



Deshbandhu Polymer Limited

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Share Department: House # 18 (3rd Floor), Road # 22, Block # K, Banani, Dhaka - 1213.

SECOND QUARTER FINANCIAL STATEMENTS as at 31 December, 2022 (Unaudited)

Statement of Financial Position As at 31 December, 2022 (Unaudited)

Particulars	Notes	Amount in Taka		
		31 Dec 2022	30 June 2022	
Assets				
Non-Current Assets		996,999,679	1,016,334,573	
Property, Plant & Equipment	4	996,212,617	1,015,509,672	
Investment in share	5	787,062	824,901	
Current Assets:		1,524,561,914	1,478,932,633	
Inventories	6	424,765,633	401,412,927	
Inventory in Transit		179,442,407	188,710,823	
Accounts Receivable	7	313,197,504	298,283,337	
Advance, Deposit and Prepayments		203,807,772	215,347,109	
Advance Income Tax		386,440,420	361,213,480	
Cash and Cash Equivalents	8	16,908,179	13,964,956	
Total Assets		2,521,561,592	2,495,267,206	
Equity and Liabilities				
Shareholders' Equity		1,128,709,815	1,117,367,243	
Share Capital		613,651,500	613,651,500	
Revaluation Surplus		463,753,858	467,003,358	
Retained Earnings		51,304,456	36,712,385	
Non-Current Liabilities		769,482,210	532,944,291	
Deferred Tax Liability		159,099,891	157,771,520	
Long Term Loan		610,382,319	375,172,771	
Current Liabilities		623,369,567	844,955,672	
Bank Overdraft		212,906,829	214,972,098	
Short Term Loan	9	330,706,721	552,345,251	
Accounts Payable		1,525,053	1,739,657	
Other Payables and Provisions	10	53,767,137	50,423,520	
Share Money Refundable		14,914,500	14,924,500	
Unclaimed/Undistributed Dividend Account		7,383,578	9,208,586	
Worker's Profit Participation Fund		2,165,749	1,342,061	
Total Current and Non Current Liabilities		1,392,851,778	1,377,899,963	
Total Equity and Liabilities		2,521,561,592	2,495,267,206	
Net Asset Value (NAV) per share	14	18.39	18.21	
Sd/-	Sd/-	Sd/-	Sd/-	Sd/-
Chief Financial Officer	Company Secretary	Director	Director	Managing Director

Date: January 30, 2023

Statement of Profit or Loss and Other Comprehensive Income For the 2nd quarter ended 31 December 2022 (Unaudited)

Particulars	Notes	Amount (Tk.)			
		July-Dec'22	July-Dec'21	Oct-Dec'22	Oct-Dec'21
Revenue		654,895,792	504,714,709	323,105,661	242,939,649
Cost of Goods Sold		(584,178,234)	(436,760,096)	(296,669,720)	(211,309,081)
Gross profit		70,717,559	67,954,613	36,435,940	31,630,768
Operating Expenses					
Administrative Expenses		(7,745,082)	(7,852,235)	(3,657,651)	(3,595,611)
Selling & Distribution Expenses		(3,348,283)	(4,730,985)	(702,663)	(1,037,349)
Total Operating Expenses		(11,093,364)	(12,583,220)	(4,360,314)	(4,632,960)
Operating profit		59,624,194	55,371,393	32,075,626	26,997,809
Financing Cost		(42,462,717)	(29,950,210)	(21,582,647)	(15,576,006)
Other Income		135,978	378,369	68,588	139,391
		(42,326,739)	(29,571,841)	(21,514,059)	(15,436,615)
Profit/(loss) before WPPF and Income Tax		17,297,455	25,799,552	10,561,568	11,561,191
Provision for Contribution to WPPF		(823,688)	(1,228,550)	(502,932)	(550,533)
Profit/(loss) before Tax		16,473,767	24,571,002	10,058,636	11,010,658
Income Tax (Expenses)/Income					
Current Tax	11	(3,930,191)	(5,528,475)	(1,939,045)	(2,477,398)
Deferred Tax	12	(1,328,371)	1,385,021	(1,816,011)	3,441,054
		(5,258,561)	(4,143,454)	(3,755,057)	963,656
Profit after tax for the period		11,215,206	20,427,548	6,303,579	11,974,315
Other Comprehensive Income/(Loss):		127,366	83,247	(101,626)	-
Total Comprehensive Income for the period		11,342,572	20,510,796	6,201,954	11,974,315
Earning per share of Tk. 10.00 each	15	0.18	0.33	0.10	0.20
Sd/-	Sd/-	Sd/-	Sd/-	Sd/-	
Chief Financial Officer	Company Secretary	Director	Director	Managing Director	

Date: January 30, 2023

Statement of Changes in Equity For the period ended December 31, 2022 (Unaudited)

Particulars	Share Capital Taka	Retained earnings Taka	Revaluation Surplus	Total Taka
Balance as at July 01, 2022	613,651,500	36,712,385	467,003,358	1,117,367,242
Net profit after tax for the period	-	11,215,206	-	11,215,206
Depreciation on Revaluation Surplus	-	3,249,500	(3,249,500)	-
Other Comprehensive Income/(Loss):	-	127,366	-	127,366
Balance as at December 31, 2022	613,651,500	51,304,456	463,753,858	1,128,709,814

Particulars	Share Capital Taka	Retained earnings Taka	Revaluation Surplus	Total Taka
Balance as at June 30, 2021	613,651,500	21,469,808	473,502,357	1,108,623,665
Cash Dividend 2020-2021	-	(20,390,881)	-	(20,390,881)
Net profit after tax for the year	-	29,092,961	-	29,092,961
Depreciation on Revaluation Surplus	-	6,498,999	(6,498,999)	-
Other Comprehensive Income/(Loss):	-	41,498	-	41,498
Balance as at June 30, 2022	613,651,500	36,712,385	467,003,358	1,117,367,242

Date: January 30, 2023

Statement of Cash Flows For the period ended December 31, 2022 (Unaudited)

Particulars	Note	Amount in Taka		
		July'22-Dec'22	July'21-Dec'21	
A. Cash flows from operating activities:				
Cash received from customer		639,981,625	459,814,950	
Cash paid to suppliers, employees and others		(575,090,482)	(547,118,363)	
Cash generated/used in operations		64,891,144	(87,303,413)	
Cash received from Other income		301,184	378,369	
Financing Cost Paid		(42,462,717)	-	
Income Tax Paid		(29,157,131)	(19,299,007)	
Net cash used in operating activities	13	(6,427,520)	(106,224,051)	
B. Cash flow from investing activities:				
Purchase of property, plant and equipment		(300,000)	(16,618,367)	
Disposal of shares		-	-	
Net cash used in investing activities		(300,000)	(16,618,367)	
C. Cash flow from financing activities:				
Long Term Loan		235,209,549	41,478,835	
Short Term Loan		(221,638,530)	(59,982,567)	
Bank Overdraft		(2,065,269)	247,485	
Financing Cost Paid		-	(29,950,210)	
Other finance- Inter company		-	171,378,179	
Unclaimed Dividend		(1,825,008)	-	
Net cash from financing activities		9,670,742	123,171,722	
Net cash inflow / (outflow) (A+B+C)		2,943,222	329,304	
Cash and cash equivalent at the beginning		13,964,956	26,962,658	
Cash and cash equivalent at the closing		16,908,178	27,291,962	
Cash and cash equivalent at the closing:				
Cash in Hand		1,001,411	1,009,292	
Cash at Banks		15,906,767	26,282,670	
		16,908,178	27,291,962	
Net Operating Cash Flow Per Share	16	(0.10)	(1.73)	
Sd/-	Sd/-	Sd/-	Sd/-	Sd/-
Chief Financial Officer	Company Secretary	Director	Director	Managing Director

Date: January 30, 2023

Note: The details of the published 2nd quarter (Unaudited) financial statements are available in the website of the Company.
The address of the website is www.deshbandhupolymer.com

Notes to the Financial Position For the 2nd quarter ended 31 December 2022

- 1.0 Selected Explanatory Notes**
These financial statements have been prepared in line with accounting policies for the period ended 31 December 2022 as adopted in the preparation of financial statements. This interim financial report includes those selected explanatory notes as were deemed appropriate for better understanding of unaudited financial statements.
- 2.0 Presentation of financial statements and basis of accounting**
The financial statements have been prepared in accordance with generally accepted accounting principles under "historical cost convention" and after compliance with International Financial Reporting Standards (IFRS) & International Accounting Standards (IAS) as adopted in Bangladesh, the Companies Act 1994, the Securities and Exchange Rules 1987 and other applicable laws and regulations.
- 3.0 Stock & Spares**
Raw materials & packing materials are valued at the lower of cost and net realizable value (NRV). Cost determined on average cost basis. The cost of stock comprises of expenditure incurred in the normal course of business in bringing the stock to their present location and condition. Finished goods and work in process are valued at material cost plus proportionate labor & overhead.
- | Particulars | Taka | Taka |
|---|----------------------|----------------------|
| | 31-Dec-21 | 31-Dec-21 |
| 4.0 Property, Plant & Equipment: | | |
| Fixed asset at cost/Revaluation Opening | 1,298,341,659 | 1,275,754,445 |
| Addition interim period | 300,000 | 16,618,367 |
| Total Cost of Fixed Assets | 1,298,641,659 | 1,292,372,812 |
| Less: Accumulated depreciation | | |
| Accumulated depreciation on Opening | (282,831,986) | (244,547,731) |
| Charged during the interim period | (16,347,556) | (15,992,625) |
| Depreciation on revaluation Surplus | (3,249,500) | (3,249,500) |
| Total Accumulated depreciation/Revaluation Surplus | (302,429,042) | (263,789,856) |
| Written down value 31.12.2022 | 996,212,617 | 1,028,582,956 |
- 5.0 Investment in share**
Opening Balance on 01.07.2022 824,901 877,876
(Decrease)/Increase of Share price (Note- 5.01) (37,840) 83,247
Closing balance as at 31.12.2022 787,062 961,123
- 5.1 EXIM Bank Ltd.**
- | No of Shares | Cost per share | Market Price per share | Total Market price (Tk.) | Total Market price (Tk.) |
|--------------|----------------|------------------------|--------------------------|--------------------------|
| 75,679 | 9.47 | 12.70 | 787,062 | 961,123 |
- Investments in Marketable Share is valued at Market price. Related gain/(loss) BDT (37,840) for this period is recognised through Other Comprehensive Income.
- 6.0 Inventory**
- | | | |
|-----------------------|--------------------|--------------------|
| Raw materials | 251,878,306 | 174,342,360 |
| Work in process (WIP) | 87,844,086 | 58,141,008 |
| Finished goods | 45,882,149 | 40,770,352 |
| Spare parts | 39,161,093 | 28,094,251 |
| | 424,765,633 | 301,347,971 |
- 7.0 Accounts Receivable**
- | | | |
|--------------------------|--------------------|--------------------|
| First Party | 81,858,893 | 87,970,204 |
| Third party | 93,486,918 | 90,233,193 |
| Inhouse Party (Note-7.1) | 37,837,836 | 40,217,828 |
| Corporate Party | 100,013,858 | 116,223,329 |
| Total | 313,197,504 | 334,644,554 |
- 7.1 Related Party Transaction**
The company has Accounts Receivable & during the period 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 IS-24.
- | Name of the Party | Nature of relationship | Nature of transactions | 31-Dec-22 | 31-Dec-21 |
|---|------------------------|--|----------------|----------------|
| Deshbandhu Sugar Mills Ltd. | Share Holder | Short Term Funding Account Receivables | NI | NI |
| | | | Dr. 8,054,076 | Dr. 24,031,023 |
| Deshbandhu Cement Mills Ltd. | Common Directors | Short Term Funding Account Receivables | NI | NI |
| | | | Dr. 8,964,761 | Dr. 4,184,888 |
| Commodities Trading Company | Common Directors | Short Term Funding Account Receivables | NI | NI |
| | | | Dr. 1,742,652 | Dr. 1,622,187 |
| Deshbandhu Packaging Ltd. | Common Directors | Short Term Funding Account Receivables | NI | NI |
| | | | Dr. 14,257,329 | Dr. 6,451,098 |
| Deshbandu Consumer & Agro Products Ltd. | Common Directors | Short Term Funding Account Receivables | NI | NI |
| | | | Dr. 801,750 | Dr. 819,689 |
| M R Trading | Common Directors | Short Term Funding Account Receivables | NI | NI |
| | | | Dr. 1,421,574 | Dr. 1,393,700 |
| Sahera Auto Rice Mills Ltd. | Common Directors | Short Term Funding Account Receivables | NI | NI |
| | | | Dr. 1,994,221 | Dr. 1,125,563 |
| Deshbandhu Food & Beverage Ltd. | Common Directors | Short Term Funding Account Receivables | NI | NI |
| | | | Dr. 601,473 | Dr. 589,680 |
- a. No Key Management Personnel services is being received from related parties during the year.
b. No compensation is given other than board meeting attendance fee for independent director during this period.
- 8.0 Cash and Cash Equivalents**
- | | | |
|---|-------------------|-------------------|
| Cash in Hand | 1,001,411 | 1,009,292 |
| Cash at Banks (BDT) | 11,256,057 | 22,006,901 |
| Cash at Banks (Foreign Currency converted to BDT) | 1,300,005 | 1,040,327 |
| Fixed Deposit Receipts | 3,350,706 | 3,235,443 |
| Total | 16,908,179 | 27,291,963 |
- 9.0 Short Term Loan**
- | | | |
|---------------------------------------|--------------------|--------------------|
| Opening Balance | 552,345,251 | 536,354,828 |
| Received/(Returned) during the period | (221,638,530) | (59,982,567) |
| Closing balance | 330,706,721 | 476,372,261 |
- These includes current position of Long term Bank liabilities.
- 10.0 Provision for Income Tax**
- | | | |
|--------------------------------------|-------------------|-------------------|
| Opening Balance | 40,406,376 | 57,585,772 |
| Provision for the period (Note-11.0) | 3,930,191 | 5,528,475 |
| Closing Balance | 44,336,566 | 63,114,248 |
- 11.0 Current Tax**
- | | | |
|-------------------------|------------|------------|
| Profit before Tax | 16,473,767 | 24,571,001 |
| Tax Charge @ 20.0 % (A) | 3,294,763 | 5,528,475 |
- Gross Receipts**
- | | | |
|----------------------------------|------------------|------------------|
| Revenue | 654,895,792 | 504,714,709 |
| Financing Income | 135,978 | 378,369 |
| | 655,031,771 | 505,093,077 |
| Tax Charge @ 0.60% (B) | 3,930,191 | 3,030,558 |
| Whichever is higher (A/B) | 3,930,191 | 5,528,475 |
- 12.0 Deferred Tax**
- | | | |
|--|--------------------|--------------------|
| Carrying WDV as per financial accounts | 355,041,137 | 1,025,547,834 |
| Carrying WDV as per tax base | (92,026,107) | (750,453,384) |
| Temporary difference at the end of the period | 263,015,030 | 275,094,450 |
| Tax Rate | 20.00% | 22.50% |
| Deferred tax liability (For Carrying) | 52,603,006 | 61,896,251 |
| Deferred Tax Liability for Revalued Amount (Taka) | 106,496,885 | |