company present fairly its state of affairs, the result of its operations, cash flows and changes in equity;	✓		
1(5)(xii)	A statement that proper books of account of the issuer company have been maintained;	✓		
1(5)(xiii)	A statement that appropriate accounting policies have been consistently applied in preparation of the financial statements and that the accounting estimates are based on reasonable and prudent judgment;	✓		
1(5)(xiv)	A statement that International Accounting Standards (IAS) or International Financial Reporting Standards (IFRS), as applicable in Bangladesh, have been followed in preparation of the financial statements and any departure there from has been adequately disclosed;	✓		
1(5)(xv)	A statement that the system of internal control is sound in design and has been effectively implemented and monitored;	✓		
1(5)(xvi)	A statement that minority shareholders have been protected from abusive actions by, or in the interest of, controlling shareholders acting either directly or indirectly and have effective means of redress;	✓		
1(5)(xvii)	A statement that there is no significant doubt upon the issuer company's ability to continue as a going concern, if the issuer company is not considered to be a going concern, the fact along with reasons thereof shall be disclosed;	✓		Not Applicable
1(5)(xviii)	An explanation that significant deviations from the last year's operating results of the issuer company shall be highlighted and the reasons thereof shall be explained;	✓		
1(5)(xix)	A statement where key operating and financial data of at least preceding 05 (five) years shall be summarized;	✓		(Annexure-D)
1(5)(xx)	An explanation on the reasons if the issuer company has not declared dividend (cash or stock) for the year;	N/A		
1(5)(xxi)	Board's statement to the effect that no bonus share or stock dividend has been or shall be declared as interim dividend;			2% cash dividend declared only. General Shareholders other than Sponsored Directors
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)(xxiv)	In case of the appointment or reappointment of a director, a disclosure on the following information to the shareholders:-	✓		Stated in the Annual Report
1(5)(xxiv)(a)	a brief resume of the director;	✓		(Annexure-G)
1(5)(xxiv)(b)	Nature of his or her expertise in specific functional areas; and	✓		Stated in the Annual Report
1(5)(xxiv)(c)	names of companies in which the person also holds the directorship and the membership of committees of the Board;	✓		Stated in the Annual Report
1(5)(xxv)	A Management's Discussion and Analysis signed by CEO or MD presenting detailed analysis of the company's position and operations along with a brief discussion of changes in the financial statements, among others, focusing on:	✓		
1(5)(xxv)(a)	accounting policies and estimation for preparation of financial statements;	✓		
1(5)(xxv)(b)	Changes in accounting policies and estimation, if any, clearly describing the effect on financial performance or results and financial position as well as cash flows in absolute figure for such changes;	✓		
1(5)(xxv)(c)	Comparative analysis (including effects of inflation) of financial performance or results and financial position as well as cash flows for current financial year with immediate preceding five years explaining reasons thereof;	✓		
1(5)(xxv)(d)	compare such financial performance or results and financial position as well as cash flows with the peer industry scenario;	✓		
1(5)(xxv)(e)	briefly explain the financial and economic scenario of the country and the globe;	✓		
1(5)(xxv)(f)	risks and concerns issues related to the financial statements, explaining such risk and concerns mitigation plan of the company; and	✓		
1(5)(xxv)(g)	future plan or projection or forecast for company's operation, performance and financial position, with justification thereof, i.e., actual position shall be explained to the shareholders in the next AGM;	✓		
1(5)(xxvi)	Declaration or certification by the CEO and the CFO to the Board as required under condition No. 3(3) shall be disclosed as per Annexure-A; and	✓		Stated in the annual Report
1(5)(xxvii)	The report as well as certificate regarding compliance of conditions of this Code as required under condition No.9 shall be disclosed as per Annexure-B & Annexure-C	✓		Stated in the annual Report
6.	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.	✓		
7.	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).	✓		
3(2)	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: 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.	✓		
	(i) The Audit Committee shall immediately report to the Board on the following findings, if any:-	✓		
5(6)(a)(ii)(a)	report on conflicts of interests;	✓		
5(6)(a)(ii)(b)	suspected or presumed fraud or irregularity or material defect identified in the internal audit and compliance process or in the financial statements;	✓		
5(6)(a)(ii)(c)	suspected infringement of laws, regulatory compliances including securities related laws, rules and regulations; and	✓		
5(6)(a)(ii)(d)	any other matter which the Audit Committee deems necessary shall be disclosed to the Board immediately;	✓		
(b) 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).	✓		
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;	✓		
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.	✓		
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;	✓		



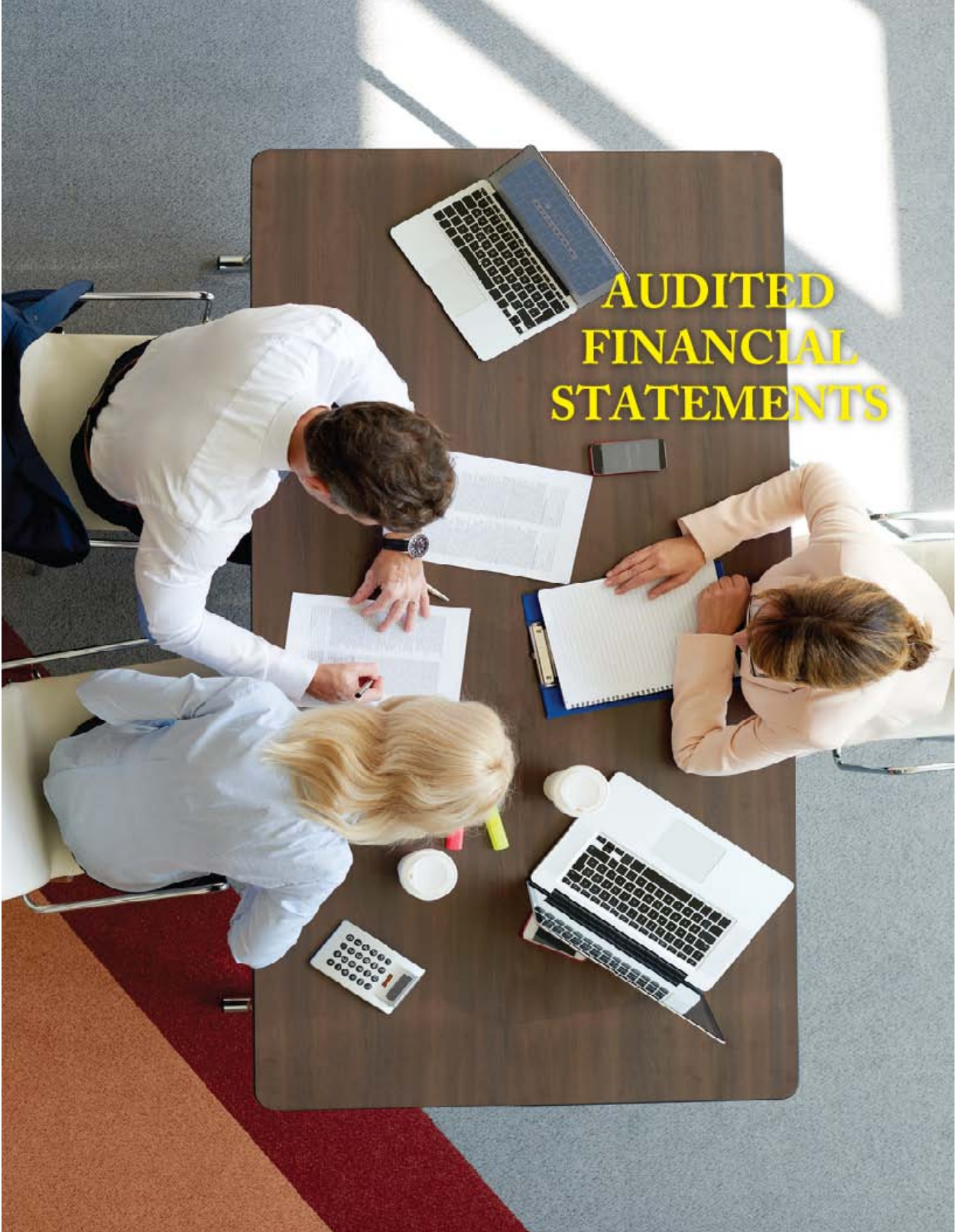
Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (If any)
		Complied	Not Complied	
6(5)(b)(ii)	devising a policy on Board's diversity taking into consideration age, gender, experience, ethnicity, educational background and nationality;	✓		
6(5)(b)(iii)	identifying persons who are qualified to become directors and who may be appointed in top level executive position in accordance with the criteria laid down, and recommend their appointment and removal to the Board;	✓		
6(5)(b)(iv)	formulating the criteria for evaluation of performance of independent directors and the Board;	✓		
6(5)(b)(v)	identifying the company's needs for employees at different levels and determine their selection, transfer or replacement and promotion criteria; and	✓		
6(5)(b)(vi)	developing, recommending and reviewing annually the company's human resources and training policies;	✓		
6(5)(c)	The company shall disclose the nomination and remuneration policy and the evaluation criteria and activities of NRC during the year at a glance in its annual report.	✓		
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 চার্টার্ড সেক্রেটারী 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 চার্টার্ড সেক্রেটারী আইন, ২০১০ (২০১০ সনের ২৫ নং আইন) (Chartered Secretaries Act, 2010).</p>	✓		
9(2)	The professional who will provide the certificate on compliance of this Corporate Governance Code shall be appointed by the shareholders in the annual general meeting.	✓		
9(3)	The directors of the company shall state, in accordance with the Annexure-C attached, in the directors' report whether the company has complied with these conditions or not.	✓		

Golam Rahman
Managing Director

AUDITED FINANCIAL STATEMENTS





Mahfel Huq & Co.

Chartered Accountants

The first registered accounting firm in Independent Bangladesh



Association of Chartered Accountants of Bangladesh

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Independent Auditor's Report To the Shareholders of Deshbandhu Polymer Limited

Report on the Audit of the Financial Statements

Qualified Opinion

We have audited the financial statements of Deshbandhu Polymer Limited (the "Company"), which comprise the Statement of Financial Position as at 30 June 2020 and along with 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 notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion, except for the effects of the matter described in the Basis for Qualified Opinion section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at 30 June 2020, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) as explained.

Basis for Opinion:

The company's inventory in transit is carried in the statement of financial position at BDT. 305,851,655. Management has not provided sufficient appropriate valid documents to confirm the balance. We are also unable to confirm this balance from alternative source.

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code), Bangladesh Securities and Exchange Commission (BSEC) and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code and the Institute of Chartered Accountants of Bangladesh (ICAB) Bye Laws. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

Key Audit Matters

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

1. Revenue Recognition

Risk	Our Response to the Risk
<p>At the year end, the company reported total revenue of BDT 824,577,244.</p> <p>Revenue is measured net of VAT & Supplementary duty. Including net local sales and export sales by customers on the company's sales.</p> <p>We focus on the risk of material misstatement in the recognition of revenue, as a result of both fraud and error, because revenue is material and is an important determinant of the company's profitability, which has a consequent impact on its share price performance.</p> <p>The estimation of export sales recognized based on L/C value and invoice submitted any foreign exchange</p>	<p>We have tested the design and operating effectiveness of key controls focusing on the following:</p> <ul style="list-style-type: none"> • Calculation of VAT and SD; • Segregation of duties in invoice creation and modification; and • Timing of revenue recognition. <p>Our substantive procedures in relation to the revenue recognition comprises the following:</p> <ul style="list-style-type: none"> • Obtaining supporting documentation for sales transactions recorded at the yearend date to determine whether revenue was recognized in the current period;



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<p>gain/loss made during the year is material and considered to be complex and judgmental. [See note 22.00 to the financial statements]</p>	<ul style="list-style-type: none"> • Critically assessing manual journals posted to revenue to identify unusual or irregular items; and • Finally assessed the appropriateness and presentation of disclosures against relevant accounting standards.
<p>2. Accounts Receivable</p>	
<p>Risk</p> <p>The company has reported BDT. 262,457,625 as Accounts receivable which includes first party, third party, Inhouse party and Corporate party</p> <p>The company is based on both Local and export sales therefore receivable confirmation is a material issue, which requires proper correspondence with debtors.</p> <p>The estimation of export sales recognized based on L/C value and invoice submitted any foreign exchange gain/loss made during the year is material and considered to be complex and judgmental. [See note 8.00 to the financial statements]</p>	<p>Our Response to the Risk</p> <p>For Accounts receivables and the management's estimations for trade receivables impairment provision, we performed key audit procedures included the following:</p> <ul style="list-style-type: none"> • We send trade receivables balance confirmations to the debtors; • We analyzed the aging of trade receivables; and • We obtained a list of long outstanding receivables and assessed the recoverability of these through inquiry with management and by obtaining sufficient corroborative evidence to support the conclusions.

Emphasis of Matter

We draw attention to note 3.9, The company has yet to transfer the 10% contribution of Workers Profit Participation Fund (WPPF) to the Bangladesh Workers Welfare fund as per section 234 of Bangladesh Labour Law 2006 (amendment 2018).

Other Information

Management is responsible for the other information. The other information comprises all of the information in the Annual Report other than the financial statements and our auditor's report thereon. The Annual Report is expected to be made available to us after the date of this auditor's report.

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

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to the board of directors of the company.



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

Management is responsible for the preparation and fair presentation of the financial statements of the Company 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.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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



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- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

Report on other Legal and Regulatory Requirements

In accordance with the Companies Act, 1994, the Securities and Exchange Rules 1987, IFRS and other applicable laws and regulations, we also report that:

- (i) 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;
- (ii) 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;
- (iii) the statement of financial position and statement of profit or loss and other comprehensive income together with the annexed notes dealt with by the report are in agreement with the books of account and returns; and
- (iv) the expenditures incurred were for the purpose of the Company's business for the year;

Dhaka, 27 October 2020

Md. Abdus Satter Sarkar, FCA

For and on behalf of,

Mahfel Huq & Co.

Chartered Accountants





Mahfel Huq & CO.
CHARTERED ACCOUNTANTS

Deshbandhu Polymer Limited
Statement of Financial Position
as at 30 June 2020

Assets	Particulars	Notes	30 June 2020	30 June 2019
			Taka	Taka
Non-Current Assets				
	Property, Plant & Equipment	4	459,619,411	441,596,074
	Investment	5	716,928	716,928
			460,336,339	442,313,002
Current Assets				
	Inventories	6	282,126,699	220,491,223
	Inventory in Transit	7	305,851,655	446,329,786
	Accounts Receivable	8	262,457,625	267,304,556
	Inter Company Receivable	9	219,552,033	244,229,563
	Advance, Deposit and Prepayments	10	165,312,520	141,797,403
	Advance Income Tax	11	291,132,330	255,144,068
	Cash and Cash Equivalents	12	18,629,400	28,249,941
			1,545,062,262	1,603,546,541
Total Assets			2,005,398,601	2,045,859,543
Equity and Liabilities				
Shareholders' Equity				
	Share Capital	14	613,651,500	613,651,500
	Retained Earnings		29,737,202	43,906,010
			643,388,702	657,557,510
Non-Current Liabilities				
	Deferred Tax Liability	13	66,992,628	66,489,985
Current Liabilities				
	Bank Overdraft	15	217,466,613	234,645,434
	Short Term Loan	16	994,809,360	1,002,797,024
	Accounts Payable	17	3,584,201	5,730,154
	Other Payables	18	9,201,738	14,356,838
	Share Money Refundable	19	14,924,500	14,924,500
	Worker's Profit Participation Fund	20	2,219,381	1,629,025
	Provision for Income Tax	21	52,811,476	47,729,073
			1,295,017,270	1,321,812,048
Total Equity and Liabilities			2,005,398,601	2,045,859,543
Net Asset Value (NAV) per share		32	10.48	10.72

The annexed notes form an integral part of these financial statements


Chief Financial Officer


Company Secretary


Director


Managing Director

Signed in terms of our separate report of even date annexed

Dhaka
27 October 2020




Mahfel Huq & CO.
CHARTERED ACCOUNTANTS



Deshbandhu Polymer Limited
Statement of Profit or Loss and Other Comprehensive Income
For the year ended 30 June 2020

<u>Particulars</u>	<u>Notes</u>	<u>30 June 2020</u> <u>Taka</u>	<u>30 June 2019</u> <u>Taka</u>
Revenue	22	824,577,244	799,252,742
Cost of Goods Sold	23	(729,930,375)	(682,695,931)
Gross profit		94,646,869	116,556,811
Administrative Expenses	24	(15,231,263)	(17,721,315)
Selling & Distribution Expenses	25	(8,945,103)	(10,219,725)
Operating profit		70,470,503	88,615,771
Financing Cost	26	(80,562,912)	(79,206,252)
Financing Income	27	22,489,884	24,800,014
Profit/(loss) before WPPF and Income Tax		12,397,476	34,209,533
Provision for contribution to WPPF	28	(590,356)	(1,629,025)
Profit/(loss) before Income Tax		11,807,120	32,580,508
Provision for Income Tax:			
Current Tax	29	(5,082,403)	(8,145,127)
Deferred Tax	13	(502,643)	4,307,665
Profit after tax for the year		6,222,074	28,743,046
Other Comprehensive income:			
Increase/Diminution in the value of investment in share	30	-	-
Total Comprehensive income for the year		6,222,074	28,743,046
Earning per share of Tk. 10.00 each	31	0.10	0.47

The annexed notes form an integral part of these financial statements


Chief Financial Officer


Company Secretary


Director


Managing Director

Signed in terms of our separate report of even date annexed

Dhaka
27 October 2020




Mahfel Huq & CO.
CHARTERED ACCOUNTANTS



Mahfel Huq & CO.
CHARTERED ACCOUNTANTS

Deshbandhu Polymer Limited
Statement of Changes in Shareholders Equity
For the year ended 30 June, 2020

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

Deshbandhu Polymer Limited
Statement of Changes in Shareholders Equity
For the year ended 30 June 2019

Particulars	Share Capital Taka	Retained earnings Taka	Total Taka
Balance as at 30 June 2018	613,651,500	45,845,539	659,497,039
Cash Dividend 2017-2018		(30,682,575)	(30,682,575)
Net profit after tax for the year	-	28,743,046	28,743,046
Other comprehensive income for the year:			
Increase in the value of investment in share	-	-	-
Balance as at 30 June 2019	613,651,500	43,906,010	657,557,510

The annexed notes form an integral part of these financial statements


Chief Financial Officer


Company Secretary


Director


Managing Director

Signed in terms of our separate report of even date annexed

Dhaka
27 October 2020





Deshbandhu Polymer Limited
Statement of Cash Flows
for the year ended 30 June, 2020

<u>Particulars</u>	<u>Notes</u>	<u>30 June 2020</u> <u>Taka</u>	<u>30 June 2019</u> <u>Taka</u>
A. Cash flows from operating activities:			
Cash received from customer	33	829,424,175	832,271,820
Cash paid to suppliers, employees and others	34	(677,914,924)	(804,417,158)
Cash generated/used in operations		151,509,251	27,854,662
Cash received from Financing income		22,489,885	24,800,014
Financing cost paid		(80,562,912)	(79,206,252)
Income Tax Paid		(35,988,261)	(31,832,998)
Net cash used in operating activities	35	57,447,962	(58,384,573)
B. Cash flow from investing activities:			
Purchase of property, plant and equipment		(46,188,670)	(112,468,164)
Disposal of shares		-	-
Net cash used in investing activities		(46,188,670)	(112,468,164)
C. Cash flow from financing activities:			
Short term loan		(7,987,664)	285,196,478
Bank Overdraft		(17,178,821)	(6,013,157)
Cash Dividend		(20,390,881)	(30,682,575)
Share money refund		-	-
Other finance- Inter company		24,677,531	(65,242,129)
Net cash from financing activities		(20,879,834)	183,258,617
Net cash inflow / (outflow) (A+B+C)		(9,620,542)	12,405,879
Cash and cash equivalent at the beginning		28,249,941	15,844,062
Cash and cash equivalent at the closing		18,629,400	28,249,941
Cash and cash equivalent at the closing:			
Cash in Hand		3,699,715	3,890,947
Cash at Banks		14,929,685	24,358,994
		18,629,400	28,249,941
Net Operating Cash flow per share	36	0.94	(0.95)

The annexed notes form an integral part of these financial statements


Chief Financial Officer


Company Secretary


Director


Managing Director

Signed in terms of our separate report of even date annexed

Dhaka
27 October 2020





DESHBANDHU POLYMER LIMITED

Notes to the Financial Statements

As at and for the year ended 30 June 2020

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 International Accounting Standard (IAS), International Financial Reporting Standards (IFRSs), 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 and Supplementary Duty Act, 2012;

The Value Added Tax and Supplementary Duty Rules, 2016;

The Customs Act, 1969;

Bangladesh Labor Act, 2006 as amended in 2018;

Bangladesh Securities and Exchange Rules, 1987;

Dhaka Stock Exchange (DSE) Listing Regulations, 2015; and

Chittagong Stock Exchange (CSE) Listing Regulations, 2015.

2.3. Measurement 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 basis 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 IAS 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; and
- v. Notes to the financial statements.

2.5. Applicable Accounting Standards

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

- IAS - 1 Presentation of Financial Statements
- IAS - 2 Inventories
- IAS - 7 Statements of Cash Flows
- IAS - 8 Accounting Policies, Changes in Accounting Estimates and Errors
- IAS - 10 Events after the Reporting Date
- IAS - 12 Income Taxes
- IAS - 16 Properties, Plant and Equipment
- IAS - 19 Employee Benefits
- IAS - 21 The Effects of Changes in Foreign Exchange Rates
- IAS - 23 Borrowing Costs
- IAS - 24 Related Party Disclosures
- IAS - 32 Financial Instruments: Presentation
- IAS - 33 Earnings Per Share
- IAS - 37 Provisions, Contingent Liabilities and Contingent Assets
- IAS - 39 Financial Instruments: Recognition and Measurement
- IFRS - 1 First Time Adoption of International Financial Reporting Standards
- IFRS - 7 Financial Instruments: Disclosures
- IFRS - 13 Fair value measurements
- IFRS - 15 Revenue from Contracts with Customers

2.6. Use of Estimates and Judgments

The preparation of the Financial Statements in conformity with IFRS 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 IAS-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 IAS-1 "Presentation of Financial Statements". The recommendations of IAS-1 relating to the format of financial statements were also taken into full consideration for fair presentation.



3.1. 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 IAS-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 Equipment's	10%
Vehicles	10%

3.1.3 Capitalization of borrowing costs

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

3.1.4 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 IAS-2 "Inventories" after making due allowance for any obsolete or slow-moving item and details of valuation are as follows:

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

3.3. 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 IAS 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 IAS-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 IAS-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 IAS 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 IAS-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 IAS-18. Sales revenue is recognized when the goods are delivered.

3.11. Finance Income and Expense

3.11.1. Finance Income

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

3.11.2. 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 IAS-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 IAS 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 IAS 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 IAS-1: "Presentation of Financial Statements", for all numeric information in the financial statements and also the narrative and descriptive information where it is relevant for understanding of the current year's Financial Statements.

3.16. Related Party Transactions

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

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

The Company transacts with related parties and recognize as per IAS 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.



4.00 Property, Plant & Equipment 2019-2020

Types of assets	Cost		Addition during the Year	Cost as at 30.06.20	Rate	Depreciation			Written down value 30.06.20
	Cost as at 01.07.19					Cumulative as at 01.07.19	Charged during the Year	Cumulative as at 30.06.20	
Land & land development	70,860,737	-	-	70,860,737	-	-	-	-	70,860,737
Building	148,744,330	-	-	148,744,330	2.5%	16,622,134	3,718,608	20,340,742	128,403,588
Plant & machinery	330,514,843	46,188,670	46,188,670	376,703,513	5%	134,877,860	16,718,195	151,596,055	225,107,458
Furniture & fixtures	563,956	-	-	563,956	10%	394,889	56,396	451,284	112,672
Electric & other appliances	67,979,437	-	-	67,979,437	10%	30,854,668	6,797,944	37,652,611	30,326,826
Office machinery and equipment	6,173,523	-	-	6,173,523	10%	1,413,385	617,35	2,030,737	4,142,786
Vehicles	2,568,383	-	-	2,568,383	10%	1,646,199	256,838	1,903,038	665,345
Total	627,405,209	46,188,670	46,188,670	673,593,879		185,809,135	28,165,333	213,974,468	459,619,411

Depreciation charged to

	2020 Taka	2019 Taka
Manufacturing expenses	26,757,066	24,032,777
Administrative Expenses	1,408,267	1,264,883
Total	28,165,333	25,297,660





	30 June 2020 (Taka)	30 June 2019 (Taka)
5.00 Investment (Note : 5.01)		
Opening Balance	716,928	716,928
Decrease/Increase of Share price	-	-
Closing balance	716,928	716,928

5.01 EXIM Bank Ltd.

Number of Share	Cost per Share	Total cost
73,834	9.71	716,928

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		
6.00 Inventory			
Closing Stock of Raw Materials	13,13,527 Kgs	159,613,418	126,666,228
Work in process (WIP)	3,64,710 Kgs	55,891,839	46,823,183
Finished goods	16,33,200 Pcs	37,628,407	18,464,880
Stock of spare parts		28,993,035	28,536,932
		282,126,699	220,491,223

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

7.00 Inventory in Transit

Raw Materials-in-transit	250,987,772	396,831,532
Spare parts-in-transit	54,863,883	49,498,254
	305,851,655	446,329,786

8.00 Accounts Receivable

First Party	60,475,896	51,719,093
Third party	96,716,900	155,181,471
Inhouse Party	41,383,017	38,781,815
Corporate party	63,881,812	21,622,177
	262,457,625	267,304,556

Analysis of Accounts Receivable:

Receivable due below six months	183,720,338	187,113,189
Receivable due within one year	78,737,288	80,191,367
	262,457,625	267,304,556

a Accounts recoverable are unsecured and considered good .

b There is no such debt due by or to directors or other officers of the company.

c The company has Accounts receivable transactions with its following related party:

Company Name	30 June 2020	30 June 2019
Commodities Trading Company	3,237,916	-
Deshbandhu Sugar Mills Ltd.	15,109,322	25,820,392
Deshbandhu Consumer & Agro Products Ltd.	715,980	715,980
Deshbandhu Cement Mills Ltd.	17,388,641	0,420,526
Deshbandhu Food & Beverage	446,040	-
M.R.Trading	1,393,700	-
Sahera Auto Rice Mills Ltd.	3,091,418	1,824,917
	41,383,017	38,781,815

9.00 Inter company receivable

Deshbandhu Cement Mills Ltd.	20,701,752	20,936,325
M R Trading	105,358,210	116,369,321
Deshbandhu Food & Bevarage Ltd.	5,546,325	10,836,325
Sahera Auto Rice Mills Ltd.	7,952,369	10,452,369
Deshbandhu Packaging Ltd.	79,993,377	85,635,223
	219,552,033	244,229,563

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





Mahfel Huq & CO.
CHARTERED ACCOUNTANTS

	30 June 2020 (Taka)	30 June 2019 (Taka)		
10.00 Advance, deposit and prepayment				
Advance, deposit and prepayment (Note:10.01)	130,716,965	110,377,209		
Advance, deposit and prepayment (Note:10.03)	34,595,555	31,420,194		
	165,312,520	141,797,403		
10.01 Advances				
Advance VAT against purchase (Note:10.02)	18,338,318	6,117,213		
Deshbandhu C & F	22,407,000	16,601,509		
S K Mahmud & Sons	15,886,356	15,821,356		
Capital Work-in- Progress	41,534,483	41,536,934		
Salary and other advance	25,220,044	26,199,168		
	123,386,201	106,276,180		
Deposits				
BG (Margin)	5,359,180	1,644,670		
Security deposit	20,000	20,000		
Other advance	1,951,584	2,436,359		
	7,330,764	4,101,029		
	130,716,965	110,377,209		
10.02 Advance VAT Against purchase				
Year wise Advance VAT:	Opening Balance	VAT Paid against purchase	VAT adjustment during the year	Closing Balance
FY 2007-2008	-	12,869,992	10,853,495	2,016,497
FY 2008-2009	2,016,497	26,734,699	26,941,025	1,810,171
FY 2009-2010	1,810,171	36,674,411	32,034,454	6,450,128
FY 2010-2011	6,450,128	29,738,109	22,587,772	13,600,465
FY 2011-2012	13,600,465	44,233,040	38,498,674	19,334,832
FY 2012-2013	19,334,832	60,495,273	66,163,640	13,666,465
FY 2013-2014	13,666,465	71,674,380	73,742,488	11,598,357
FY 2014-2015	11,598,357	86,173,368	75,863,701	21,908,024
FY 2015-2016	21,908,024	66,357,794	66,481,645	21,784,173
FY 2016-2017	21,784,173	90,248,336	107,137,772	4,894,737
FY 2017-2018	4,894,737	131,391,200	128,092,258	8,193,679
FY 2018-2019	8,193,679	103,743,676	105,820,142	6,117,213
FY 2018-2020	6,117,213	135,894,273	123,673,168	18,338,318
10.03 Letter of credit margin				
Dhaka Bank Ltd.		34,595,555		31,420,194
		34,595,555		31,420,194
All advances and deposits amount are considered good and recoverable.				
11.00 Advance income tax				
TDS on interest		156,796		154,831
AIT on Raw materials		175,507,741		164,382,236
AIT on Sales		103,259,435		78,429,439
Tax deduction on FDR		4,469,339		4,449,341
Tax deduction on STD		7,288,898		7,278,101
AIT on Office rent		133,308		133,308
AIT on Spare Parts		316,812		316,812
		291,132,330		255,144,068
11.01 Year wise Advance income tax:				
FY 2007-2008		1,150,501		1,150,501
FY 2008-2009		2,375,993		2,375,993
FY 2009-2010		3,350,553		3,350,553
FY 2010-2011		2,365,460		2,365,460
FY 2011-2012		13,262,159		13,262,159
FY 2012-2013		26,934,217		26,934,217
FY 2013-2014		31,976,605		31,976,605
FY 2014-2015		38,620,692		38,620,692
FY 2015-2016		23,419,853		23,419,853
FY 2016-2017		45,634,789		45,634,789
FY 2017-2018		34,220,249		34,220,249
FY 2018-2019		31,832,997		31,832,997
FY 2019-2020		35,988,261		-
		291,132,330		255,144,068
11.02	The Advance Tax of Tk. 291,132,330/- to be adjusted against Tax Liability			





Mahfel Huq & CO.
CHARTERED ACCOUNTANTS

	30 June 2020 (Taka)	30 June 2019 (Taka)
12.00 Cash and Cash Equivalent		
Cash in Hand	3,699,715	3,890,947
Cash at Banks (Note: 12.01)	11,845,660	21,454,952
Fixed Deposit Receipts (Note: 12.02)	3,084,025	2,904,042
	18,629,400	28,249,941

12.01 Cash at Banks

Name of banks	A/C No.	Branch	Amount (Tk.)	Amount (Tk.)
Agrani bank	STD-292/3	Principal	44,977	88,736
Bank Asia Ltd	STD 967	Principal	1,425	2,524
Dhaka Bank Ltd.	STD- 1004	F. Exchange	2,057	3,656
Dhaka Bank Ltd.	STD- 2292	Local Office	62,622	11,759,476
Habib Bank Ltd.	STD-1944	Motijheel	2,811	-
Islami Bank Ltd.	MSND-8701	F. Exchange	1,343,799	2,625,137
Janata Bank Ltd.	STD-1312	Corporate	26,125	131,825
Mercantile Bank Ltd.-	USD 054 (S)	Motijheel	110,941	110,941
Meghna Bank Ltd	CD-415	Gulshan	36,933	134,424
Mutual Trust Bank Ltd.	STD-342	Banani	55,781	159,138
NRB Commercial Bank Ltd.	STD-0047	Principal	108,804	109,383
Pubali Bank Ltd.	STD-75-0	Gulshan	2,130,415	756,920
Sonali Bank Ltd.	STD-627	Shilpa Vhaban	131,611	127,495
Southeast Bank Ltd.	SND-2133	Principal	24,885	25,488
Southeast Bank Ltd.	SND-2153	Principal	1,584,772	1,873,359
Southeast Bank Ltd.	SND-2108	Principal	1,067,596	1,048,506
Southeast Bank Ltd.	STD-2083	Principal	1,260,064	1,236,882
Southeast Bank Ltd.	STD-2079	Principal	9,926	88,670
Southeast Bank Ltd.-	FC-Dollar-8568	Principal	789,734	789,734
Southeast Bank Ltd.-	FC-Euro-7736	Principal	15,203	15,203
Southeast Bank Ltd.-	FC-Pound-7525	Principal	66,195	66,195
Social Islami Bank Ltd.	CD-8444	Banani	142,318	143,618
Islami Bank Ltd.	SND-3910	Paltan	2,700	2,700
Trust Bank Ltd.	CD-2078	Mohakhali	330,774	25,983
Dhaka Bank Ltd.	CD-17442	Local Office	1,468,772	39,316
United Commercial Bank Ltd.	CD-00477	Banani	10,507	36,415
Uttara Bank Ltd.	CD-11587	Uttara B5	1,013,912	53,228
			11,845,660	21,454,952

12.02 Fixed Deposit Receipts	Branch	"Interest rate"		
Mercantile Bank Ltd.	Motijheel	4.0%	1,040,110	997,404
Mercantile Bank Ltd.	Motijheel	6.0%	2,043,915	1,906,638
			3,084,025	2,904,042

13.0 Deferred tax Liability

Property, Plant & Equipments other than Land and Land Development	Carrying amount (2019-20)	Tax Base	Difference
	388,758,674	120,788,161	267,970,513
Applicable Rate			25.00%
Deferred tax liability			66,992,628
Deferred tax liability as on 30 June 2019			66,489,985
Deferred tax income for the year (2019-20)			502,643
Property, Plant & Equipments other than Land and Land Development	Carrying amount (2018-19)	Tax Base	Difference
	370,735,337	104,775,398	265,959,940
Applicable Rate			25.00%
Deferred tax liability			66,489,985
Deferred tax liability as on 30 June 2018			70,797,650
Deferred tax income for the year 2018-19			(4,307,665)

Year wise Deferred tax Liability:

FY 2012-2013	(46,353,002)	(46,353,002)
FY 2013-2014	(19,875,950)	(19,875,950)
FY 2014-2015	4,159,873	4,159,873
FY 2015-2016	(15,257,559)	(15,257,559)
FY 2016-2017	4,940,565	4,940,565
FY 2017-2018	1,588,423	1,588,423
FY 2018-2019	4,307,665	4,307,665
FY 2019-2020	(502,643)	-
	(66,992,628)	(66,489,985)





	30 June 2020 (Taka)	30 June 2019 (Taka)
14.00 Share capital		
30,000,000 ordinary shares of Tk 10/- each.	<u>3,000,000,000</u>	<u>3,000,000,000</u>
14.01 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	55,786,500
	<u>613,651,500</u>	<u>613,651,500</u>
14.02 Category wise Shareholding position of the Company		

Name of the shareholders	Nationality	2020		2019	
		Number of Shares	Holding %	Number of Shares	Holding %
A. Sponsors					
Mr. Golam Mostafa	Bangladeshi	1,227,303	2.00	1,227	2.000
Mr. Golam Rahman	Bangladeshi	2,173,858	3.54	2,173,858	3.542
B. Director					
Deshbandhu Sugar Mills Ltd.	Bangladeshi	14,726,866	23.9987	14,726,866	23.998
Deshbandhu Distilleries Ltd.	Bangladeshi	1,227,303	2.00	1,227,303	2.000
C. Shareholders'					
Deshbandhu Shipping Ltd.	Bangladeshi	1,227,303	2.00	1,227,303	2.000
Provash Chakrobarty	Bangladeshi	151	0.0002	151	0.0002
Brig. Gen. Sarwar Jahan Talukder (Rtd.)	Bangladeshi	151	0.0002	151	0.0002
Eng. Md. Shakhawat Hossain	Bangladeshi	151	0.0002	151	0.0002
Abdul Khaleque	Bangladeshi	151	0.0002	151	0.0002
Late Golam Rasul Putul	Bangladeshi	151	0.0002	151	0.0002
D. Financial Institution	Bangladeshi	3,412,805	5.56	3,412,805	5.561
E. General shareholders	Bangladeshi & NRB	37,368,957	60.90	37,368,957	60.898
		<u>61,365,150</u>	<u>100.00</u>	<u>61,365,150</u>	<u>100.00</u>





14.03 Category wise Number of Share and Share Holders

Particulars	2020		2019	
	Number of Shares	Holding %	Number of Shares	Holding %
Sponsors and Directors	20,583,388	33.542	20,583,388	33.542
Financial Institution	3,412,805	5.561	3,412,805	5.561
General Public	37,368,957	60.896	37,368,957	60.897
	61,365,150	100	61,365,150	100

14.04 Classification of shares by holding

Particulars	2020			2019		
	Number of Shareholders	Number of Shares	Holding %	Number of Shareholders	Number of Shares	Holding %
Less than 500 Shares	2,510	383,429	0.625	2,510	383,429	0.710
500 to 5,000 Shares	5,042	7,272,350	11.851	5,042	7,272,350	13.390
5,001 to 10,000 Shares	530	3,944,474	6.428	530	3,944,474	7.740
10,001 to 20,000 Shares	323	4,695,018	7.651	323	4,695,018	9.050
20,001 to 30,000 Shares	107	2,693,466	4.389	107	2,693,466	5.450
30,001 to 40,000 Shares	57	2,004,815	3.267	57	2,004,815	4.460
40,001 to 50,000 Shares	28	1,276,216	2.080	28	1,276,216	3.100
50,001 to 100,000 Shares	49	3,524,881	5.744	49	3,524,881	7.460
100,001 to 1,000,000 Shares	45	11,246,687	18.327	45	11,246,687	12.740
Over 1,000,000 Shares	8	24,323,814	39.638	8	24,323,814	35.900
	8,699	61,365,150	100.00	8,699	61,365,150	100.00





	30 June 2020 (Taka)	30 June 2019 (Taka)
15.0 Bank overdraft		
Dhaka Bank Ltd. Local office (Note-15.01)	61,550,383	63,889,667
Mercantile Bank Ltd. Motijheel Branch (Note-15.02)	155,916,231	170,755,767
	217,466,613	234,645,434
15.01 Dhaka Bank Ltd.		
Facility : Overdraft		
Facility limit : Tk.60,000,000		
Interest Rate : 12.00% which is subject to change from time to time.		
Security : Registered mortgage of total 129.125 decimal land with 3 factory shade (1 single storied factory-cum-office, 1 single storied warehouse, 1 single storied shed) at Kawadi, Palash, Narshingdi.		
15.02 Mercantile Bank Ltd.		
Facility : Overdraft		
Facility limit : Tk.150,000,000		
Interest Rate : 12.5% which is subject to change from time to time.		
Security : Hypothecation of the stocks in trade. Corporate guarantee of Deshbandhu Group. Directors Personal guarantee.		
16.00 Short term loan		
Loan against trust receipts(LTR) (Note-16.01)	864,907,006	887,746,068
Acceptance liabilities under letter of credit (Note-16.03)	129,902,354	115,050,956
	994,809,360	1,002,797,024
16.01 Loan against trust receipts(LTR)		
Dhaka Bank Ltd.	349,118,792	392,932,040
Mercantile Bank Ltd.	372,319,668	337,679,953
Islamic Finance & Investment Ltd. (Note-16.02)	143,468,546	157,134,075
	864,907,006	887,746,068
16.1.1 Dhaka Bank Ltd.		
Facility : LTR		
Facility limit : Tk.50,000,000		
Interest Rate : 11.00% which is subject to change from time to time.		
Security : Registered mortgage of total 129.125 decimal land with 3 factory shade (1 single storied factory-cum-office, 1 single storied warehouse, 1 single storied shed) at Kawadi, Palash, Narshingdi.		
16.1.2 Mercantile Bank Ltd.		
Facility : LTR		
Facility limit : Tk.20,000,000		
Interest Rate : 11.5% which is subject to change from time to time.		
Security : Hypothecation of the stocks intrade. Corporate guarantee of Deshbandhu Group. Directors Personal guarantee.		
16.02 Islamic Finance & Investment Limited		
Facility : Term Loan		
Facility limit : Tk.100,000,000		
Interest Rate : 13% which is subject to change from time to time.		
Security : Hypothecation of the stocks intrade. Corporate guarantee of Deshbandhu Group. Directors Personal guarantee.		
16.03 Acceptance Liabilities under letter of credit		
Dhaka Bank Ltd. (Note-16.04)		
Capital Machinery L/C	1,049,133	-
Raw Material L/C	128,853,222	115,050,956
	129,902,354	115,050,956
16.04 Dhaka Bank Ltd.		
Facility : Letter of Credit (L/C)		
Facility limit : Tk.300,000,000		
Purposes : Import Capital machinery, Raw Materials and Spare Parts by Letter of Credit(L/C).		
Security : Registered mortgage of total 129.125 decimal land with 3 factory shade (1 single storied factory-cum-office, 1 single storied warehouse, 1 single storied shed) at Kawadi, Palash, Narshingdi.		





Mahfel Huq & CO.
CHARTERED ACCOUNTANTS

	30 June 2020 (Taka)	30 June 2019 (Taka)
17.00 Accounts payable		
Aryan Enterprise	59,867	910,860
Bandhan Power & Electric	635,249	-
Continental Insurance	64,342	-
Diamond Bearing & Machinery	162,650	56,250
Dynamic Trade Link	70,560	219,930
Frontline Communication	341,800	341,800
G K Enterprise	185,050	185,050
Green Delta Insurance Company Ltd.	76,940	76,940
H T Traders	217,893	139,430
Industrial Electric Power Equipment Co.	35,050	35,050
Helal Electric	1,583,310	2,412,848
Ornab Electric Co.	-	1,200,506
Park Trading	151,490	151,490
	3,584,201	5,730,154
Analysis of Accounts Payable:		
Payable due below six months	2,793,871	4,297,616
Payable due over six months below one year	790,330	1,432,539
	3,584,201	5,730,154
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		
Chan Traders	-	581,510
M/S Joy Paribahan Shangstha	-	555,802
M/S Sudipta Enterprise	313,853	1,871,150
RBP Woven Industries	-	375,760
Security Deposit from transport Co.	-	308,517
Security deposit-employee	-	22,800
Setcom IT Ltd.	-	600,000
Tax deduction at source	323,777	313,639
Tushar Enterprise	491,000	1,659,000
Electric Bill	2,972,610	2,280,876
Factory Salary	4,160,991	4,688,191
Head Office Salary	939,507	1,099,593
	9,201,738	14,356,838
All accrued expenses are paid on regular basis;		
19.00 Share Money Refundable		
Opening Balance	14,924,500	14,924,500
Refund during the year	-	-
Closing Balance	14,924,500	14,924,500
20.00 Workers Profit Participation Fund		
Opening balance	1,629,025	2,188,695
Disburse to beneficiary	-	(2,188,695)
	1,629,025	-
Provision made during the year	590,356	1,629,025
Closing Balance	2,219,381	1,629,025





		30 June 2020 (Taka)	30 June 2019 (Taka)
21.00 Provision for income tax			
Opening Balance		47,729,073	39,583,946
Provision during the year		5,082,403	8,145,127
Less: Adjustments		-	-
		52,811,476	47,729,073
21.01 Year wise provision for income tax			
FY 2010-2011			
FY 2011-2012			
FY 2012-2013		12,028,022	12,028,022
FY 2013-2014		7,934,248	7,934,248
FY 2014-2015		1,843,896	1,843,896
FY 2015-2016		1,687,068	1,687,068
FY 2016-2017		5,147,235	5,147,235
FY 2017-2018		10,943,477	10,943,477
FY 2018-2019		8,145,127	8,145,127
FY 2019-2020		5,082,403	-
		52,811,476	47,729,073
22.00 Revenue	Quantity		
Gross Local Sales		791,896,016	811,287,759
Less: VAT & SD		(123,673,168)	(105,820,142)
Net Local Sales	2,87,93,765 pcs	668,222,847	705,467,617
Export Sales (Note-22.01)	35,78,400 pcs	156,354,397	93,785,125
		824,577,244	799,252,742
22.01 Export Sales			
	2018-2019	2018-2019	2019-2020
	USD	BDT	USD
	1,116,490	93,785,125	1,860,745
			2019-2020
			BDT
			156,354,397
23.00 Cost of Goods Sold:			
Raw Material Consumed	23.01	640,589,169	583,588,231
Manufacturing Expenses	23.02	117,573,389	124,702,979
		758,162,558	708,291,210
Opening work-in-process		46,823,183	22,912,718
Less: Closing work-in-process		55,891,839	46,823,183
Cost of goods manufactured:		749,093,902	684,380,745
Opening Finished Goods		18,464,880	16,780,066
Less: Closing Finished Goods		37,628,407	18,464,880
		729,930,375	682,695,931
23.01 Consumed of Raw Materials			
Opening Stock of Raw Material		126,666,228	70,304,304
Add: Purchases during the year			
Imported		237,670,482	562,816,943
Local purchases		435,865,877	77,133,212
		673,536,359	639,950,155
Less: Closing Stock of Raw Materials		159,613,418	126,666,228
		640,589,169	583,588,231





	30 June 2020 (Taka)	30 June 2019 (Taka)
23.02 Manufacturing Expenses		
Salary and Wages and other benefits	47,036,413	53,712,233
Traveling & conveyance	303,420	276,560
Electricity bill	36,223,543	38,159,165
Rent & rates	361,200	-
Repair & maintenance	2,027,867	6,536,017
Fuel and power	1,230,212	1,504,415
Postage & telephone	28,369	34,256
Printing & stationery	292,601	258,240
Food allowance	113,312	121,348
Insurance premium	3,018,750	-
License, registration & renewal	143,613	20,464
Staff welfare	37,023	47,504
Depreciation	26,757,066	24,032,777
	117,573,389	124,702,979
24.00 Administrative Expenses		
Salary and Allowances	10,802,134	11,985,308
Rent & rates	61,864	55,780
Repair & Maintenance	120,455	132,984
Conveyance	98,640	110,426
Audit fee	125,000	180,000
Business Promotion Expenses	947,000	1,468,650
Printing & Stationery	24,066	223,684
Postage & Telephone	119,650	125,905
AGM expenses	453,882	445,767
Entertainment	131,209	259,424
Legal and professional charge	447,704	460,500
License, Registration & Renewal	119,658	85,705
Annual Return fee RJSC	85,803	17,142
Share department expenses	178,673	174,995
Staff welfare	-	9,645
Telephone & Mobile Purchase	86,758	92,365
Tender schedules purchase	20,500	14,500
Expenses of CDBL	-	613,652
Depreciation	1,408,267	1,264,883
	15,231,263	17,721,315
25.00 Selling & Distribution Expenses		
Publicity & advertisement	372,295	324,675
Carriage outward	6,874,660	7,788,905
Fuel and power	-	8,775
Sales promotion expenses	1,603,350	2,097,370
Traveling & Daily Allowance	94,798	-
	8,945,103	10,219,725
26.00 Financing cost		
Bank Charges	1,750,715	1,194,699
Foreign Currency Fluctuation Loss/(Gain)	750,371	-
Interest on Overdraft, Time & Term loans	78,061,825	78,011,553
	80,562,912	79,206,252





	30 June 2020 (Taka)	30 June 2019 (Taka)
27.00 Financing Income		
Intercompany interest	21,955,203	24,422,956
Dividend Income	93,881	73,834
Short term deposit	240,818	103,362
Fixed deposit receipts	199,982	199,862
	22,489,884	24,800,014
28.00 Provision for contribution to WPPF		
Profit/(loss) before WPPF and Income Tax	12,397,476	34,209,533
Calculated Provision for contribution to WPPF	590,356	1,629,025
29.00 Current Tax Calculation		
Profit before Tax	11,807,120	32,580,508
Tax Charge @ 25% (A)	2,951,780	8,145,127
Gross Receipts		
Revenue	824,577,244	799,252,742
Financing Income	22,489,884	24,800,014
	847,067,128	824,052,756
Tax Charge @ 0.60% (B)	5,082,403	4,944,317
Corporate Tax and Minimum Tax whichever is higher	5,082,403	8,145,127
31.00 Earning per share (EPS)		
Net profit after tax for the year	6,222,074	28,743,046
Weighted average number of shares outstanding during the year	61,365,150	61,365,150
Earning Per Share of Tk. 10.00 each	0.10	0.47
32.00 Net Assets Value Per Share (NAVPS)		
Total Assets	2,005,398,601	2,045,859,543
Less: Non-current Liability	66,992,628	66,489,985
Less: Current Liability	1,295,017,270	1,321,812,048
	643,388,703	657,557,510
Weighted average number of shares outstanding during the year	61,365,150	61,365,150
	10.48	10.72
33.00 Cash Receipts from Customers		
Revenue	824,577,244	799,252,742
Add: Opening Trade Debtors	267,304,556	300,323,634
	1,091,881,800	1,099,576,377
Less: Closing Trade Debtors	(262,457,625)	(267,304,556)
	829,424,175	832,271,820
34.00 Cash paid to suppliers, employees and others		
Cost of Goods Sold	729,930,375	682,695,931
WPPF paid to beneficiary	-	2,188,695
Add: Administrative Expenses	15,231,263	17,721,315
Add: Selling & Distribution Expenses	8,945,103	10,219,725
Less: Depreciation	(28,165,333)	(25,297,660)
	725,941,408	687,528,006
Increase/(Decrease) in Inventories	61,635,476	76,968,520
	787,576,884	764,496,526
(Increase)/Decrease in Current Liabilities	7,301,053	(4,459,574)
Increase/(Decrease) in Current Assets	(116,963,014)	44,380,205
	677,914,923	804,417,157





	30 June 2020 (Taka)	30 June 2019 (Taka)
35.00 Cash Flows from Operating Activities under indirect method		
Profit before WPPF and Tax	12,397,476	34,209,533
Add Expenses Not Requiring Cash:		
Depreciation	28,165,333	25,297,660
Other Adjustments:		
(Increase)/Decrease in Accounts Receivable	4,846,931	33,019,079
(Increase)/Decrease in Inventory	(61,635,476)	(76,968,520)
(Increase)/Decrease in Advances, Deposits and Prepayments	(23,515,117)	28,095,142
(Increase)/Decrease in Advances Tax paid	(35,988,261)	(31,832,998)
(Increase)/Decrease in Inventory in transit	140,478,131	(72,475,347)
Increase/(Decrease) in Accounts Payable	(2,145,953)	(1,857,810)
Increase/(Decrease) WPPF Disburse to beneficiary	0	(2,188,695)
Increase/(Decrease) in Other Payables	(5,155,100)	6,317,384
Cash flows from operating activities	57,447,962	(58,384,573)
36.00 Net Operating Cash Flow Per Shares (NOCFPS)		
Net cash used in operating activities	57,447,962	(58,384,573)
Weighted average number of shares outstanding during the year	61,365,150	61,365,150
	0.94	(0.95)
37.00 Directors Remuneration:		
Directors of the company did not receive any remuneration for attending the Board Meeting except independent director @Tk. 5,000.00 per meeting.		
38.00 Capacity Utilization:		
BOI approved capacity (pcs)	65,045,000	65,045,000
Installed capacity (pcs)	46,200,000	46,200,000
Actual production (pcs)	38,372,165	39,408,193
Capacity utilization	83%	85%

39.00 Related party transaction:

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

Name	Nature of relationship	Nature of transactions	2019-2020 Taka	2018-2019 Taka
Deshbandhu Sugar Mills Ltd.	Share Holder	Short Term Funding	Nil	Nil
		Account Receivables	Dr. 15,109,322	Dr. 25,820,392
Deshbandhu Cement Mills Ltd.	Common Directors	Short Term Funding	Dr. 20,571,752	Dr. 20,936,325
		Account Receivables	Dr. 17,388,641	Dr. 10,420,526
Commodities Trading Company	Common Directors	Short Term Funding	Nil	Nil
		Account Receivables	Dr. 3,237,916	Nil
M R Trading	Common Directors	Short Term Funding	Dr. 105,358,210	Dr. 116,369,321
		Account Receivables	Dr. 1,393,700	Nil
Sahera Auto Rice Mills Ltd.	Common Directors	Short Term Funding	Dr. 7,952,369	Dr. 10,452,369
		Account Receivables	Dr. 3,091,418	Dr. 1,824,917
Deshbandhu Food & Beverage Ltd.	Common Directors	Short Term Funding	Dr. 5,546,325	Dr. 10,836,325
		Account Receivables	Dr. 446,040	Nil

Note : Deshbandhu Sugar Mills Ltd (SRF) 15,771,297 and (AR) 1,41,98,893 had been error in 2017-18 audit period Which has rearranged by Nil (STF) and 29,970,190 (AR) in audit period 2018-19.





	30 June 2020 (Taka)	30 June 2019 (Taka)
40.00 Number of employees		
Number of employees	516	414
Salary range		
Monthly Taka 5,000 or above	516	414
Monthly below Taka 5,000	Nil	Nil
41.00 Capital expenditure commitment		
Property, Plant & Equipment 2019-2020		
42.00 Contingent liabilities		
There was no sums for which the company is contingently liable as on June 30, 2020.		
43.00 Claims not acknowledged		
There was no claims against the company not acknowledged as debt as on June 30, 2020.		
44.00 Commission, brokerage or discount against sale		
No commission, brokerage or discount was incurred or paid by the company against sales during the year ended June 30, 2020.		
45.00 Payment made in foreign currency		
Except raw material purchase (Note: 23.01) no expenses including royalty, Technical expert and professional advisory fees, interest etc was incurred or paid in foreign currency.		





46.00 Risk Factors & Management's Perception About The Risks

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

46.01 Credit Risk

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

Management Perception

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

46.02 Interest Rate Risk

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

Management Perception

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

46.03 Exchange Rate Risk

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

Management Perception

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

46.04 Industry Risks

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





46.05 Market and Technology Related Risks

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

Management Perception

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

46.06 Potential or Existing Government Regulations

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

Management Perception

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

46.07 Potential Change in Global or National Policy

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

Management Perception

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

46.08 Non-operating History

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

Management Perception

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

46.09 Operational Risk

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





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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.

47.00 Events after the Reporting Period :

- 47.01** The Board of Directors has recommended 5% cash dividend for General Shareholders other than Sponsors/Directors of the company for the year ended 30 June, 2020. The shareholders whose name will appear in the share register of the company or in the depository register on the record date will be eligible to attend the Annual General Meeting and to receive the dividend. The Sponsors/Directors hold 2,05,83,388 shares out of total 6,13,65,150 shares of the Company and the cash dividend to be payable to the General shareholders is Tk. 2,03,90,881.00.
- 47.02** The Board of Directors also authorized the Financial Statements for issue.
- 47.03** Except above, no other significant event occurred till the date of signing the financial statements.

Chief Financial Officer

Company Secretary

Director

Managing Director





Annexure A-1

Schedule of Quantity-wise Raw Materials
1st Jul-2019 to 30-Jun-2020

Particulars	1- Jul-2019 to 30 June 2020											
	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	46,600	121.78	5,674,948	3,046,459	127.11	387,235,402	2,631,434	127.03	334,270,266	461,425	127.03	58,640,084
02. Polycorn	84,550	74.48	6,297,284	113,200	92.00	10,414,400	121,325	84.51	10,253,072	76,425	84.51	6,458,612
03. CoCo8 & TPT	220,450	53.69	11,835,961	404,000	75.12	30,348,480	536,820	67.55	36,266,635	87,630	67.55	5,919,895
04. MB White	67,450	166.42	11,359,329	26,000	193.00	5,018,000	86,275	175.26	15,120,448	7,175	175.26	1,257,481
05. H.D.PE	89,850	162.35	14,587,148	354,500	139.00	49,275,500	211,470	143.72	30,392,785	232,880	143.72	33,469,862
06. L.D.PE	305,825	113.24	34,631,623	26,000	122.15	3,175,900	291,580	113.94	33,272,083	40,445	113.94	4,585,440
07. L.L.D.PE	107,100	111.31	11,921,301	82,150	130.20	10,695,930	182,950	119.51	21,864,319	6,300	119.51	752,912
08. PP (Lamin.G)	114,400	162.42	18,580,848	694,575	148.90	103,432,218	573,900	150.81	86,550,956	235,075	150.81	35,452,110
09. Sack Kraft Paper	27,549	51.23	1,411,335	851,519	53.91	45,907,926	808,856	53.829	43,334,039	70,210	53.91	3,785,222
Indirect Materials												
1. Red Ink	650	358.00	232,700	12,500	431.19	5,389,934	12,725	427.58	5,439,367	425	431.19	183,257
2. Black Ink	300	352.00	105,600	3,425	446.70	1,529,964	3,550	439.08	1,572,390	175	446.70	78,173
3. Green Ink	810	366.00	296,460	3,450	423.50	1,461,075	3,940	412.57	1,622,015	320	423.50	135,520
4. Orange Ink	215	362.00	77,830	1,300	420.35	546,455	1,440	417.07	592,759	75	420.35	31,576
5. Blue Ink	909	395.00	359,055	4,925	430.46	2,119,996	4,919	424.93	2,065,183	915	430.46	393,867
6. Yellow Ink	60	353.00	21,180	1,550	403.06	624,746	1,535	401.20	615,697	75	403.06	30,230
7. Flexo Thinner/Block	920	190.29	175,067	30,340	177.39	5,382,047	30,930	177.77	5,498,375	330	177.39	58,539
8. Cotton Yarn	200	203.00	40,600	14,128	177.76	2,511,356	14,197	178.11	2,528,670	131	177.76	23,246
9. White Ink	50	332.00	16,600	-	332.00	-	50	332.00	16,600	-	332.00	-
10. Geranium Ink	100	360.00	36,000	-	360.00	-	100	360.00	36,000	-	360.00	-
11. Violet Ink	300	453.00	135,900	400	474.14	189,657	400	465.08	186,314	300	474.14	142,243
12. Magenta Ink	175	465.00	81,375	-	465.00	-	25	465.00	11,625	150	465.00	69,750
MB Beige	950	438.00	416,100	7,800	439.78	3,430,306	8,475	439.59	3,725,466	275	439.78	120,940
MB Green	175	460.00	80,500	1,050	442.86	465,000	825	445.31	368,357	400	442.86	177,143
MB Blue	625	415.00	259,375	500	417.22	208,611	965	415.99	401,231	160	417.22	66,756
MB Red	25	440.00	11,000	500	440.00	220,000	275	440.00	121,000	250	440.00	110,000
MB Orange	525	445.00	233,625	1,000	428.57	428,567	1,450	434.22	630,050	75	428.57	32,143
MB Yellow	425	445.00	189,125	-	445.00	-	50	445.00	22,250	375	445.00	166,875
MB Brown	525	440.00	231,000	460	440.00	202,400	260	440.00	114,400	725	440.00	319,000
Additive Ink	25	401.00	10,025	-	401.00	-	-	401.00	-	25	401.00	10,025
Medium Ink	200	300.00	60,000	-	300.00	-	200	300.00	60,000	-	300.00	-
PP Multiflament Yarn	3,579	215.00	769,485	15,500	215.00	3,332,500	16,693	215.00	3,586,994	2,866	215.00	617,990
PP Recycle	72,525	90.00	6,527,250	15,870	-	-	0	-	(102,375)	88,395	75.00	6,629,625
Total	1,148,042	110.33	126,666,228	5,713,101	117.89	673,336,359	5,547,616	115.47	640,589,169	1,313,527	121.52	159,613,418





Annexure-A-2

Schedule of Quantity-wise Raw Materials
1st Jul-2019 to 30-Jun-2020

Particulars	Opening		Production		Cost of Revenue		Closing	
	Quantity Pcs.	Rate	Quantity Pcs.	Rate	Quantity Pcs.	Rate	Quantity Pcs.	Rate
PP woven bag and liner.	879,280	21.00	38,372,165	19.52	37,618,245	19.40	1,633,200	23.04
		18,464,880		749,093,902		729,930,375		37,628,407

Calculation of Finished Goods Including new product Cement Bag

Stock of spare parts **28,993,035**

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

Annexure-A-2

Schedule of Quantity-wise Raw Materials
1st Jul-2018 to 30-Jun-2019

Particulars	Opening		Production		Cost of Revenue		Closing	
	Quantity Pcs.	Rate	Quantity Pcs.	Rate	Quantity Pcs.	Rate	Quantity Pcs.	Rate
PP woven bag and liner.	768,300	21.84	39,408,193	17.37	39,297,213	17.37	879,280	21.00
		16,780,066		684,380,745		682,695,931		18,464,880

Calculation of Finished Goods Including new product Cement Bag

Stock of spare parts **28,536,932**

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.



Deshbandhu Polymer Limited

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



PROXY FORM

I/We.....of.....being a shareholder of
DESHBANDHU POLYMER LIMITED appoint Mr. / Mrs. / Miss. of..... as my/our proxy to attend and vote
for me/us and on my /our behalf at the **4th Extra-Ordinary General Meeting (EGM) & 14th Annual General Meeting** of the Company to be
held on Wednesday, December 30, 2020 at 9.00 A.M & 9.15 A.M, respectively at Digital Platform and at any adjournment thereof.

As witness my hand this..... day of.....2020

Signature of the Shareholder

Please affix
Revenue Stamp
of Tk. 20.00

Signature of the Proxy

Register Folio/BO ID No. :

Nos. of the shares held on the Record Date :

Date:

Signature Verified

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

ii). A Shareholder entitled to attend and vote at the 4th Extra-Ordinary General Meeting (EGM) & 14th Annual
General Meeting may appoint a Proxy to attend and vote on his/her behalf. Duly stamped and Completed Proxy
Form must be deposited at the share office of the Company at House No.-18 (1st floor), Road No -22, Block-K,
Banani, Dhaka-1213, not later than 48 hours before the time fixed for the meeting.

Deshbandhu Polymer Limited

ATTENDANCE SLIP

Name of Shareholder/Proxy										
Registered BO ID:										

I hereby record my attendance at the **4th Extra-Ordinary General Meeting (EGM) & 14th Annual General Meeting** of the
Company to be held on Wednesday, December 30, 2020 at 9.00 A.M & 9.15 A.M, respectively at Digital Platform.

SIGNATURE OF THE SHAREHOLDER / PROXY

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

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

2. Please note that 4th Extra-Ordinary General Meeting (EGM) & 14th Annual General Meeting can only be attended
by the honourable shareholders or properly constituted proxy /Attorney / Representative. Therefore, any friend or
children accompanying with honourable shareholder or proxy can not be allowed into the Meeting Hall.

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



www.deshbandhupolymer.com

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