



Deshbandhu Polymer Limited

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 Phone : +880-2-8816731 (Hunting), Fax : 880-2-9891456, website : www.deshbandhugroup.com.bd
 Share Division : BCIC Bhaban (14th Floor), 30-31, Dilkusha C/A, Dhaka-1000, Phone: +880-2-9560174

HALF YEARLY FINANCIAL STATEMENTS (UN-AUDITED) as at 31 December 2013

Dear Shareholders,

As per Rule 13 of Bangladesh Securities and Exchange Rules, 1987, we are pleased to enclose the Financial Statements (un-audited) showing, Statement of Financial Position, Statement of Comprehensive Income, Statement of Cash Flow and Statement of Changes in Equity for the Half Year ended on December 31, 2013.

Sd/-

Golam Rahman
 Managing Director

Statement of Financial Position (Un-Audited) As at 31 December 2013

| | 31 Dec 2013 | 30 June 2013 |
|-----------------------------------------------------|---------------|---------------|
| | Taka | Taka |
| Assets | | |
| Non-current assets | | |
| Property, plant & equipment: At Cost/revaluation | 426,985,084 | 375,321,068 |
| Accumulated depreciation | (66,718,073) | (57,701,099) |
| Investment | 360,267,011 | 317,619,969 |
| Current assets | 719,070 | 719,070 |
| Inventory | 111,004,605 | 115,892,702 |
| Accounts Receivable | 240,627,316 | 203,885,951 |
| Inter Company Receivable | 159,348,148 | 215,016,525 |
| Other receivable | 6,484,227 | - |
| Advance, Deposit and Prepayments | 27,538,840 | 26,468,796 |
| Advance Income Tax | 62,936,989 | 49,438,883 |
| Machinery & Stores In Transit | 83,139,036 | 105,668,899 |
| Cash and Bank Equivalent | 50,751,703 | 25,908,267 |
| Total assets | 1,102,816,945 | 1,060,619,062 |
| Equity and Liabilities | | |
| Shareholders' equity | | |
| Share capital | 507,150,000 | 483,000,000 |
| Retained earnings | 19,662,152 | 32,385,096 |
| | 526,812,152 | 515,385,096 |
| Non-current liabilities | | |
| Long term loan | - | 1,314,378 |
| Deferred Tax Liabilities | 55,143,208 | 46,353,002 |
| Current liabilities | | |
| Bank Overdraft | 95,529,889 | 96,647,230 |
| Short Term Loan | 30,029,190 | 111,436,651 |
| Trade Creditors | 279,392,933 | 163,948,906 |
| Accounts Payable | 3,433,225 | 4,880,241 |
| Other Payables | 22,784,640 | 26,145,578 |
| Inter Company Payable | 23,121,327 | 41,770,450 |
| Share Money Refundable | 16,138,635 | 16,138,635 |
| Workers Profit Participation Fund | 8,356,015 | 6,653,510 |
| Provision for Income Tax | 42,075,730 | 29,945,385 |
| | 520,861,584 | 497,566,586 |
| Total equity and liability | 1,102,816,945 | 1,060,619,062 |

Sd/-

M Mostaque Morshed
 Chief Financial Officer

Sd/-

Md. Liaquat Ali Khan
 Company Secretary

Sd/-

Golam Rahman
 Managing Director

Statement of Comprehensive Income (Un-Audited) For the 2nd quarter ended 31 December 2013

| Particulars | Half Year Ended | | | |
|--------------------------------------------------|-----------------|---------------|----------------------|----------------------|
| | Dec 31, 13 | Dec 31, 12 | 01 Oct to Dec 31, 13 | 01 Oct to Dec 31, 12 |
| Revenue | 318,157,505 | 265,711,425 | 173,482,842 | 122,329,139 |
| Cost of sales | (276,611,236) | (218,189,861) | (147,124,729) | (107,585,858) |
| Gross profit | 41,546,269 | 47,521,564 | 26,358,113 | 14,743,289 |
| Administrative and selling expenses | (8,390,188) | (6,918,631) | (5,719,667) | (2,869,233) |
| Operating profit | 33,156,081 | 40,602,933 | 20,638,446 | 11,765,056 |
| Financing Cost | (15,982,593) | (1,548,922) | (7,276,783) | 6,137,194 |
| Financing Income | 19,078,604 | - | 9,636,799 | - |
| Net profit/(Loss) before WPPF | 34,056,092 | 39,133,999 | 23,998,462 | 17,902,250 |
| Provision for contribution to WPPF | (1,792,505) | (1,956,895) | (2,149,813) | (895,112) |
| Net profit/(Loss) before income tax | 32,263,587 | 37,177,104 | 21,848,649 | 17,007,137 |
| Provision for Tax | (12,130,345) | (10,223,794) | (8,193,130) | (4,676,963) |
| Deferred tax current year | (8,790,186) | - | (8,790,186) | - |
| Total comprehensive income for the period | 11,427,056 | 26,953,480 | 4,865,333 | 12,330,174 |
| Earning per share (EPS) | 0.23 | 0.53 | 0.10 | 0.24 |
| Number of shares | 50,751,000 | 50,751,000 | 50,751,000 | 50,751,000 |

Sd/-

M Mostaque Morshed
 Chief Financial Officer

Sd/-

Md. Liaquat Ali Khan
 Company Secretary

Sd/-

Golam Rahman
 Managing Director

Statement of Cash Flow (Un-Audited) For the period ended 31 December 2013

| | Dec 31, 13 | Dec 31, 12 |
|-------------------------------------------------|--------------|---------------|
| A. Cash flows from operating activities: | | |
| Cash received from customer and other income | 279,416,140 | 203,492,927 |
| Cash paid to suppliers, employees and others | (89,588,809) | (507,934,201) |
| Cash generated from operations | 189,827,331 | (304,441,274) |
| Financing cost paid | (15,982,593) | (1,548,922) |
| Income Tax paid | (13,498,106) | (6,880,887) |
| Net cash used in operating activities | 160,346,632 | (312,871,083) |
| B. Cash flow from investing activities: | | |
| Purchase of property, plant and equipment | (51,664,016) | (3,454,701) |
| Net cash used in investing activities | (51,664,016) | (3,454,701) |
| C. Cash flow from financing activities: | | |
| Short term loan from bank | (81,407,461) | 139,116,803 |
| Long term loan | (1,314,378) | (4,672,573) |
| Cash dividend Paid | - | (23,000,000) |
| Net cash from financing activities | (82,721,839) | 111,444,230 |
| Net cash inflow / (outflow) (A+B+C) | 25,960,777 | (204,881,554) |
| Cash and cash equivalent at beginning | (70,738,963) | 151,088,690 |
| Cash and cash equivalent at closing | (44,778,186) | (53,792,864) |
| Cash and cash equivalent: | | |
| Cash in hand & at Bank | 50,751,703 | 18,067,359 |
| Bank Overdraft | (95,529,889) | (71,860,223) |
| | (44,778,186) | (53,792,864) |

Sd/-

M Mostaque Morshed
 Chief Financial Officer

Sd/-

Md. Liaquat Ali Khan
 Company Secretary

Sd/-

Golam Rahman
 Managing Director

Statement of Changes in Equity (Un-Audited) For the 2nd quarter ended 31 December 2013

| Particulars | Share Capital | Tax holiday reserve | Retained earnings | Total |
|---------------------------------------|---------------|---------------------|-------------------|-------------|
| Balance as at 01 July 2013 | 483,000,000 | - | 32,385,096 | 515,385,096 |
| Net profit/(loss) for the year | - | - | 11,427,056 | 11,427,056 |
| Bonus share | 24,150,000 | - | (24,150,000) | - |
| Balance as at 31 December 2013 | 507,150,000 | - | 19,662,152 | 526,812,152 |

For the 2nd quarter ended 31 December 2012

| Particulars | Share Capital | Tax holiday reserve | Retained earnings | Total |
|---------------------------------------|---------------|---------------------|-------------------|--------------|
| Balance as at 01 July 2012 | 460,000,000 | 37,329,338 | 55,698,521 | 553,027,859 |
| Net profit/(loss) for the year | - | - | 26,953,480 | 26,953,480 |
| Bonus share | 23,000,000 | - | (23,000,000) | - |
| Cash dividend | - | - | (23,000,000) | (23,000,000) |
| Balance as at 31 December 2012 | 483,000,000 | 37,329,338 | 36,652,001 | 556,981,339 |

Sd/-

M Mostaque Morshed
 Chief Financial Officer

Sd/-

Md. Liaquat Ali Khan
 Company Secretary

Sd/-

Golam Rahman
 Managing Director

Notes to the financial position For the 2nd quarter ended 31 December 2013 (Un-Audited)

1.0 Selected explanatory notes

These financial statements have been prepared in line with Accounting Policies as adopted in the preparation of financial statements for the period ended 31 December 2013. This interim financial report includes only those selected explanatory notes as were deemed appropriate for better understanding of un-audited 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 Bangladesh Financial Reporting Standards (BFRS) & Bangladesh Accounting Standards (BASs) adopted by the Institute of Chartered Accountants of Bangladesh (ICAB), the Companies Act, 1994, the Bangladesh Security 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 and proportionate labor & overhead.

3.1 Inventory

| | |
|--------------------------------|-------------|
| Raw materials | 50,234,385 |
| Work in process (W I P) | 44,936,120 |
| Finished goods | 10,455,599 |
| Store & spare parts in transit | 5,382,550 |
| | 111,048,654 |

4.0 Property, plant & equipment

| | |
|------------------------------------------------|--------------|
| Fixed asset at Cost/revaluation as at 01.07.13 | 375,321,068 |
| Addition interim period | 51,664,016 |
| Accumulated depreciation | (66,718,073) |
| | 360,267,011 |

5.0 Long term loan

| | |
|--------------------------------|-------------|
| Opening Balance as at 01.07.13 | 1,314,378 |
| Paid during the period | (1,314,378) |
| Closing Balance as at 31.12.13 | - |

6.0 Short Term Loan

| | |
|--------------------------------|--------------|
| Opening Balance as at 01.07.13 | 111,436,651 |
| Paid during the period | (81,407,461) |
| Closing Balance as at 31.12.13 | 30,029,190 |